



AVISON
YOUNG

34 East 32nd Street

NoMad, New York

Offering Memorandum

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Executive Summary


Executive Summary

The Offering

Avison Young, as the exclusive agent, is pleased to offer for sale 34 East 32nd Street (the 'Property'), also known as HGU New York, an iconic landmarked historical 90-key hotel located between Madison Avenue and Park Avenue South in the heart of NoMad. Built in 1905, this 35,778 SF Beaux Arts style property is one of the oldest continuously operating hotels in New York City.

The Property underwent a \$25M repositioning in 2016 and is now a highly reviewed four-star lifestyle boutique hotel servicing a diverse high-end client base. HGU New York provides investors with a unique opportunity to acquire a turnkey, cash-flowing non-union property in the highly desirable NoMad submarket. Currently self-managed, there is additional upside potential available to a hotel operator with the experience needed to increase revenues and add to the bottom line.

Highlights




Features

35,778 GSF across 90-keys, a 60-seat restaurant, two elevator cars, a lounge, a café and an exclusive roof deck bar



Accommodations

Spacious accommodations include 81 king rooms and 9 two-room suites

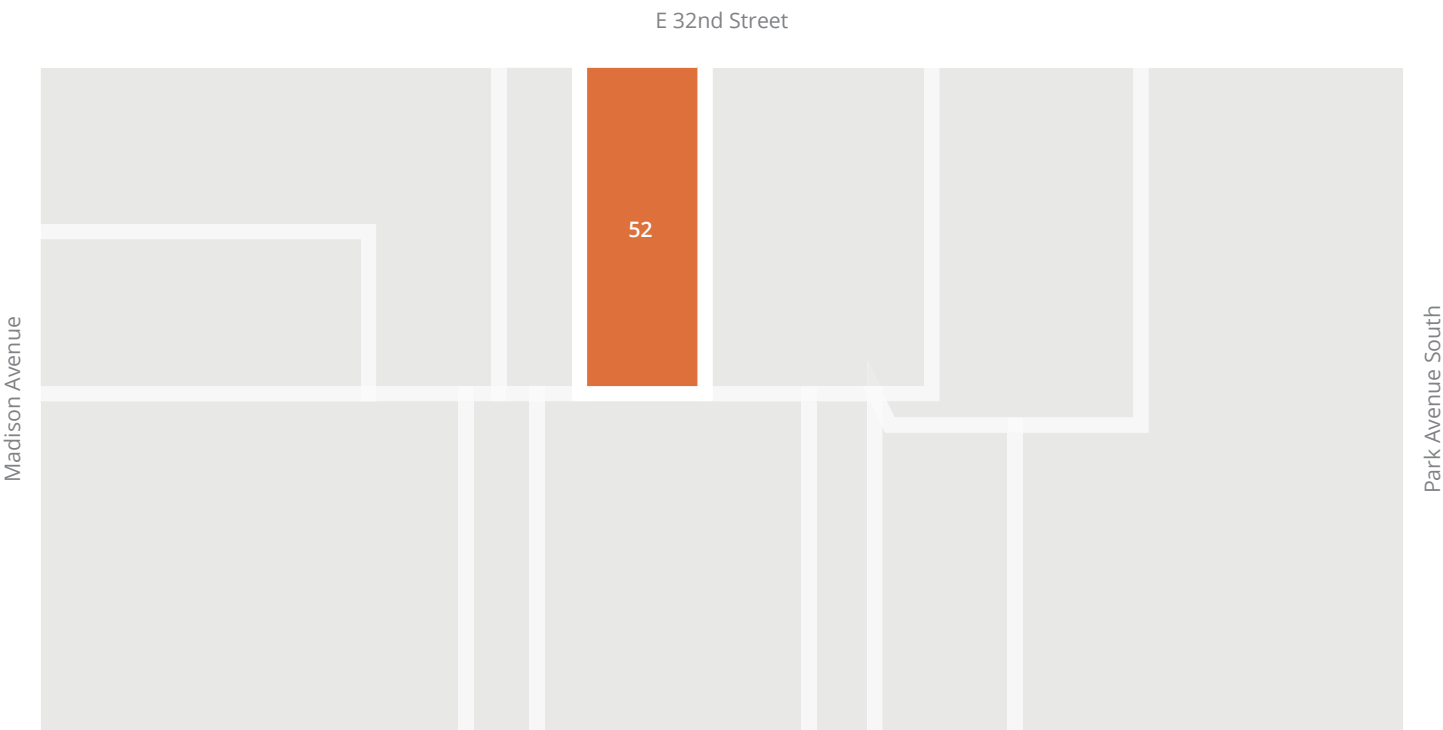


Style

Old-world pre-war gem with ornate plaster ceilings from 1905 and mid-century modern furnishings



