



Spies and Harmon of Eastdil Secured handle Savanna's purchase of 15 East 26th Street

April 09, 2012 - Front Section

Savanna has acquired 15 East 26th St., a 150,000 s/f commercial condo located on the northern edge of Madison Sq. Park. 15 East 26th St. will undergo \$9 million in capital improvements.

Overlooking Madison Square Park, 15 East 26th St. is a landmarked building constructed in 1920. The ground floor retail is leased to the high-end restaurant SD26 and floors two through eight are office spaces, with Vera Wang's design and showroom occupying the 4th and 5th floors. The 19,000 s/f full 3rd floor and a 2,500s/f 8th floor unit are currently vacant and will be released to the market by Savanna and their leasing agent, Jones Lang LaSalle.

"We are excited to add this attractive property to our Manhattan office portfolio," said Christopher Schlank, a managing partner of Savanna. "The neighborhood surrounding Madison Square Park is a growing mixed-use commercial and residential market with a myriad of new office, retail, residential and hotel developments scheduled over the next few years. The improvements we have planned for the building will position 15 East 26th St. as one of the premier office buildings in the neighborhood, which is currently the tightest office market in the United States.

Savanna's \$9 million capital plan for 15 East 26th St. includes a complete modernization and extensive upgrade of the freight elevator and three passenger elevators, redesign of the entrance and lobby, replacement of the sidewalk, replacement of the windows, a façade upgrade, and common corridor and bathroom renovations. The firm of DPM Architecture, P.C. has been commissioned to design the new improvements.

Savanna has appointed Jones Lang LaSalle (JLL) as the leasing agent, with a team led by Mitchell Konsker, vice chairman, Matthew Astrachan, vice chairman, and Matthew Polhemus, associate.

"15 East 26th St. is one of the premier properties located in the Park Avenue South corridor, which currently has the lowest vacancy in Manhattan at 6%," said Mitchell Konsker, vice chairman of JLL.

"This building is ideally suited for technology, media, entertainment, and fashion tenants due to the high ceilings and flexible floorplates."

Capital Source, a commercial lender based in Chevy Chase, MD, and with local offices in New York City, will provide financing to Savanna.

"We are very pleased to be working with Savanna on the financing for this acquisition and capital improvement program," said Chris Kelly, managing director of Capital Source. "We view this neighborhood as a solid opportunity to invest in New York City's future."

The property was acquired from a joint venture consisting of Angelo, Gordon & Co, Belvedere Capital, Metropolitan Realty Associates and Walter & Samuels. Adam Spies and Douglas Harmon of Eastdil Secured arranged the transaction. The buyers were represented by the law firm of Cole, Schotz, Meisel, Forman & Leonard, P.A.

About Savanna

Formed in 1992, Savanna is an institutional real estate private equity firm and asset management company based in New York City and run by Managing Partners Christopher Schlank and Nicholas Bienstock. The firm pursues opportunistic real estate equity and debt asset investments throughout the northeastern United States, focusing on directly owning and operating properties in New York City and the Washington, D.C. metro area. The firm's equity investments target superior risk-adjusted returns by adding value through asset management and/or property development, redevelopment, and repositioning. Savanna also selectively invests in real estate debt instruments that have the potential to generate equity-like returns, including preferred equity instruments, high-yield bridge and mezzanine loans, and B-notes. Since inception, Savanna has invested more than \$1.7 billion in total capital across 15.2 million square feet of real property across multiple asset classes and locations, representing over \$3.75 billion in total capitalization. For all leasing inquiries, please contact Todd Korren at tkorren@savannafund.com.

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