

Lower East Side retail condo next to Katz's Deli trades for \$89M

Deal is the most expensive retail condo to trade in two years

By [Rich Bockmann](#)



196 Orchard Street (Credit: StreetEasy)

A retail condo next to Katz's Deli on the Lower East Side just traded in a deal with some extra mustard on it.

The developers behind 196 Orchard Street, Ben Shaoul's Magnum Management and Michael Miller's Real Estate Equities Corp., sold the retail portion of the building to the AR Global affiliate New York City REIT, sources told The Real Deal. The sale price is \$88.75 million, which makes it the most expensive deal for a retail condo in more than two years.

The price works out to more than \$1,475 per square foot.

Representatives for Magnum and Real Estate Equities could not be immediately reached for comment. NYC REIT's John Fontana, who led the acquisition for the buyer, declined to comment. A

Hodges Ward Elliott team of Paul Gillen, Daniel Parker and Kyle van Buitenen negotiated the deal on behalf of the sellers. The brokers declined to comment.

The retail condo spans slightly more than 60,000 square feet across the ground, second and third floors of 196 Orchard, as well as the basement space. The condo is 100 percent leased to tenants CVS, Marshalls and Equinox.

The deal is the most expensive sale of a retail condo since Savanna sold the retail portion of 10 Madison Square west for [\\$97.5 million](#) in the spring of 2017 to TH Real Estate (now Nuveen Real Estate).

It comes at a time when demand for retail properties is at a low point. Manhattan saw just \$153 million worth of retail investment sales in the second quarter, according to Avison Young. That puts 2019 on track to

record less than \$1 billion worth of retail deals for the year – the first time that’s happened since 2013.

Magnum and Real Estate Equities Corp. (otherwise known as REEC) teamed up in 2015 to buy to the [development site](#) at the corner of Orchard and Houston streets for \$8.8 million. They later bought air rights from above the iconic Katz’s Deli next door, and [developed](#) the property into a mixed-use building with 89 residential condominiums on the upper floors and retail below.

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