Executive Summary



Property Total

Address	34 East 32nd Street
Neighborhood	NoMad
Cross Streets	Between Park Avenue South & Madison Avenue
Block / Lot	861 / 52
Lot Dimensions	40' x 98.75'
Lot Size	3,950 SF
Stories	10
Total Gross SF	35,778 SF
Total Keys	90 Total Keys
King Rooms	81
Two-Room Suites	9
Zoning	C5-2
Historic District / Landmark	Individual Landmark
Tax Class	4
RE Tax Assessment (25/26)	\$5,163,930
Property Tax Rate (25/26)	10.762%
Unabated Tentative Real Estate Taxes (25/26)	\$555,742
Estimated ICAP Abatement	\$24,397
Abated Tentative Real Estate Taxes (25/26)	\$531,346

Executive Summary

Extensive \$25M Renovation & Repositioning in 2016

- Thoughtfully designed hotel rooms include desks, armoires and full-sized bathtubs with luxury amenities such as in-room iPads, HDTVs and minibars
- Ground floor is currently built out to support full service food and beverage concepts
- Rooftop bar with views of Empire State Building
- Partnership with Solace New York offering guests access to premium group classes and private training next door

Upside Retail Potential

- Prime NoMad retail location currently leased and will be delivered vacant
- Below-market in-place rental rate presents ability to boost cash-flows in the near-term
- Highly trafficked retail corridor with strong co-tenancy





Opportunity for Experienced Hotel Operator to Capitalize on Non-Union Turnkey Property

- Non-union property is rare and highly desirable
- Boutique hotel with potential for a flag to rebrand and increase revenues and EBITDA

