

ARC New York City REIT Urges Shareholders to Reject Latest MacKenzie Tender Offer

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MacKenzie Realty Capital Inc., a non-traded business development company, has launched a tender offer for up to 500,000 shares of American Realty Capital New York City REIT common stock for \$11.50 each. The offer, which constitutes 1.6 percent of the outstanding expires on December 18, 2018.

ARC New York City REIT, a publicly registered non-traded real estate investment trust sponsored by AR Capital, has a net asset value of \$20.26 per share. Shares originally sold for \$25.00 each.

MacKenzie currently owns 194,578 shares of the REIT, or 0.6 percent of the outstanding, and would pay nearly \$5.8 million if all 500,000 shares are tendered.



In a letter to shareholders, the REIT's board "strongly recommended" that they reject the latest offer, calling it "an opportunistic attempt to profit at stockholders' expense."

ARC New York City REIT [suspended cash distributions](#) in March 1, 2018 in order to "enhance its ability to execute on acquisitions and conduct repositioning and leasing efforts related to its properties."

According to Summit Investment Research, prior to the suspension, the REIT had a 10 percent distribution coverage, and the 6 percent distribution rate was overdistributed by \$4.03 per share.

American Realty Capital New York City REIT invests in properties located in the five boroughs of New York City, with a focus on Manhattan. The company closed its offering in May 2015 and raised a total of \$776 million in investor equity, as of the first quarter of 2018. The company owned six properties with an investment cost of \$734 million as of the third quarter of 2018, according to Summit Investment Research.

MacKenzie Capital Management LP, a real estate investment management business based in Moraga, CA, is the sponsor of MacKenzie Realty Capital and has specialized in the area of discounted real estate securities and asset management since its formation in 1982.

[For more MacKenzie related news, visit their Directory Listing here.](#)

