

Witkoff and Ashner launch \$150M fund

Partners each put in \$25M and will focus on distressed deals

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Steve Witkoff, Michael Ashner and 1568 Broadway

Developers Steve Witkoff and Michael Ashner, partners on the development of 20 Times Square, are launching a \$150 million investment fund to focus on distressed deals in major American cities.

Each will chip in \$25 million, alongside "anchor investors" Sequoia, Baupost Group and Soros Fund Management, which can invest as much as \$1.5 billion into the fund's investment portfolio, Crain's reported.

In its first deal, the fund bought a \$75 million mezzanine loan at 1568 Broadway, a 704-key boutique hotel that's being developed Maefield Development, Fortress Investment Group and L&L Holding Company.

Witkoff and Ashner — who've been activist shareholders of New York REIT, pushing for its liquidation and the hiring of new CEO Wendy Silverstein — most recently worked together at 20 Times Square. The 39-story development, which has an address of 701 Seventh Avenue, has a 452-room Marriott Edition Hotel. It has 76,000 square feet of retail, and last year the National Football League took 25,000 square feet.

"As we were working through 20 Times Square, which was a very complicated project, Michael and I became really close friends," Witkoff told Crain's.

According to Ashner, the new fund will focus on distressed deals, including loan acquisitions, underperforming real estate and development projects. The fund will retain a 10 percent ownership in its acquisitions, though anchor investors will be able to invest more in specific deals. [Crain's] - E.B. Solomont