Executive Summary

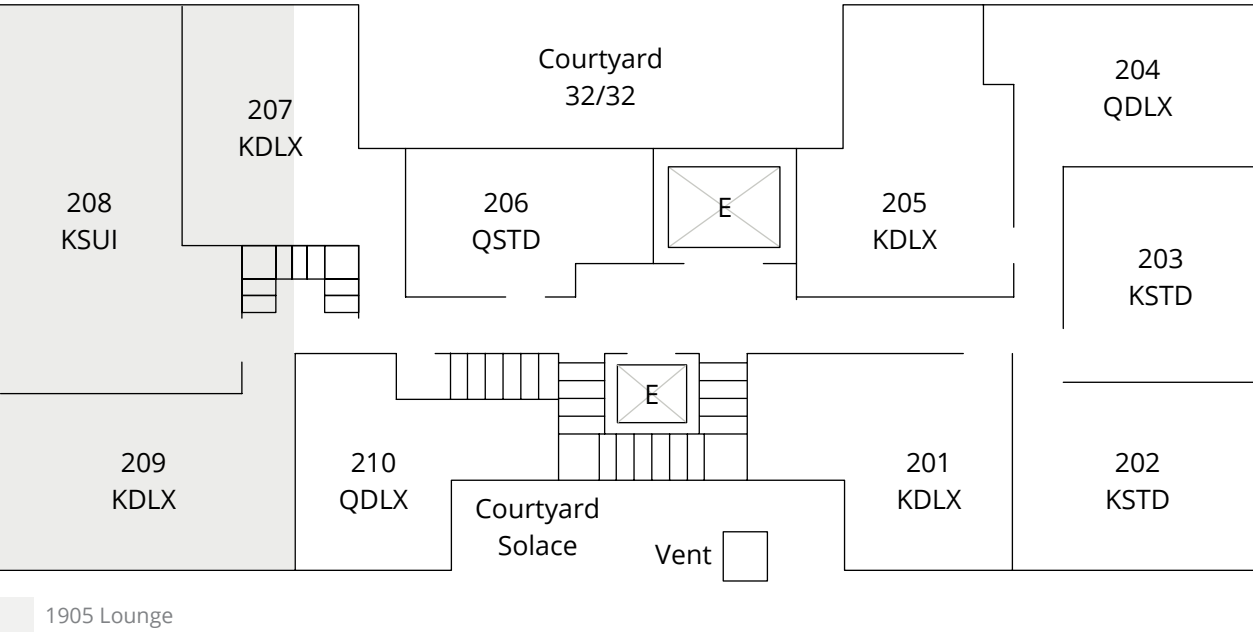


Room Details

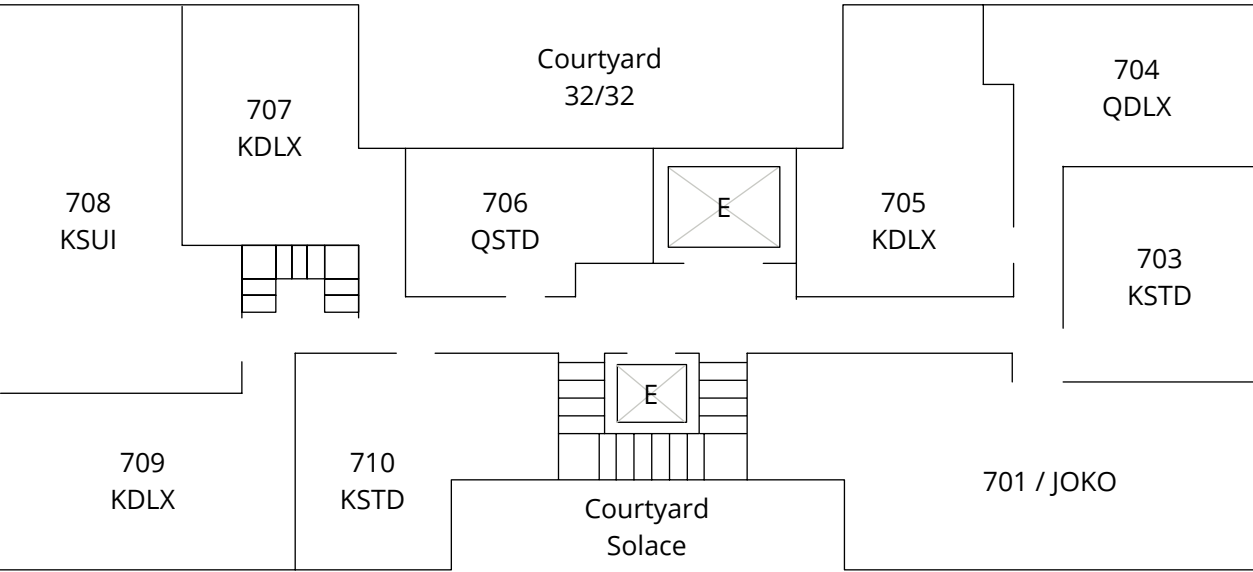
Room type	Abbreviation	Size	Total Rooms
Queen Standard	QSTD	120 sq ft	8
Queen Deluxe	QDLX	220 sq ft	10
King Standard	KSTD	240 sq ft	27
King Deluxe	KDLX	260 sq ft	36
King Suite	KSUI	400 sq ft	9

