

REAL ESTATE WEEKLY

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L&L pays \$165M for next Fifth Ave. prize

In a transaction that took over a year to complete, L&L Holding Company has acquired, in a joint venture with private equity firm Lubert-Adler, a 99-year leasehold interest in 114 Fifth Avenue, the century-old 18-story office tower at the southwest corner of 17th Street.

Public records show the purchase price for the lease was \$165 million.

According to senior managing director Yong Cho, L&L plans to upgrade and reposition its newest asset in the same manner and tradition of its award winning redevelopment efforts at 200 and 150 Fifth Avenues.

Both of those properties won numerous honors, including the BOMA Pinnacle Award for the best renovation of a New York City building.

"We're delighted we were able to acquire this distinctive office building and continue to build our portfolio along the resurgent lower Fifth Avenue corridor," said L&L managing director Simon Wasserberger, who noted that the complex deal required the creation of a new ground lease as well as the modification of an existing loan.

According to L&L chairman and CEO David Levinson, the potential is strong for a scenario in which his company is able to carry out a "200 Fifth Avenue-style" renovation at 114 Fifth Avenue while bringing to market 330,000 s/f of vacant office space.

The redevelopment plan for 114 Fifth includes all new infrastructure systems, a new lobby, elevators, and a host of "green" spaces, including a landscaped roof that will serve as an elite tenant amenity.

Joshua Carson, Yong Cho and Kevin Fallon of L&L Holding represented the new owners of 114 Fifth Avenue in the transaction.

According to public records, a joint venture led by New York investor Rabbi Mahir Reiss was the seller, represented by Wells Hill Partners.

The architecturally distinctive tower at 114 Fifth Avenue was completed in 1910 from plans by Mayniche & Franke. The



building's ground floor retail space is occupied by long-time tenants Banana Republic and Bank of America.

Lubert-Adler is a real estate private equity fund that manages \$6.5 billion of equity across \$16 billion of assets.

Manhattan-based L&L Holding Company is a privately-owned real estate investment company with a current portfolio exceeding six million square feet of office space primarily in Manhattan.