

February 16, 2016

<http://www.bloomberg.com/news/articles/2016-02-16/citadel-leases-anchor-space-at-new-tower-on-nyc-s-park-avenue>

Citadel Leases Anchor Space at New Tower on NYC's Park Avenue

- ▶ Hedge fund firm will take more than 200,000 square feet
- ▶ Company will leave building owned by Boston Properties

by [David M Levitt](#)

Hedge fund firm Citadel LLC signed a lease to anchor a new skyscraper that's under construction on Manhattan's Park Avenue, the first new office building to be built on the pricey corridor in almost four decades.

The deal, reached late last week, entitles the \$25 billion firm founded by Kenneth Griffin to a little more than 200,000 square feet (18,600 square meters) of office space at 425 Park Ave., said David Levinson, chairman of L&L Holding Co., the developer of the 670,000-square-foot tower. The lease includes the penthouse floor, which will have 38-foot (12-meter) glass ceilings and views of Central Park. Citadel also will occupy the two floors below the penthouse and space in the center of the Norman Foster-designed skyscraper, Levinson said.



It's a "great relief" to have "a complete, closed transaction" with Citadel, given the current turmoil in the stock market, Levinson said in a phone interview. "For a financial company as good as they are, to make a deal like this with all the turbulence in the world, is a very strong statement for New York City, and their view of the world economically."

The lease helps validate L&L's decision to start work on [the new tower](#) -- on the east side of Park Avenue between 55th and 56th streets -- before having any tenant commitments, a process known as building "on spec" and that's regarded as risky in the real estate industry. The company is in the midst of dismantling the existing building, which is down to about the 19th of its 32 stories, Levinson said. The new tower will be 897 feet tall and is scheduled for completion by late 2018, he said.

Rent Record

[Crain's New York Business](#) reported in September that Citadel was planning to pay about \$300 a square foot for the Park Avenue space, which would set a per-square-foot record for a New York office lease. The previous high was about \$200 a square foot. Levinson declined to comment on the financial terms of the lease.

The building offers a state-of-the-art work environment, said Katie Spring, a spokeswoman for Citadel. She didn't comment on the lease terms.

L&L said Citadel will move out of 601 Lexington Ave., the tower at East 53rd Street owned by Boston Properties Inc. that was once known as Citigroup Center. Citadel leases about 120,000 square feet on floors 27 through 30 in the 1.6 million-square-foot tower, according to data from research firm CoStar Group Inc.

Arista Joyner, a Boston Properties spokeswoman, didn't return calls seeking comment.