Executive Summary

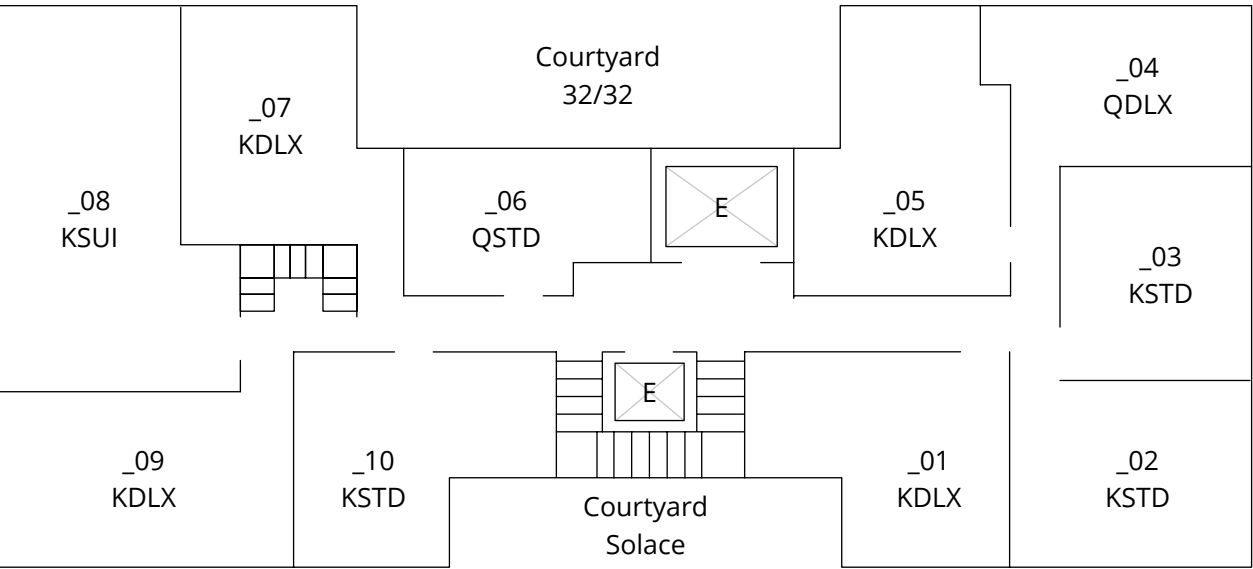
Floor Plans - 2nd Floor



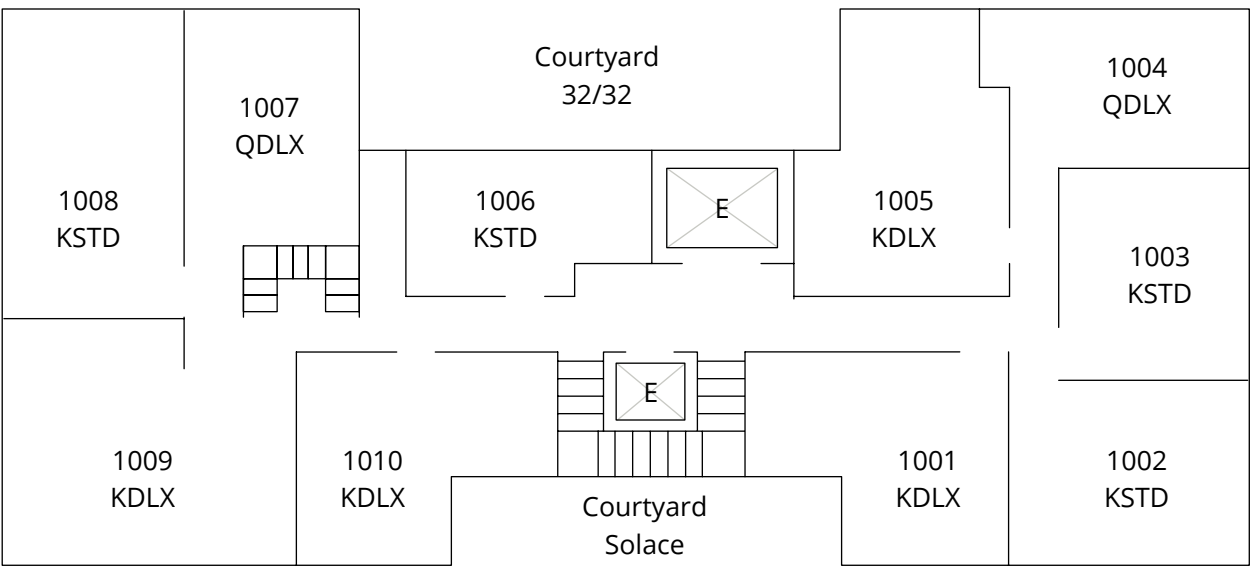
Floor Plans - 7th Floor



Floor Plans - 3, 4, 5, 6, 8, 9 Floors



Floor Plans - 10th Floor





Financial Overview

Financial Overview

Income & Expenses

Income ¹	
Rooms	\$6,540,277
Other Income	\$532,395
Effective Gross Income	\$7,072,672
Expenses ¹	Total
Real Estate Taxes	\$531,346
Departmental Expenses	\$2,069,152
Administrative & General	\$717,071
Information & Telecommunications System	\$114,412
Sales & Marketing	\$281,605
Property Operation & Maintenance	\$315,188
Utilities	\$174,596
Management Fees	\$56,708
Insurance	\$207,619
Other	\$48,415
Total Expenses	\$4,516,112
Effective Gross Income	\$7,072,672
Total Expenses	(\$4,516,112)
Net Operating Income	\$2,556,560

¹ Based on December 2024 T12. Internal expense items including rent and asset management fees have been removed.



Industrial Commercial Abatement Program (ICAP) - 10 Years

Benefit Year	Tax Year		Full Assessment	Abatement	Ratio	Tax Rate	Taxes Due	Taxes Due	Savings
							w/o ICAP	w/ ICAP	
Year 8	2024	2025	\$5,272,200	\$48,793	40%	10.762%	\$567,394	\$518,601	\$48,793
Year 9	2025	2026	\$5,163,930	\$24,397	20%	10.762%	\$555,742	\$531,346	\$24,397
Year 10	2026	2027	\$5,318,848	\$24,397	20%	10.789%	\$573,845	\$549,449	\$24,397

*The above projection schedule is an estimate. For more exact tax projections, please speak to your tax consultant.

Financial Overview

Comparable Retail Leases

Address	Lease Date	Tenant	Floor	SF	\$/SF
21 West 35th Street	Nov-24	Yumi Yaki by Chubby Cattle	Ground	4,516	\$159
43 West 27th Street	Oct-24	Izkaya	Ground	2,300	\$138
7-9 East 30th Street	Jul-24	Moto Ishi Korean BBQ	Ground	2,200	\$109
35 West 35th Street	Jun-24	Mt. ShuTao Hot Pot	Ground & 2nd Fl	8,300	\$110
40 West 37th Street	May-24	Imperial Orchid Sushi	Ground & 2nd Fl	1,950	\$113
