

October 18, 2012

Alfa Development buys Chelsea site for \$14.7M

Sellers bought defaulted note for \$7.5M last year

By *Adam Pincus*



From left: Michael Namer, an aerial shot of the lot and David Behin

Flatiron-based Alfa Development paid \$14.65 million for a once-stalled Chelsea development site two blocks from the Meatpacking District, the seller's broker told *The Real Deal*. The price is approximately twice the \$7.5 million the seller paid to purchase the defaulted note about a year and a half earlier.

Alfa bought the site at 245 West 14th Street, between Eighth and Ninth avenues, today, from an investment group led by developer Offir Naim, his broker, David Behin, president of investment sales at brokerage MNS, said.

The site is a vacant lot with a partial foundation, and has about 30,895 square feet of development rights, data from PropertyShark.com shows. The city's Department of Buildings shows it has approved plans for a nine-story residential building with 21 apartments.

Alfa Development has built more than two dozen projects since the company was founded in 1988, according to its website. Its 51-unit condo building at [151 West 21st Street in Chelsea](#) is nearly sold out, and the company has begun construction on a 63-unit hotel in Nolita called the Mott Hotel, the firm's CEO Michael Namer told the New York Times this week.

Contacted by *The Real Deal*, Namer was not immediately available for comment.

The rise in value of the site highlights the rebound seen in certain areas of the city, insiders said.

Behin brought the property to market after unsolicited offers to buy the site started rolling in, even as Naim was planning to continue construction on the condo.

The site is a block east of DDG Partners' 37-unit condominium project at 345 West 14th Street, near Ninth Avenue.

Naim's group bought the note with a default judgment of \$20.2 million for approximately \$7.5 million from California-based East West Bank in March 2011, Behin said.

Then, Naim continued the ongoing foreclosure litigation against the original developer Millennium NY, and after winning the property back at an auction this year, took title to the site April 5, city property records show.

Naim decided to sell because the offers were too good to pass up. "At the end of the day, it is about money. We made a nice return and so we moved on," he said.

He does not currently own any more defaulted notes, he said, but is looking for them, although brokers say they are fewer opportunities because of the general recovery of prices in Manhattan.