



Rockrose purchases Savanna's 15 East 26th Street for \$105 million; Spies, Harmon, Doneger, And King Of Eastdil Secured rep Savanna

January 13, 2014 - Front Section

Rockrose Development Corp. and Savanna revealed that 15 East 26th St., a 150,000 s/f boutique commercial office building located on Madison Sq. Park between Madison and Fifth Aves., was purchased by Rockrose for \$105 million.

Craig Deitelzweig, head of Rockrose's office division, represented Rockrose in-house in this transaction. Adam Spies, Doug Harmon, Adam Doneger and Joshua King of Eastdil Secured represented Savanna.

Constructed in 1920, 15 East 26th St. is located in a landmarked historic district and houses a mix of high-tech and tenants including Vera Wang, which has executive offices and a showroom in the building. The commercial portion of the building consists of 150,000 s/f on floors one through eight and is 95% leased.

Savanna acquired the property in 2012 and completely modernized the building through a \$9 million capital improvement plan including an extensive redesign of the entrance and lobby, upgraded freight and passenger elevators, a complete sidewalk replacement, and a conversion of the boiler to more efficient fuel.

Savanna worked with Mitchell Konsker, Matthew Astrachan, Matthew Polhemus, and Brittany Wunsch of Jones Lang LaSalle in its marketing and leasing effort at the property. The Savanna and JLL team was successful in leasing up the vacancy at the building and also relocating two of the tenants, allowing those spaces to be marketed at prevailing Midtown South market rents.

"We are pleased that upon completion of our business plan and leasing efforts at 15 East 26th St., we will be able to deliver exceptional returns to our investors," said Nicholas Bienstock, managing partner of Savanna. "Rockrose is acquiring a terrific asset in a market where we see strong demand and great additional opportunity."

Under Rockrose ownership, the building will be further modernized and upgraded. The purchase is part of a strategic plan for Rockrose to significantly grow its office portfolio in New York City and Washington, DC.

Justin Elghanayan, Rockrose president, said, "We are very strong believers in the strength of the Midtown South office market. We completed our renovation and rebranding of the nearby Creative Arts Building at 300 Park Avenue South in 2012, bringing it to full occupancy with stellar tenants in less than a year. 15 East 26th St. is a similar, very handsome building located on one of the most pristine parks in Manhattan, and it fits with our plans to purchase well located office buildings, upgrade them to be best-in-class, and hold the assets for the long-term."

Over the last two years, Rockrose has purchased six office buildings in Washington, DC and intends for this new purchase to be another step in expanding its office portfolio in the New York market.

Savanna continues to create value at its existing assets through repositioning efforts and seek new, compelling opportunities in the market to add to its portfolio.

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