155 East 31st Street	Mar-24	Lovavore	Ground & LL	1,000	\$240
27-29 East 30th Street	Feb-24	Gan Hoo BBQ	Ground	2,500	\$120
115-117 East 27th Street	Jan-24	Tokuyamatcha & Onigirazu Bar	Ground	500	\$127
Weighted Average					\$129





Location Overview

Location Overview

Flatiron / Nomad Neighborhoods

34 East 32nd Street is situated in the coveted Flatiron / NoMad District. Bound roughly by Avenue of the Americas to the west, Lexington Avenue to the east, 35th Street to the north and 20th Street to the south, Flatiron/ Nomad is an iconic neighborhood that benefits from its proximity to public transportation, its central location in Downtown Manhattan, and the ample foot traffic brought on by the neighborhood’s residences, credit retail tenants and tourist attractions.

Flatiron / NoMad has long been one of the City’s preeminent retail districts and, because of its central location, has become one of Manhattan’s most sought-after residential neighborhoods in recent years. Advanced by many other influential neighborhoods, Flatiron / Nomad is bordered by Chelsea to the west, Gramercy and Kips Bay to the east, Midtown South to the north and Greenwich Village to the south.

The neighborhood is anchored by several of New York’s most iconic landmarks including the neighborhoods namesake, the Flatiron Building, and Madison Square Park. The Park is surrounded by other notable Manhattan buildings including the Toy Center, the New York Life Building and the Met Life Tower. Due to the area’s central location and iconic status, it has also become a popular destination for office space.

The Flatiron / NoMad District in recent years has emerged as a desired residential community brimming with luxury loft condominiums and rental buildings. Recent residential development in the area includes One Madison Park, a 50-story condominium tower, and Madison Square Park Tower.

