



Euro Properties sells stake in stalled 59th Street condo project

"First Manhattan Condo by Chinese Developer" set back by no construction financing and no closings over 4-year period

TRD NEW YORK

By [Will Parker](#)

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A rendering of 118 East 59th Street and Euro Properties' Neo Que Yau

Hong Kong-based Euro Properties was **supposed to be** the first Chinese developer to build — not just finance — a condominium tower in Manhattan, when it acquired 118 East 59th Street in 2013.

But construction on the 38-story tower never got going, and pre-development sales of its 29 units never made it to the closing phase. The developer also never obtained a construction loan, city records show.

On Monday, Euro Properties announced it had sold the managing stake in the **property** to its investment partner, an affiliate of Xiamen-based Yuzhou Properties Group. The \$26 million sale marks Euro's complete exit and values the total site at \$74 million, the company said.

"Our ambitious plans for 118 East 59th Street were executed with precision and care, and are now in the hands of a new driving force," said the company's executive director Stephany Chen in a statement. Representatives for the Yuzhou group could not be immediately reached.

dismantled its development team in the five boroughs. And Beijing-based CL Investment Group has **backed down** from two ambitious condominium ventures in Manhattan.

Hong Kong, however, has been insulated from, and in **some cases** even benefitted from, increased investment restrictions in Beijing. It's unclear if Yuzhou, which also has Hong Kong operations, will manage to complete the 59th Street project, but other large Chinese real estate investors, such as **HNA Group** and **Anbang Insurance**, have been slowing erasing their once-large footprints from American property markets.

Euro Properties looked to compete at the high-end of the Manhattan condominium market when it was at its peak, targeting average unit prices of \$9 million, much more than the new development average for both the Midtown East and the Upper East Side submarkets.

With things not going as planned (the developer went through a couple of different new development teams, including one headed by Nest Seekers broker Ryan Serhant), Euro Properties **pondered** a sale of the site back in 2016, then hoping to fetch close to \$100 million at market.

YIMBY **reported** in November that excavation at the site had never been completed and was "replete with its own lake and new surrounding greenery," due to the lack of activity.

Euro Properties also announced Monday that it would sell another residential development site, a waterfront estate at 24 Hicks Lane in Sands Point, Long Island that can be subdivided into six parcels. Berkshire Hathaway brokers Herb Hirsch and and Joseph Masini have the listing.

Yuzhou was founded in 1994 and held an initial public offering on the Hong Kong exchange in 2009. Last year it **acquired** a 7-site development portfolio in China from Coastal Greenland for \$591 million, according to Reuters.

