



# 35W36

## BUILDING EQUITY

BOUTIQUE OFFICE OWNERSHIP IN HERALD SQUARE

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35 West 36th Street  
NEW YORK, NY

*between Fifth and Sixth Avenues*







35W36

## OVERVIEW OF OFFERING

**Stop Paying Rent, Build Equity and Invest in your Future at 35 West 36th Street.**

The new to market office condominiums at 35 West 36th Street offer small businesses and investors the unique opportunity to own boutique floors in a first-class Midtown office building.

35 West 36th Street is a 12-story, creative loft-style office condominium building located in the thriving Herald Square submarket off Fifth Avenue. The 81,000 rentable square foot (RSF) building offers 3,300 RSF half floor units for sale, with the opportunity to create 6,600 RSF on one floor. Units feature multiple exposures, high ceilings, attractive wood floors, exposed brick walls, private restrooms, individual HVAC systems and large kitchen areas. Each unit has an elevator entrance that opens directly into the space, eliminating the need for common corridors and creating the impression of being a full floor.

Office condominium ownership at 35 West 36th Street allows unit owners to lock in their occupancy costs and insulate themselves from the ever-rising expense of office leasing in Midtown Manhattan.





Jerusalem cafe

KINGS  
THE BOXING

FREIGHT ENTRANCE  
29-33

STAND  
PIPE

35 WEST



## AT A GLANCE: 35 WEST 36TH STREET

35 West 36th Street has recently been fully renovated and reimagined for the modern office worker. The 81,000 RSF property features high ceilings, exposed brick walls, attractive wood floors and oversized windows that create bright and airy office spaces within. The availabilities include 3,300 RSF half floor units, with the opportunity to create 6,600 RSF full floors. Elevators open into each unit, creating the impression of a boutique full floor presence. The property is located on the north side of West 36th Street between Fifth Avenue and Avenue of the Americas in the Herald Square submarket in close proximity to Penn Station, Grand Central Terminal, Port Authority and 18 subway lines.

35 West 36th Street is managed by Hidrock Properties, the Sponsor, who acquired the building in 2007 and implemented a renovation program that included a new lobby, windows, elevators, a state-of-the-art boiler system, and other mechanical system upgrades, including new building wide electrical.

### **Building features include:**

- High quality, recently modernized building
- Institutional quality management
- Prime Herald Square location, close to transportation
- Building heat distribution

### **Unit features include:**

- Recently constructed open layout installation
- Two unit floors feature dedicated elevator entrances and a full floor experience
- Floors feature large operable windows many with three exposures providing great natural light
- Private restrooms and a large kitchen area provided in most units
- Exposed ceilings measuring 11' 4"
- Hardwood flooring and exposed original brick walls
- HVAC system in every unit controlled by the occupant





# THE POWER OF OWNERSHIP

35 West 36th Street offers businesses and investors the opportunity to stop paying rent and begin reaping the long-term benefits of office condominium ownership.



## **Significant Savings**

Office condominium ownership at 35 West 36th Street costs less than leasing a comparable office space. These well-located, highly financeable office condominiums have low carrying expenses and will cost less than a traditional lease over a five- and ten-year period. Office condominium owners may also write off depreciation and interest expenses while profiting from the long-term capital appreciation of such a valuable asset in a prime Midtown location.



## **Attractive Financing**

With an array of financing options, purchasing an office condominium has become more affordable. Interest rates have remained low and many lending institutions offer financing as high as 90% loan-to-value, inclusive of build-out construction costs.



## **Capital Appreciation**

Office condominiums are an asset that are likely to appreciate in value over time. Owners are able to capture this capital appreciation, whereas tenants pay rent each month with no residual value at lease expiration.



## **Build-Out ROI**

From office furniture to glass conference rooms, designing and building an office space requires significant capital. When a business cannot renew its lease, it loses this investment and must then expend further capital to move and improve elsewhere. By owning an office condominium, a business can not only control all aspects of design and function for their specific use, they can further justify a higher-end custom build-out that improves organization's competitive edge while simultaneously increasing the value of its real estate asset. As a result, office condominium owners benefit from a higher and longer-term return on their investment.



