

Grid Properties' Harlem shopping center again faces default warning

 therealdeal.com/new-york/2026/08/20/grid-properties-harlem-usa-again-facing-default-warning

TRD Staff

August 20, 2026



Grid Properties batted away [concerns](#) around the mortgage backing Harlem USA last year. Time will tell if owner Drew Greenwald feels the same way this time around.

The \$108 million mortgage backing the 250,000-square-foot shopping center was transferred to special servicing, Crain's [reported](#), citing a report from Morningstar Credit Analytics. The reason for the transfer was "imminent monetary default," according to the report. The loan is set to mature at the beginning of October.

Greenwald did not respond to a request for comment from the publication, nor did the Gotham Organization, which owns a stake in the property.

Last March, KBRA issued a similar warning about the retail and entertainment complex at 300 West 125th Street. KBRA estimated the property was worth \$82 million, well below the value of the mortgage.

At the time, Greenwald said he believed the complex would be fully leased within 12 months, claiming an unnamed supermarket would arrive soon and adding the property was generating more than enough cash to pay its bills.

“I’m not the least bit worried,” Greenwald told Crain’s of KBRA’s analysis at the time.

But things at the property don’t appear to have improved much in the last 18 months. The 26 percent vacancy rate cited in the old KBRA report matches the vacancy report mentioned in Morningstar’s report. The property’s net operating income last year was a mere \$7 million, 33 percent below its pre-pandemic level.

Modell’s Sporting Goods, Chuck E. Cheese and Buffalo Wild Wings closed during the pandemic, none of which were replaced in the first five years after the pandemic.

Harlem USA, across the street from the famed Apollo Theater, was the first property in the neighborhood to host national chains. Tenants include Old Navy, which is on a lease for 35,000 square feet set to expire in 2028, and the nine-screen AMC Magic Johnson movie theater, set to continue occupying nearly 70,000 square feet until at least 2030.

— [Holden Walter-Warner](#)
