

REAL ESTATE

plausible

tion" by "the end of the month." He said asking rents were between \$700 and \$1,000 a square foot on the lobby level and between \$250 and \$350 in the new concourse.

Ever since then, Elad's propaganda mill has churned out tales of condo sales at spectacular prices — claims impossible to verify as none of the deals has yet closed.

The slow leasing doesn't mean the Plaza won't eventually fill up. Let's hope Naftali has a David Merrick-style trick up his sleeve, like when the legendary producer egged on a torrent of grim reports about his "42nd Street" because he knew the show would be a sensation once it opened.

From the point where it's born at 23rd Street, and all the way north through Carnegie Hill, Madison Avenue is synonymous with glamour. One of the few exceptions is a stretch in the low 30s with an unfocused mix of small old buildings.

But interesting times are in store for the funky northwest corner of Madison at 33rd Street, where Israeli investors have bought two adjacent buildings and are in contract to buy a third.

In the largest of three separate transactions, Itzhaki Properties' Ivan Hakimian brokered the sale of 172-174 Madison Ave. in an off-market deal for \$15.9 million, or around \$500 per buildable square foot. The seven-story, 50,500-square-foot structure, previously owned by Iranian-born investors, is home to small-office tenants and stores.

The investor group also bought tiny 21 E. 33rd St. next door and is

about to close on 176 Madison. The combined properties, Hakimian said, will enable the buyers to put up a new residential project of 120,000 square feet.

The buyers, identified only as NMP Group, "just fell in love with the location," Hakimian said.

But exactly how and when they can build is a puzzle. Office and store leases are in place at 172 Madison until 2010, and a rooftop antenna is leased for years beyond that.

They could build on the adjacent sites using air rights from 172 Madison, but the next-door buildings are narrow enough to pose a challenge.

Oce Business Services, a document process management-services provider, is expanding and moving into 41,000 square feet at 460 W. 34th. The company is moving from 855 Sixth Ave. at 30th Street.

Oce was repped by CB Richard Ellis' Dirk Hrobsky, Michael Lias and Chris Helgesen. Hrobsky said Oce faced demolition of its old location, which was part of a parcel purchased in March by the Chetrit Group.

"The company was scattered in five different spaces at 855 Sixth," Hrobsky said. "In their new home, they've got the whole sixth floor plus a portion of the third."

Market sources said the rent at 460 W. 34th, at 10th Avenue, was \$25 a square foot.

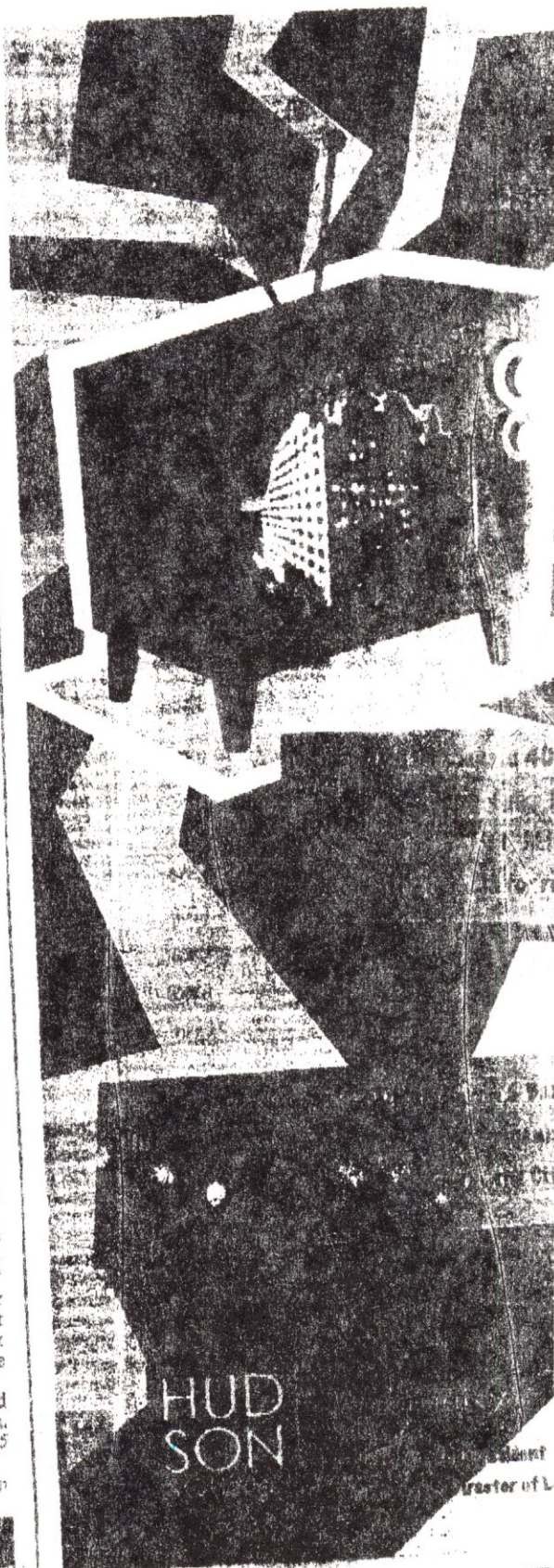
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