

FOR SALE

240 WEST 40TH STREET

NEW YORK, NEW YORK



Colliers International, as exclusive agent, is pleased to offer for sale the fee simple interest in 240 West 40th Street, New York, New York, a 13-story, 158,632-square-foot office building situated between Seventh and Eighth Avenues. The property is 100% leased to Donna Karan New York ("DKNY"), a wholly-owned subsidiary of G-III Apparel Group, through July 2020, and four ground-floor retail tenants. Situated at the gateway to the new Far West Side, 240 West 40th Street is one of the premier assets in the Penn Plaza/Garment District submarket.

PRIME OFFICE LOCATION Steps from Port Authority and under a 15-minute walk to Penn Station and Grand Central Terminal, nearly every subway line and commuter rail is easily accessible. With two brand new hotels set to open on the same block, West 40th Street is among the most highly sought after streets in the submarket.

EXCEPTIONAL PHYSICAL ATTRIBUTES With 12-foot⁺ ceilings, protected northern exposure and usable outdoor space with signage, few buildings provide the same aesthetics or amenities at a discount to the overall Manhattan rental rate.

CREDITWORTHY TENANCY WITH SECURE NEAR-TERM CASH FLOW DKNY has been a tenant at 240 West 40th Street since 1992 as this location serves as its primary showroom, executive office and design space. DKNY has made an extensive investment in its own build-out. Having recently signed a 5-year extension in 2015, the property provides secure cash flow through 2020.

SIGNIFICANT RETAIL UPSIDE Mark-to-market upside of nearly \$1 million, of which \$700,000 occurs in the first 18 months, as the four retail tenants are 48% below market.

RARE, SINGLE-TENANT OFFICE BUILDING A true rarity, 240 West 40th Street is one of only 25 single tenant buildings that could be available for corporate use.

POTENTIAL BLANK SLATE TO RE-IMAGINE THE PROPERTY If DKNY opts not to remain at the property, or a new owner decides not to retain DKNY's tenancy in 2020, there is a unique opportunity to undertake a complete re-imagining of the property with multiple exit strategies, including creative office space.

To access the due diligence website and receive informational materials please return an executed confidentiality agreement via email to noelle.nordstrom@colliers.com.

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