## **Stabilized Occupancy Costs**

Office condominium owners are shielded from the escalating and unpredictable costs of leasing office space. With an office condominium's stable and foreseeable occupancy costs, businesses can confidently project precise operating expenses, whereas tenants leasing office space are subject to the volatile fluctuations of the leasing market and landlords who may have conflicting objectives.



## **Advantages for Non-Profit Organizations**

Many non-profit and government organizations qualify for exemptions from real estate taxes when owning and occupying an office condominium. These tax savings are not available when leasing, as tenants are required to pay the real estate tax increases over the course of the lease term regardless of their exemption status. Real estate tax exemptions can save up to 50% of a unit owner's expenses.







# INVESTOR UNITS

The office condominiums at 35 West 36th Street offer the rare opportunity to directly invest in a building that has historically maintained high occupancy and long-term tenancy. The property has consistently achieved higher rents than neighboring buildings because of its exceptional location, condition and efficient floor plates.

These income-producing office condominiums offer investors attractive returns through annual cash flow from tenants' lease payments and value appreciation.

The advantages of office condominium investments are highlighted below:

## **Limited Maintenance**

35 West 36th Street is managed by Hidrock Properties, one of New York's most active developers and managers. The owner-investor's primary responsibility is paying monthly common charges and real estate taxes (a portion of which may be passed on to the tenant). The tenant, not the investor, is responsible for maintaining the interior of the unit.

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## **Limited Tenant Management**

Investors can purchase individual office condominium units that are occupied by a single tenant. Management of the tenant consists primarily of receiving and depositing monthly rent payments.

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## **Steady Cash Flow**

Standard office lease terms are five to ten years, providing calculable monthly cash flow for a set period of time.

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## **Inflation Protection**

Rents escalate on an annual basis, and the increases are typically in excess of inflation.

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## **Bite-Sized Investment**

Office condominiums provide a lower barrier to entry in the Manhattan investment market with units at 35 West 36th Street starting at just under \$3,500,000—significantly lower than a typical Manhattan investment deal size.

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## **Highly Financeable**

Lending institutions offer competitive financing terms on office condominium investments and interest rates remain at near record low levels.

