



## MERL OF MCI REALTY PURCHASES TWO BUILDINGS Trionfo of Upside Ventures represents buyer in \$5.6 million sale

**NEW YORK, NY** A recent purchase of two apartment buildings totaling 22 units for a 1031 exchange resulted in more than a deferral of capital gains taxes for one investor. The acquisition came with a bonus of over 10,500 s/f of development rights, which made the deal even more attractive, according to Ralph Trionfo, president of Upside Ventures, who represented the buyer in the transaction.

MCI Realty LLC c/o Milton Merl purchased two contiguous five story walk up apartment buildings at 242-244 West 61<sup>st</sup> St. on Manhattan's Upper West Side for \$5.6 million. The acquisition was structured to replace a nearby loft building at 12 West End Ave. that Merl had recently sold. The property and timing conformed to Section 1031 of the Internal Revenue



242-244 West 61st St.

Code. The West End property became part of an assemblage of parcels for a proposed 31 story residential building along West End Avenue between 59<sup>th</sup> and 60<sup>th</sup> Sts. Merl, who currently owns other real estate assets in Manhattan, acquired the West 61st St. walkups from Seventh Frogmouth Corp. c/o Arthur Cohen.

The West 61<sup>st</sup> St. transaction included over 10,500 s/f of surplus development rights, which were sold to Ginsburg Developers for \$90 per s/f to enhance the construction of a mixed use high rise tower adjacent to the walkups. Local zoning laws permit the transfer of development rights only to adjacent properties, said Trionfo.

In addition to the above projects, Trionfo cited the Trump organization who is building 234 units at 33 West End Avenue and 4,352 rental/condo units on Riverside South; the Durs organization and the Rose family who are putting up a 500 unit luxury apartment building on 57<sup>th</sup> St. and 11<sup>th</sup> Ave.; and the Dermot Company who is constructing 500 units on 10<sup>th</sup> Ave. and 53<sup>rd</sup> St.

When Merl first approached Trionfo to identify a replacement asset for the West End sale, Trionfo recommended a corner mixed-use apartment building in the East Village that looked promising. After weeks of negotiations, the deal fell through. There are 22 apartments, 18 of which are free-market rentals. They include two studios, three one bedroom duplexes, 10 two-bedrooms and seven three-bedrooms. This is the first sale in 21 years, as the walk ups have not changed hands since Arthur Cohen bought them in 1983. Trionfo negotiated the transaction, which included the resale of the development rights, a non-refundable contract deposit, seller financing, and assumption of the existing debt.