

Shahs of Sunset Park: Maguire, Watermark acquire massive Brooklyn dev site

Previous owners' planned 1.3m sf project collapsed under pushback, lawsuits

New York

Jan. 17, 2023 11:45 AM

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Marvin Azrak of Maguire Capital and 6208 Eighth Avenue (Google Maps, Maguire Capital)

Maguire Capital and Watermark Capital have acquired the site of a long-stalled megaproject in Brooklyn's Sunset Park. They hope to have better luck than its previous owners.

Marvin Azrak's Maguire and Wolfe Landau and David Tabak's Watermark have taken over the vacant site at 6208 Eighth Avenue after an intricate series of transactions, including

buying up the previous developers' interests piecemeal and acquiring the property's debt. The total cost, including equity and debt, was between \$75 million and \$80 million.

The partners can build an approximately 800,000-square-foot project on the land, which has been in limbo for years.

A group of Flushing-based developers bought the property, a former rail yard for the Long Island Rail Road, for \$51.5 million from developer Andrew Kohen in one of Brooklyn's largest investment sales (<https://therealdeal.com/2014/05/28/sunset-park-development-site-trades-for-52m/>) of 2014. The developers planned a 1.3 million-square-foot project including a three-story mall, two 15-story residential buildings, a 17-story office and a 150-room hotel.



A previous rendering of 6208 Eighth Avenue in Sunset Park (Raymond Chan Architects)

They turned to the popular EB-5 program (<https://therealdeal.com/2022/03/09/eb-5-is-back-cash-for-visa-program-returns-with-tweaks/>) to finance it, but the necessary rezoning never made it through the city's land use review process after pushback from the local community board.

Out of ideas, the developers tapped Cushman & Wakefield in 2019 to market the site for \$150 million (<https://therealdeal.com/2019/02/21/massive-sunset-park-site-in-opportunity-zone-just-hit-the-market-for-150m/>). A year later, Cushman suspended its marketing efforts.

With the project stalled, lawsuits piled up.

Read more

- Massive Sunset Park project flounders and an EB-5 investor sues
- Marvin Azrak, investors seal deal for Chaskiel Strulovitch's Brooklyn portfolio (<https://therealdeal.com/2022/05/25/marvin-azrak-investors-seal-deal-for-chaskiel-strulovitchs-brooklyn-portfolio/>)
- Raymond Chan plans huge Sunset Park development (<https://therealdeal.com/2014/10/03/raymond-chan-plans-massive-sunset-park-development/>)

In 2021, an EB-5 investor sued over the delays

(<https://therealdeal.com/2021/03/04/massive-sunset-park-project-flounders-and-an-eb-5-investor-sues/>), claiming he was denied a visa because the project had failed to advance. Other investors sued the developers, claiming they issued promissory notes in exchange for condo units that were never delivered.

It was then that Watermark and Maguire got busy. A company affiliated with Watermark's Landau paid \$11.5 million (https://a836-acris.nyc.gov/DS/DocumentSearch/DocumentDetail?doc_id=2021120200674001) for a 25 percent stake in the development site in late 2021, records show. Watermark and Maguire later bought up a majority of the remaining 75 percent stake, giving them control of the property.

The firms also acquired \$31 million worth of the property's debt so they could have a controlling stake in both the equity and debt positions. Last week, the partners secured a \$45 million acquisition loan from Signature Bank.

PincusCo first reported (<https://www.pincusco.com/wolfe-landaus-watermark-maguire-capital-acquire-control-of-large-sunset-park-dev-site-up-to-850k-sf-gets-45-3m-loan-from-signature-bank/>) the acquisition.

The developers plan to build 500,000 square feet of rentals and 250,000 square feet of retail, according to a source familiar with the deal.

Maguire is an active buyer of distressed and nonperforming loans. Last year, the group acquired part of Chaskiel Strulovitch's coveted multifamily portfolio (<https://therealdeal.com/2022/05/25/marvin-azrak-investors-seal-deal-for-chaskiel-strulovitchs-brooklyn-portfolio/>) in Brooklyn through a bankruptcy auction. Williamsburg-based Watermark Capital (<https://therealdeal.com/2016/07/17/a-look-at-the-tallest-new-building-coming-to-williamsburg/>) is a mid-sized developer focused on Brooklyn.

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