

## Soho Properties

# Manhattan tower secures \$219m in sharia-compliant financing

Developer Sharif El-Gamal who proposed mosque near World Trade Center to build 665-ft skyscraper



Sharif El-Gamal © AFP

Anna Nicolaou in New York MAY 19 2016

Property developer Sharif El-Gamal has secured \$219m in sharia-compliant financing for a luxury condominium tower two blocks from the [World Trade Center](#) in New York, where he sparked global controversy in 2010 for proposing to build a mosque.

The financing, led by Malaysia's [Maybank](#) and Kuwait's Warba Bank, is the largest [sharia-compliant](#) syndicated construction loan in New York, Mr El-Gamal said, bringing to the forefront what he called "the safest kind of banking in the world". Italy's [Intesa Sanpaolo](#) and MASIC, the investment arm of Saudi Arabia's Al Subeaei family, also participated in the loan package.

Mr El-Gamal's Soho Properties has been seeking financing for the 665-ft skyscraper at a time when US banks have pulled back from luxury property as some in the industry warn of a [glut in supply](#). He says he has begun sales for the 50 units at 45 Park Place priced on average north of \$3,000 per square foot, higher than the \$1,809 average for Manhattan condominiums, according to data from the Corcoran Group.

"This is one of the most difficult times in the post-Lehman construction market," said Mr El-Gamal. "It doesn't matter who you are, you cannot get conventional financing in New York."

Attracting lenders was also difficult because of the political climate in the US, where the rise in popularity of [Donald Trump](#) has been off-putting to some foreign banks, Mr El-Gamal said. “There were lenders that wanted to be part of this deal, but once some of the sentiments were heard . . . they decided this is not the time for them to deploy more money into our economy. There is absolutely a level of concern [about Mr Trump].”



Artist impression of 45 Park Place

The luxury property market has cooled in New York and London, after hot demand led to a building boom in the past few years. Sales of Manhattan homes priced at more than \$1m dropped 5 per cent from a year ago, according to a Christie's survey, as the plunging oil price and currency volatility sliced the purchasing power of [foreign buyers](#). And banks have become “very cautious” about funding new developments in this environment, said Michael Stoler of Madison Realty Capital, a property investor.

Mr El-Gamal hopes to benefit from a renaissance seen in downtown Manhattan, where tech and media companies have moved offices for cheaper rents and the new World Trade Center and Brookfield Place amenities, boosting property prices. “Had this been any other location in Manhattan, I might have shelved the plans,” he said.

The financing comes seven years after Mr El-Gamal purchased the property for \$4.85m with the goal to build a \$100m Islamic centre, which he had said would be a reconciliation between Islam and the west. The idea provoked fierce debate, with opponents arguing it was offensive to the families of 9/11 victims. Sarah Palin called it a “stab in the heart”, while Michael Bloomberg, New York's mayor at the time, defended it in the name of religious freedom. Mr El-Gamal eventually abandoned the plans after he was unable to find funding.

He says this skyscraper still marks a success for his original vision for the site, because of the connections to lenders from the Middle East and sharia loans. “We have held firm to our principles,” Mr El-Gamal said. “We’ve done what we always said we would with this project, which is to build bridges that did not exist.”

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