Within the neighborhood is the Ladies’ Mile Historic District, named from the area’s history as a prime shopping district in New York City in the late 1800s. Flatiron / Nomad has maintained its status as a shopping center, with trendy retailers along Fifth Avenue, Broadway and Park Avenue as well as big-box retailers, such as Whole Foods, The Home Depot, and Pets Smart.

The Flatiron / NoMad District’s culinary scene includes some of the city’s top restaurants, such as Eleven Madison Park, La Pecora Bianca NoMad, COTE, Hillstone, Upland, ILILI, Cosme, Tacombi, Rezdora, Zero Otto Nove, and Eataly to name a few.



Location Overview

Transportation

The Flatiron / NoMad District is conveniently located nearby numerous means of transportation that allow for ease of travel throughout Manhattan. The **NQRW** subway lines stop at 28th Street and Broadway and the **6** train makes stops along Park Avenue at 33rd street, which is one block from the Property. Further, the 34th Street/Herald Square Transit hub, which services the **BDFM NQRW** trains, is located within a 5-minute walking distance from the Property. The **PATH** train also stops on 23rd Street and Avenue of the Americas, with additional stops at Christopher and Hudson Streets, enabling expeditious travel between Manhattan and New Jersey. For those who prefer to travel via bike, there are Citi Bike Stations throughout the neighborhood.

Those best served by automobile transportation; the neighborhood enjoys excellent access to major roadways. Flatiron is equidistant to the West Side Highway - which affords quick access to the Lincoln, Holland and Brooklyn Battery tunnels – and the FDR, which provides access to the Midtown Tunnel as well as all bridges to Brooklyn and to Queens.

Points of Interests

Retail	
01	Whole Foods
02	Murray Hill Market
03	H Mart
04	CVS
05	Duane Reade
06	Home Depot
07	Pets Smart
08	Fairway market of Chelsea

Culture	
01	Madison Square Park
02	FlatIron Building
03	Worth Square
04	National Museum of Mathematics
05	Escape the Room NYC
06	Harry Potter Museum
Restaurants & Bars	
01	Shake Shack at Madison Square Park
02	Eataly
03	Eleven Madison Park
04	La Pecora Bianca NoMad
05	Hillstone
06	Upland
07	KazuNori: The Original Hand Roll Bar
08	Tacombi
09	Scarpetta
10	ilili
11	Her Name is Han
12	NONONO
13	Wolfgang's Steakhouse
14	Franchia Vegan Café





About the Team

About the Team

Avison Young

Avison Young is a global real estate advisor built to create real economic, social, and environmental value, powered by – and for, people.

We believe there is a vital role for our sector in creating healthy, productive workplaces for employees; cities that are centers of prosperity for its citizens and; built spaces and places that create a net benefit to the economy, the environment and the community. Our people organize around our clients’ opportunities and work as colleagues to focus on their success.

Avison Young is built on the belief that commercial real estate isn’t just about the buildings and the square footage and the occupancies. At its best, it’s about spaces and places that improve lives and help businesses thrive for the employees, citizens and communities that make impact matter.



