

NEW YORK OBSERVER

April 25, 2011

<http://www.observer.com/2011/real-estate/divining-extells-latest-diamond-district-move>

Divining Extell's Latest Diamond District Move

By Laura Kusisto



Extell has pocketed yet another Diamond District gem, on 46th Street between Fifth and Sixth avenues, as part of a larger assemblage that could one day allow the developer to erect a new tower.

In one of its first buys on the block since the bust, Extell, led by Gary Barnett, just purchased 9 West 46th Street for \$10.2 million, city records show. The deal for the five-story building includes air rights, according to the seller's broker from First Atlantic Realty Company, who was clearly baffled by the sudden interest in what he called "a regular apartment building with a retail component." He declined to discuss the buyer's plans.

The property is part of an assemblage, according to two sources. The developer already owns a smattering of buildings on that side of the block, at 13, 19, 29 and 53 West 46th Street. Extell also owns 2 to 8 West 47th Street, adjacent to 9 West 46th Street. That gives it a good start on assembling a large enough lot for a new tower, if it were decide to build one, although there are at least a few properties it would still need to acquire.

Similarly, in the middle part of the last decade, Extell plucked a number such modest properties in preparation for building its International Gem Tower at Fifth Avenue and 46th Street. The Gem Tower has already started to go vertical, and Extell is likewise in the process of building a hotel at 30 West 46th Street. Last year, Extell sold an office tower at 31 and 33 West 46th Street, which it stripped of air rights for the International Gem Tower.

Extell personnel are off for Passover week, and could not be reached for comment.