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Midtown firm pays \$81M for Soho building

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Real Estate Equities, an under-the-radar Midtown-based property investment firm, paid \$81 million for the five-story Soho office and retail building at 375 West Broadway that is home to trendy retailer Anthropologie.

Real Estate Equities, headed by father and son Michael and Brandon Miller and Mark Siegel, in partnership with an unidentified New York-based real estate fund, closed yesterday on the acquisition of the 55,700-square-foot property between Broome and Spring streets, from a family that purchased the building decades ago.

Real estate investors continue to snap up buildings from long-time owners, a trend that surged last year in Soho. The volume of investment sales transactions soared in 2012.

“All the rents in the building are significantly below market, so there is a tremendous amount of upside,” Brandon Miller said. “Soho is a great [New York City] submarket, and we are very excited about this investment.”

The deal comes on the heels of Real Estate Equities’ \$60 million purchase in December 2011 of the former Mobil gas station at 461 West 14th Street at the corner of 10th Avenue.

Laurence Ross, managing principal of brokerage Highcap Group, represented Real Estate Equities, and Ripco’s Lee Spiegelman represented the family-owned seller, Ellwell Associates, in the West Broadway sale.

Apparel retailer Anthropologie leases 11,200 square feet of ground floor retail space, as well as 7,000 square feet in the basement, in a lease that runs through March 2016, paying about \$115 per square foot, Steven Fenster, a managing director at financial firm Carlton Advisory Services, said.

The market rent in the area was now about \$250 per foot to \$275 per foot, Fenster said. On the office space upstairs, the average rent is approximately \$47 per square foot, and he said office rents in the area “are probably about \$75 per foot.”



Fenster represented Real Estate Equities in its procurement of about \$30 million in equity and \$55 million in debt to purchase the property.

Michael Miller was a developer of shopping centers in the 1970s and 1980s. With Real Estate Equities, he then repositioned properties such as 156 Prince Street and developed properties such as the condominiums at 985 Park Avenue.

The firm expects to close on an additional \$200 million in acquisitions in the next 60 days, Fenster said.