# Sam Chang sells Garment District hotel site for $32M

### Developer's McSam Hotel Group bought the property for $22M in 2015

New York / By Keith Larsen | Research By Orion Jones



338 West 39th Street and Sam Chang (Photo via Google Maps)

Sam Chang's McSam Hotel Group sold off a Garment District hotel site for $31.5 million, marking his firm's second sale in the past two months.

McSam sold the property at 338 West 39th Street — where the developer had been planning to open a 25-story, 175-key hotel — to the New Jersey-based real estate firm Ivy Realty.

The Pestana hotel was scheduled to open for business this year but the pandemic likely threw a wrench in those plans. The property was branded under Pestana's lifestyle hospitality flag CR7, a partnership between Pestana and soccer superstar Cristiano Ronaldo.

McSam bought the property, which originally housed a 12-story factory building, for $22.4 million in 2015, records show.

Chang and a representative for Ivy Realty did not immediately return a request to comment.

Chang is one of the developers with the largest exposure to Manhattan's struggling hospitality industry. His firm helped establish a new type of budget hotel in the 1990s and he quickly became among the most active hotel developers in Manhattan.

Last year, Chang said he would retire to focus on the obscure hobby of pigeon racing, but he is still making deals and has filed plans to build a new hotel in Midtown Manhattan.

In October, Chang's firm sold off a newly completed hotel in Chelsea at 140 West 28th Street for $147 million.

McSam received a $121million construction loan for the project in early 2018 from Bank OZK and Square Mile Capital Management.

Hotels have been hit particularly hard in New York, where business travel and tourism have ground to a halt since March. About 80 percent of hotel properties tied to the commercial mortgage-backed securities market are showing signs of distress, according to recent figures from Trepp.