

Kuafu seeks \$50M in EB-5 funding for 147 East 86th Street

U.S.-based Chinese developer pursuing \$500,000 each from 99 investors

October 20, 2015 09:35AM

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Kuafu Properties executives are recruiting foreign investors for the firm's 147 East 86th Street development, offering equity stakes and citizenship through the federal EB-5 visa program.

New York-based Kuafu, along with partners Ceruzzi Properties and Stillman Development International, hope to bring in \$49.5 million in total from 99 investors who will cough up \$500,000 a piece toward the \$340 million, 177,000-square-foot project.

The project will be split two-thirds traditional debt financing and one-third equity financing.

Ceruzzi will be primarily responsible for the retail component, 30,000 square feet on the building's ground, first and second floors. NY Sports Clubs will occupy 24,000 square feet on the third and fourth floors through a leaseback. The residential portion will hold 50 luxury condominiums on floors five through 20. The developers hope to make about \$3,000 per square foot on the residential units.

The developers paid \$33 million for a 99-year ground lease at 147 East 86th Street in late 2013. They bought the adjacent 151 East 86th Street for [\\$85.5 million in 2014](#).

While EB-5 investments [usually require a minimum of \\$1 million](#), that limit drops to \$500,000 in "targeted employment areas," with many jobless workers, such as the East 86th Street site, the New York Observer reported. The controversial program grants visas to foreign investors whose outlays create at least 10 jobs.

The state's labor department determined in May that the project met the minimum economic threshold to bring jobs to the area. Construction is scheduled to take place in March 2016 on the HOK-designed building. [\[NYO\]](#) – *Ariel Stulberg*

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Kuafu's Shang Dai and 147 East 86th Street on the Upper East Side

