



Savanna acquires 465 Broadway retail condo from GLL Real Estate Partners; Financed by \$42 million loan from Mesa West Capital and Savanna Real Estate Fund II

September 24, 2012 - New York City

Savanna, a New York-based real estate private equity and asset management firm, has acquired the retail space at 465 Broadway. The property consists of 9,400 s/f of at-grade retail space and 4,700 s/f of below-grade space in the residential condominium building also known as 40 Mercer St. Designed by architect Jean Nouvel, the property was developed in 2007 by Hines, Goldman Sachs and Andre Balazs.

Savanna acquired the retail condominium from GLL Real Estate Partners for \$57 million in an off-market transaction. The deal was financed with a \$42 million acquisition loan from Mesa West Capital and equity from Savanna Real Estate Fund II.

The retail condominiums at 465 Broadway, located in the SoHo Historic District, include 75 ft. of frontage on Broadway, 180 ft. of frontage on Grand St., and 45 ft. of frontage on Mercer St. The street level space is 100% leased at below market rates to four tenants: Bose, Wells Fargo, Dermalogica, and Vivienne Tam.

Woody Heller, Will Silverman, and Eric Negrin of Studley were the sole brokers in the transaction. "SoHo is primarily recognized for its cast iron buildings that have been converted from industrial use to office, residential and retail. 465 Broadway provides a unique and modern configuration. The new glass and steel property offers at-grade access, 17 ft. high ceilings, and wide column spacing that is ideal for retail tenants," said Bastien Broda, an associate at Savanna.

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

"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," said Kevin Chisholm, a managing director at Savanna.

"As they did successfully in the Midtown South office market, Savanna has identified one of the next hot markets in New York real estate and moved quickly to acquire a best-in-class asset," said Silverman, senior managing director of Studley's Capital Transactions Group.

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 Chris Schlank and Nick 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 \$2.6 billion in total capital across 17.3 million square feet of real property across multiple asset classes and locations, representing \$3.8 billion in total capitalization.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540