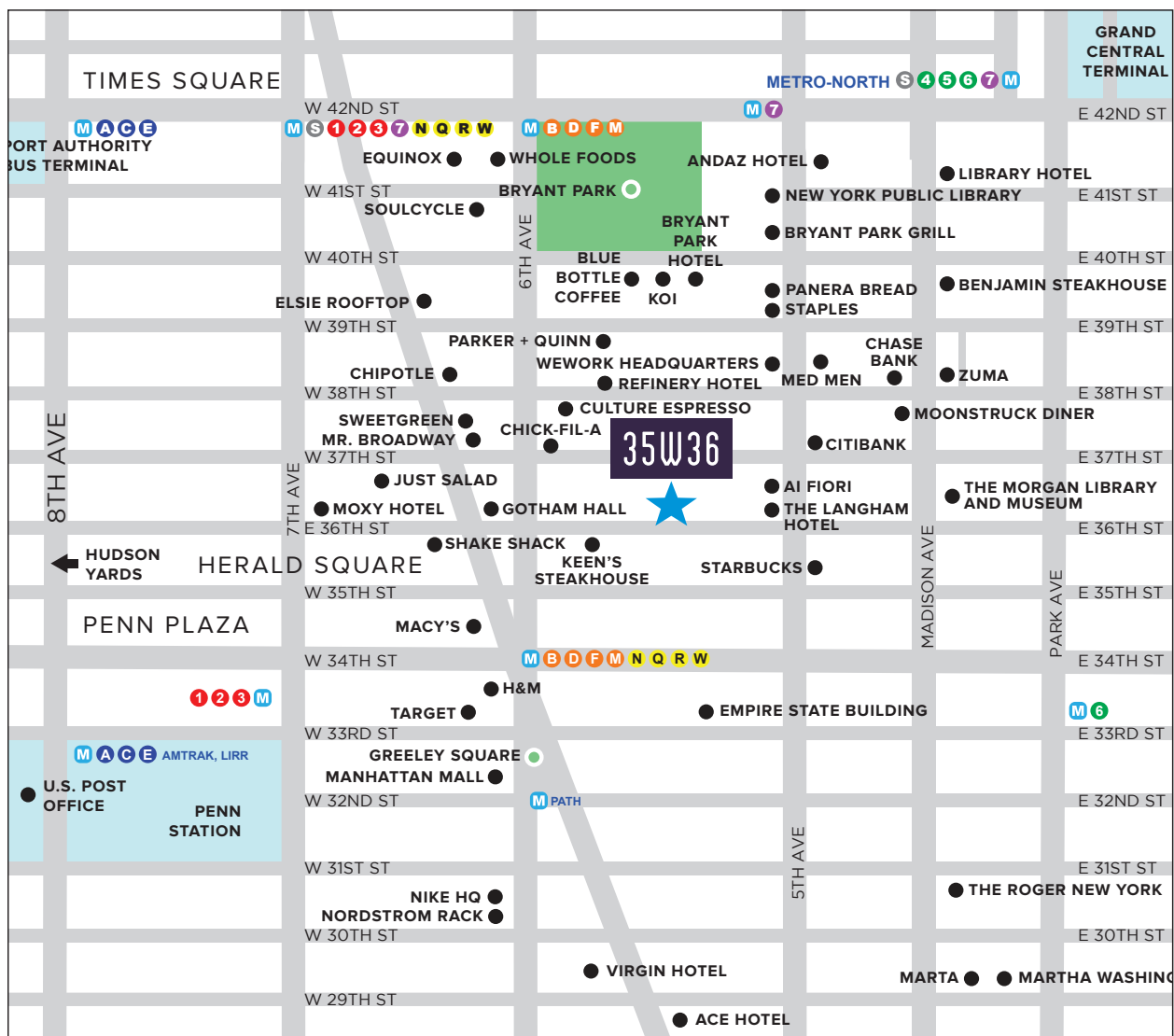


# HERALD SQUARE SUBMARKET

35 West 36th Street is located in the heart of the Herald Square submarket, an area that has seen an incredible transformation in recent years. This area is now a thriving center for creative firms, new residential developments, luxury hotels, specialty retailers and fine dining restaurants.

The property is accessible by 18 subway lines ( **1 2 3 4 5 6 7 A C E B D F M N Q R W** ) as well as Penn Station, Grand Central Terminal, the Port Authority Bus Terminal and the PATH train, which are all within convenient walking distance.

The nearby development of the Hudson Yards and the continued development of Midtown South has steadily and permanently shifted the borders of the Midtown office market, placing 35 West 36th Street at its epicenter.









# BUILDING SPECIFICATIONS

**Address:** 35 West 36th Street, New York, NY 10018

**Year Built:** Constructed in 1911

**Number of Stories:** Twelve stories above ground with floor plates of 6,600 rentable square feet (on average)

**Total Rentable Area:** 81,453 square feet, of which 74,191 rentable square feet is office space and a combined 7,262 rentable square feet at the retail and basement levels

**Frontage:** The frontage of the building extends approximately 55 feet on West 36th Street

**Building Amenities:** Attended lobby, 24/7 key card access and multiple high-speed internet providers (including fiber)

**Communications:** Verizon Fios and Spectrum

**Parking:** Parking is available on the adjacent streets and in public parking garages, in the general surrounding area

**Façade / Exterior:** Masonry and steel with brick and limestone façade

**Foundation:** Poured reinforced columns, beams and slabs

**Framing:** Structural steel with masonry and concrete encasement

**Floors:** The single level basement features concrete masonry units with a superstructure of a steel framing system supporting elevated slabs with both the basement and ground floor consisting of poured reinforced concrete deck. The upper floors consist of poured reinforced concrete deck with ash fill, wood sleepers and subfloors and hardwood flooring

**Floor Plans:** The stairwells, restrooms, equipment rooms and elevator shafts are located approximately in the center of each floor

**Roof Cover:** The entire main roof was replaced at the end of 2016 with a Soprema SBS Built-Up System

**Windows:** Windows are double hung in dark bronze anodized aluminum frames

**Lobby Doors:** The lobby doors for tenants and guests are glass in aluminum frames. The freight doors are adjacent to the lobby doors

**Heating:** The building maintains three gas-fired boilers on the roof that are fueled by a dedicated gas line. Most of the units receive boiler hot water by way of a set of risers connecting to the hot water heating coil in the unit's HVAC unit that provides forced heat through the ductwork

