

LIGHTSTONE

112-118 Fulton Street Case Study



Opportunity

Lightstone recognized a growing demand for rental property in downtown Manhattan, but high barriers to entry due to expensive land prices. Lightstone knew that the only way to enter this rental market was through value creation. Through rigorous research Lightstone was able to identify and unlock a unique, but very complicated multi parcel and multi air rights assemblage opportunity. If executed this opportunity could provide an extremely low land basis, allowing for an enormously profitable new construction rental tower.

Approach

Over an 18 month acquisition process, Lightstone assembled 5 fee parcels, 8 air-right parcels, and completed 32 tenant buyouts. The result was the creation of a unique, 406,853 square foot luxury residential development with an unparalleled amenity package designed to stand 63 stories and 700 ft. tall.

112-118 Fulton Street, a trophy asset in the heart of Lower Manhattan, constitutes a perfect example of an extremely difficult assemblage of both land parcels and air rights providing an extremely low and unprecedented land basis for a Manhattan development. The value created from this complicated assemblage provided Lightstone with an opportunity to create a rare Manhattan rental opportunity.

Following the closing of the transaction, Lightstone's top-tier development team completed the full building design and construction drawings while demolishing the existing buildings. Lightstone was in the process of obtaining the necessary approvals to begin construction.

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Results

Though Lightstone is a long-term holder, it was approached unsolicited by a large investor with an offer to buy the property at a substantial profit. The assemblage, coupled with the shovel ready site, and advanced building design and construction plans provided the investor with a major advantage in terms of the speed in which they could execute the development and construction schedule.

As a result of this tremendous value creation, Lightstone was able to recognize unprecedented returns and profits which underscore Lightstone's competitive advantage in identifying opportunities and having the instinct and intellect to capitalize on them.

Roles: Land Owner

Timeline: Sold, 2014

Location: 112-118 Fulton Street, Financial District, Manhattan New York