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Savanna Sells SoHo Shops for \$80M

14,000-SF Retail Condo Trades at 465 Broadway



A joint venture of ASB Capital Management LLC, Imperium Capital, and Centurion Realty LLC has acquired the 14,039-square-foot retail condo portion of 465 Broadway (aka 40 Mercer St.) in New York City for \$80 million, or about \$5,700 per square foot, from Savanna.

The retail condo includes 9,400 square feet at grade, and 4,700 square feet of below-grade space in the 13-story, 156,000-square-foot, Jean Nouvel-designed luxury residential condominium building that was constructed in 2007 by Hines, Goldman Sachs and Andre Balazs on half an acre in Manhattan's SoHo district. The steel and glass building provides a striking contrast to the older, redeveloped buildings in the area.

The street-level space is fully leased at below-market rates to four tenants: Bose, Wells Fargo, Dermalogica and Vivienne Tam. The retail condos feature 75 feet of frontage on Broadway, 200 feet on Grand Street, and 45 feet on Mercer. In addition, the stores boast 18-foot ceilings, floor to ceiling glass, at-grade access and wide column spacing.

"465 Broadway is great real estate on a highly visible corner in the heart of the SoHo retail market, where rents have grown almost four-fold in the past decade and are 30 percent higher than at the height of the market in 2007," said Tal Masica of Savanna.

The SoHo Broadway corridor between Houston and Canal Streets is home to major international retailers, and is anchored by names like H&M, Top Shop, Zara, Uniqlo, and Prada.

Savanna acquired the retail condo in July 2012 for \$57 million, financed with a \$42 million loan from Mesa West Capital and equity from Savanna Real Estate Fund II, according to CoStar data. See CoStar COMPS #2508586 for additional info.

"While we were sad to part with 465, it represents an extraordinary return for our investors in both IRR and multiple. We expect that the new owners will also do very well with their investment over time," said Nicholas Bienstock, managing partner of Savanna.

Woody Heller, Will Silverman, Eric Negrin and Daniel Parker at Studley were the sole brokers in the sale.

Please see CoStar COMPS #2784575 for additional information on this transaction.