

After 30 years: The plan for the Tel Aviv Railway Towers project is underway

The local committee has recently approved Mishorim Ltd.'s building project of approximately 15,000 square meters at the intersection of the Harakevet and Menachem Begin streets in Tel Aviv, which will include 80 apartments for rental housing, some with reduced rent, offices, commerce and hotels. The land plot was purchased in 1996 from former basketball player Mickey Berkovich.

After almost 30 years: The Ynet editorial desk was informed that the Tel Aviv Local Planning and Building Committee has recently approved the submission (for possible objections by the public, as part of due administrative process) of a plan by the Mishorim real estate company for the construction of the Railway Towers project on a significant land reserve in the city, as part of the Tel Aviv urban master plan (TA 5000). The plan is to build a mixed-use compound which will include a 25-story tower and a 5-story building in a total of about 15,000 square meters, which will be designated for rental housing, offices, employment, and commerce on a lot near the intersection of Menachem Begin and Harakevet streets south of Tel Aviv's city center.

The compound is located near the Rothschild Boulevard and in proximity to the Bank Hapoalim headquarters, the Yehuda Halevi light rail station and the La Guardia interchange that leads to the Ayalon Highways. The project will be built adjacent to the northern side of the old Tel Aviv central bus station, where the process of demolishing the old platforms to be replaced by new mixed-use projects has recently begun by the Levinstein Group and Shikun & Binui, among others. Furthermore, the compound is located near the planned Shomron Complex in the Neve Sha'anani neighborhood, which includes the establishment of an employment, commercial, residential and cultural complex, and not far from the Hassan Araffe complex, which has turned into a new business district.

About 5,550 square meters will be allocated for joint-ownership rental housing purposes for a period of 25 years, in similarity to the projects of the 'Apartment for Rent' governmental company, for example, where the winner of the state tender operates and manages the rented apartments, while the tenants have a single "landlord" and enjoy stability for a lengthy period. The plan allows building up to eighty 65-80 square-meters' apartments in the project, about 15% of which shall be designated for affordable housing, meaning that their rent will be reduced by about 40% of the market price.

The plan, drawn up by Kaiser Architects and covering an area of about 1.5 dunams, also includes about 8,000 square meters that will be designated for employment and commercial uses, of which about 20% may be converted to hotel uses, and about 1,300 square meters that will extend over an entire floor and will be allocated for the public needs of the Tel Aviv-Yafo Municipality.

27 years have passed: "We identified an opportunity"

Mishorim Ltd., which is controlled by businessman Alex Schneider, owns a third of the project together with additional partners under the Railway Towers Group, including the Nevatim company, Venture Ltd. and the Malibu Company. The company, which focuses on yield producing real estate and rental housing, purchased the land on 32 Harakevet St. in 1996 from Nevatim, where

the former player of Maccabi Tel Aviv basketball club, Mickey Berkovich, was a partner, for about NIS 11.5 million. 27 years later, as already mentioned, Mishorim is advancing the project.

Mishorim's CEO, Alon Waxman, said: "Our explicit strategy is to purchase properties that embody significant potential for value increase, inter alia by having additional construction rights for commerce, employment or residence purposes. In the present case, we deal with a historical property at the ownership of the company, and in recent years, along with the revival we are seeing in the area with the upcoming launch of the light rail's Red Line, the development momentum of commercial and employment districts, and the urban renewal processes that the entire area is undergoing, we identified the opportunity and we are working to bring it to realization and development."

The company's chairman, Amir Tamari, added: "beside yield producing real estate in Israel, the company's activity in US commercial centers and the holding of thousands of hotel rooms in the United States and Canada through Skyline (Mishorim's yield producing real estate company), the company's management labored over increasing the value of many properties in the company's portfolio, such as the lot in Tel Aviv. Notwithstanding the fact that these are not short processes, involving the planning authorities, they have a significant potential for substantial generation of value in the future."