**Cooling:** A majority of the units have a ceiling-hung, tenant-controlled air-cooled package or a split-system HVAC unit. The split-system condensers are located either on the 2nd floor setback or on the building roof

**Plumbing:** The plumbing system is a combination of steel, copper and cast-iron piping

**Electrical Service:** Each unit has a direct meter and electricity is obtained through line voltage power lines. The main building electrical equipment, located in the basement, has recently been replaced

**Elevator Service:** 1 Passenger elevator with 2,500 lb. weight capacity servicing the lobby through the 12th floor. 1 Passenger / Freight elevator with 3,500 lb. weight capacity servicing the basement through the 12th floor.

**Fire Protection:** The building is fully sprinklered with an emergency stairwell within the building as well as an exterior fire stairwell

**Security:** The lobby is attended during business hours and provides key card access during non-business hours. The elevators in each unit can be locked and accessed by employees' key cards





Building Lobby



Typical Bathroom



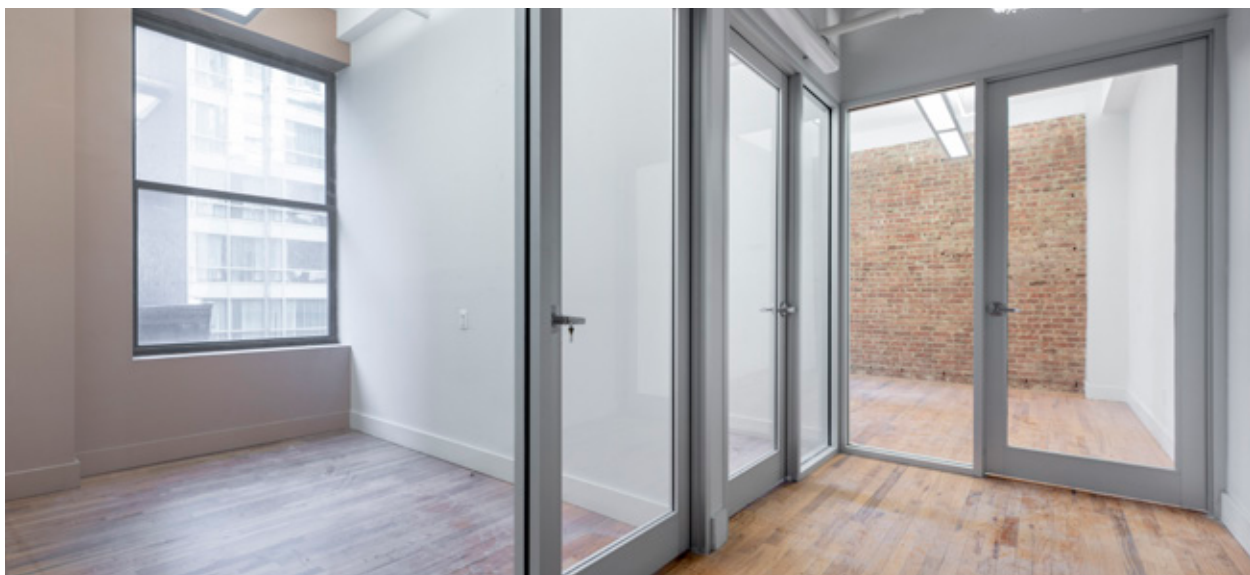
## TEAM



Rudder Property Group is a commercial real estate services firm that specializes exclusively in the sale of office condominiums in the New York metropolitan area. With 20 years of experience in this niche market, the principals of Rudder Property Group have sold over two million square feet of office condominiums with a dollar value in excess of \$1 billion. In the small, highly specialized field of office condominium sales, Rudder Property Group is the market leader.



Hidrock Properties is a fully integrated, commercial real estate investment and development company with experience across asset classes in New York City and the metropolitan area. Formed in the 1980's, over the last decade Hidrock has acquired or developed more than two dozen assets valued at over \$2 billion, including residential, office, retail and award-winning hospitality properties. Hidrock acquires and builds projects with a long-term view towards ownership, which enables it to consistently deliver the highest level of quality and has earned it a reputation for honesty and integrity in the New York real estate community and beyond.







View from 35 West 36th Street





35W36

 **HIDROCK**  
PROPERTIES

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