nyrej

Madison Realty Capital acquires 29 Ryerson in Brooklyn for $45 million

March 23, 2015 - New York City

According to Joshua Zegen, co-founder and managing member of Madison Realty Capital (MRC), the firm has acquired 29 Ryerson St. for $45 million, a vacant eight-story loft property. The building is located in the Wallabout/Clinton Hill section, across the street from the Brooklyn Navy Yard. MRC was able to acquire the property in an off-market transaction based on a direct relationship with the seller by structuring a deal which provided the prior fee owner an opportunity to participate in future upside in the property. No brokers were involved.

The 215,000 s/f property, which was built in 1951, was most recently being utilized as a storage warehouse. MRC intends to renovate the vacant building into class A office space for creative/technology clients and pursue a leasing strategy focusing on tenants seeking attractive office space at more affordable rates than neighboring locations such as DUMBO. The eight-story property features ceiling heights in excess of 15 ft. and exposures on three sides, providing great light and air throughout the entire floorplate. With 440 ft. of frontage on Ryerson St. and 110 ft. of frontage on Flushing Ave., the property also benefits from the growing retail in the area. The neighborhood has seen considerable growth recently with the arrival of high-profile tenants with long-term lease signings.

"The acquisition of 29 Ryerson illustrates how MRC is able to utilize local market knowledge and the firm's vertically integrated structure to capitalize on an investment opportunity born out of fundamental changes in the office market. Rising rents and the lack of large, classic industrial spaces throughout Manhattan has changed the value proposition and driven tenants to look elsewhere for space. With our in-house design and construction team, we will be able to accentuate the distinctive attributes of 29 Ryerson and bring a truly unique space to market," said Zegen. "We're excited about the investment and the opportunity to participate in the transformational change that the neighborhood is experiencing."

29 Ryerson St. is located in the Wallabout neighborhood, a subsection of Clinton Hill known for a large mix of commercial properties ranging from single-family homes to large industrial properties. The property is also within the celebrated Brooklyn Tech Triangle, an area encompassing downtown Brooklyn, DUMBO, and the Brooklyn Navy Yard, which continues to attract the city's top digital and technology companies.