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## Soho Retail Condo Fetches \$80M

By [Rayna Katz](#) | New York

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Retail tenants on lower Broadway have become more upscale, promising rent boosting potential.

NEW YORK CITY—Underscoring the retail sector's white-hot status—especially in trendy and well-populated areas such as Soho—a retail condo at 465 Broadway has sold for \$80 million. The seller, **Savanna**, purchased the property a year ago for \$57 million in an off-market transaction, the company announced Wednesday.

The property's new owners are **Centurion Realty**, **Imperium Capital** and institutional partner **ASB Real Estate**. Ateam from Studley's capital transactions group brokered the deal. It included **Woody Heller**, executive managing director and group head; corporate managing directors **Will Silverman** and **Eric Negrin**; and **Daniel Parker**, assistant director.

The property consists of 9,400 square feet of at-grade retail space and 4,700 square feet of below-grade space in the luxury residential condominium building also known as 40 Mercer St. It includes 75 feet of frontage on Broadway, 200 feet of frontage on Grand Street, and 45 feet of frontage on Mercer Street. The street level space is 100% leased at below market rates to four tenants: Bose, Wells Fargo, Dermalogica, and Vivienne Tam.

The asset held great appeal when Savanna purchased it in July, 2012, and continues to do so, says **Nicholas Bienstock**, managing partner at the firm.

"Savanna bought the property a year ago recognizing two opportunities," he tells GlobeSt.com. "The first was that 465 Broadway was one of the only new, state of the art buildings in that retail corridor. The second opportunity was the migration of tenants in the lower section of Broadway to higher end, national and international retail uses. As rents have risen in the upper section of the Broadway retail corridor, they have pushed up rents surrounding 465 Broadway. So when Savanna purchased the property, the rents of our tenants were far under market. That trend has continued and accelerated over the past 12 months and those rents are even further below market today than they were when we bought the property."

Yet that upside potential didn't sway Savanna from the sale, Bienstock says in the announcement. "While we were sad to part with 465, it represents an extraordinary return for our investors in both IRR and multiple."

The SoHo Broadway corridor is now home to many major national and international retailers and anchored by some of the biggest names in retail, the release notes, including H&M, Top Shop, Zara, Uniqlo and Prada, which drive an incredible amount of foot traffic along Broadway between Houston and Canal Streets.

Adds **Tal Masica**, leasing associate at Savanna, in the release, "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% higher than at the height of the market in 2007."

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Rayna Katz is a seasoned business journalist whose extensive experience includes coverage of the lodging sector. She was most recently content director for a major business-to-business publisher, overseeing four publications.

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