5,000
Real estate professionals



100+
Offices worldwide

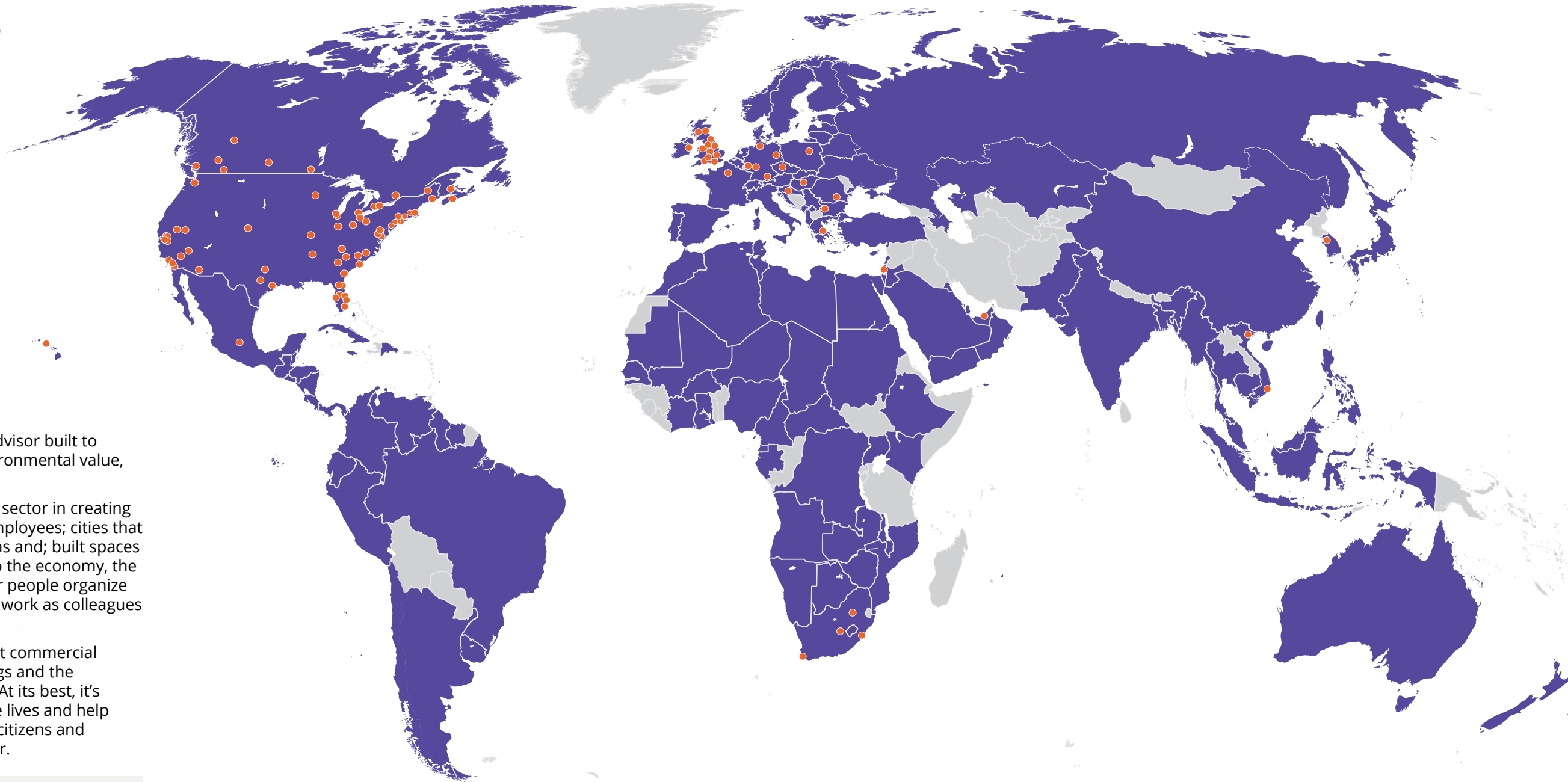


20
Countries worldwide



1978
Year founded

For more information, please visit [avisonyoung.com](https://www.avisonyoung.com).



● Avison Young Office Locations
■ Avison Young Market Coverage/Experience



About the Team

Our Service Offerings



Occupier Services

- Consulting Services
- Facility Management
- Occupier Project Management
- Occupier Solutions
- Occupier Valuation & Advisory
- Tenant Representation
- Transaction Management



Investor Services

- Agency Leasing
- Capital Markets
- Consulting Services
- Debt & Mortgage Services
- Investment & Asset Management
- Investor Project Management
- Net Lease
- Property Management
- Valuation & Advisory Services



Sectors / Specialties

- Flexible Solutions
- Hospitality
- Industrial
- Multi-Family
- Office
- Retail
- Associations & Nonprofits
- Automotive Properties
- Data Centers
- Healthcare
- Life Sciences
- Private Equity
- Project Management Specialty
- Senior Housing
- Sustainability

Unified Sales Group



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Principal, Head of
Tri-State Investment Sales



Brandon Polakoff
Principal, Executive
Director of Tri-State
Investment Sales



Erik Edeen
Principal, Director of
Tri-State Investment Sales



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Principal, Institutional
Sales Group



Sarah Cafaro
Senior Director



Fritz Richter
Director



Alexandra Marolda
Director



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Director



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Associate



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Brent Glodowski
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