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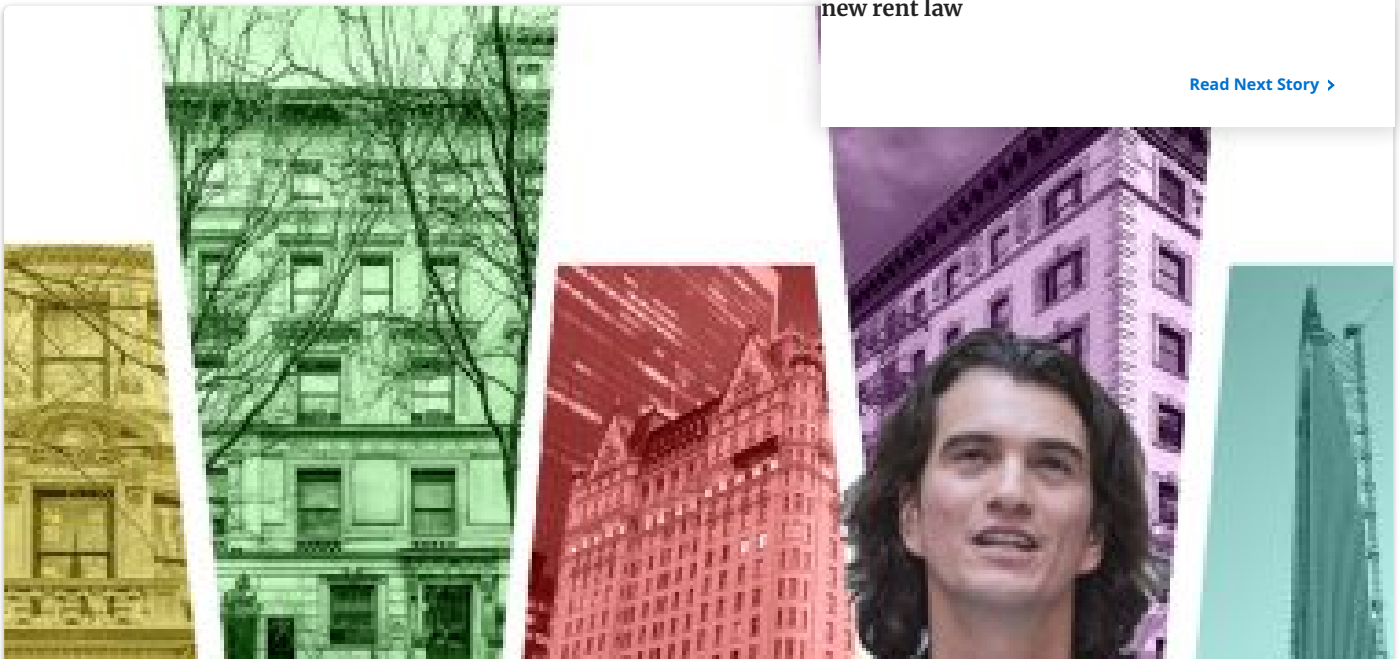
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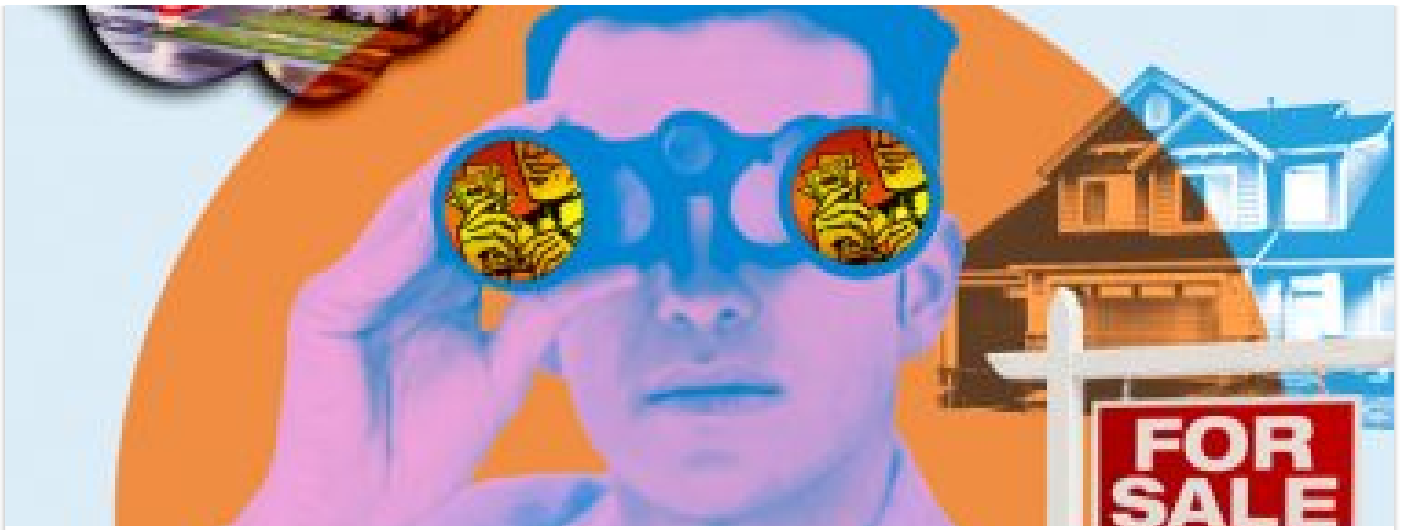


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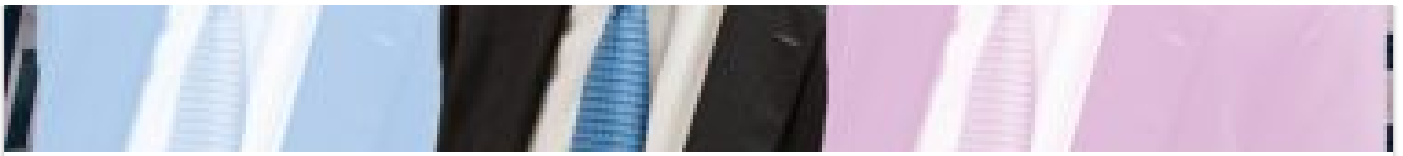


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