

NEW YORK POST

POST FOCUS ON COMMERCIAL REAL ESTATE

Worldwide Plaza is on block



**BETWEEN
THE
BRICKS**

LOIS WEISS

THE contest to take over the management, leasing and ownership of Worldwide Plaza is back on the front burner.

This last piece of the Equity Office Properties portfolio, whose \$7.1 billion purchase by Macklowe Properties a couple of years ago led to that firm's downfall — is still a desirable office commodity, even if the 1.7 million square foot building does sit at 825 Eighth Ave. at 50th Street.

Nevertheless, the eventual winner will need very deep pockets to fund tenant work on the building.

According to CoStar Group data, 639,540 contiguous feet are available due to Ogilvy & Mather's upcoming move out of the building. And the tower's largest tenant, law firm Cravath Swain & Moore, expects renovation work to be done on the 706,055 foot space on which it recently renewed its lease.

To make any sales deal, the lender in control, Deutsche Bank, wants to retain an ownership stake to cash in on the upside, but also is prepared to write down the current \$1.014 billion in outstanding principal to an \$800 million mortgage.

The buyer would pony up a \$200 million equity contribution, which we assume would also go toward some of the renovation work. The deal would be valued, however, based on a \$300 to \$350 per foot price structure.

"Everyone has money," said one market source.

"You don't have to come up with financing — you just have to come up with \$200 million in equity."

Market scuttlebutt had **George Comfort & Sons** leading this most recent buyer race.

Others, including **Douglas Durst, Larry Silverstein** and foreign entities, were waiting to see if Comfort self destructs — just as the firm did when trying to buy 1540 Broadway out of the same portfolio earlier this year, only to lose to CB Richard Ellis Investors.

The sales investment specialists at Eastdil Secured didn't return a call for comment.

In 2007, we raved that former partners **Larry Gluck, Steve Witkoff** and Westbrook Partners had teamed up again to buy 405 Park Ave. for \$180 million, putting up \$38.55 million for a deposit.

But the financing tides turned and so far, the team

has yet to consummate the deal.

Last August, they put up another \$2.41 million and scheduled a closing for later this year.

Gluck said the sales agreement has been modified "several times" and they are amicably discussing the situation with the Dubai-based sellers.

Meanwhile, someone updated the building's pedigree. A "confirmation of termination" was officially just filed with the city for a 1925 easement agreement that was quietly terminated in 1955. Stay tuned.

The Dream Hotel's \$100 million mortgage is turning into a nightmare for **Vikram Chatwal's** Hampshire Hotels.

According to Realpoint and city records, Column Financial has turned the loan over to Key Commercial Mortgage for "special servicing."

Records also show Col-

umn signed a non-disturbance clause with the Regency Broadway Restaurant — which leases the 14th and 15th floors of the former Surrey Hotel at 210 W. 55th St. — so it won't be "disturbed" if the building goes into foreclosure.

A Hampshire official didn't return calls for comment by press time.

Dermalogica, the Los Angeles-based skin care company, is founding a local school to provide training for the state's esthetics or skin therapist license and has just leased 6,000 feet at 140 W. 22nd St., where it will also sell its products.

The 10-year deal for the ground floor and basement includes its own entrance and signage.

The asking rent was \$90 per foot for the retail space in a recently converted resi-

dential building.

Alan Bonett of Adams & Co. Real Estate and **Michael Divaris** of Divaris Real Estate brought the school to the space.

The owners were represented by **Jonathan Krieger** and **Greg Covey** of Robert K. Futterman & Associates.

The Consulate General of Honduras has leased about 3,000 feet on the third floor of 144 W. 37th St., which had an asking rent in the \$30s.

The space underwent extensive renovations due to the Consulate's specific requirements, including new windows, bathrooms and a hardwood floor.

Sasha Majerovsky of Citywide Properties represented both sides in the transaction. lois.weiss@nypost.com

