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The Priciest Lease in NYC History May Have Just Been Signed

By Ryan Boysen

One of the world's largest hedge funds just signed what's believed to be the most expensive lease in NYC history—maybe even the country—at L&L Holdings' planned 425 Park Ave office building.



Citadel signed a deal for 200k SF, with the luxury office tower's new anchor tenant paying \$300 per SF for the penthouse level, Crain's reports. L&L EVP David Berkey, who repped the landlord in the deal, tells Bisnow that while he "has no idea" how that figure got out there, it "isn't far off."

The 670k SF building will sit between East 55th and 56th streets and David says it should open for business in January 2019.

It's unclear how many floors the Citadel lease will account for at the 47-story building, but because other floors are cheaper than the penthouse level, the average rent for the entire deal

works out to about \$175 per SF, Crain's reports. That still puts it into the upper echelon in offices nationwide.

JLL vice chairman Scott Panzer—who reps 9West57, one of the priciest office buildings in the city with rents approaching \$200 per SF and one of 425 Park's main competitors in the high-end office space market—tells Bisnow that without knowing if Citadel received a build-out or other concessions, it's hard to pin down the numbers exactly.

Brokers “throw out what they need to make it a self-fulfilling prophecy,” Scott says. “They could have gold-plated fixtures for all we know.”



Either way, the lease cements 425 Park's place among the storied luxury office buildings of the Plaza District and underscores just how high rents have risen at high-end office buildings in recent years.

David says leasing for the building has been done on a bespoke basis, tailoring each potential deal to the needs of individual clients.

“We’re curating the tenancy in the building,” David says. “Unlike every other development I’ve been a part of, this building called for no pre-leasing.”

He says while the rent in Citadel's deal might've been pricey, you get what you pay for.

“It really is the best building in the city,” David says. “There’s no hyperbole there.”



With its chauffeurs, health-conscious touches like being the city’s first WELL Core & Shell certified office tower, an elegant, 45-foot-tall lobby and a restaurant run by Michelin star chefs, 425 Park was always meant to appeal to the priciest segment of the office space market. And the bet has paid off.

L&L “gambled that if they did everything perfectly—pick the right architect, the right design, the right amenities, etc.—the market would respond,” says CBRE CEO of the Tri-State regions Mary Ann Tighe (above), who repped L&L. “To attract a tenant of Citadel’s caliber validates L&L’s vision.”

And, as Scott points out, Citadel—worth roughly \$25B—can afford it.

“[Citadel founder and CEO] Ken Griffin doesn’t make the money he does for being an idiot,” Scott says. “For him it’s a rounding error to pay such a high rent.”

Speaking of which, Ken could be in the midst of breaking a record of his own. He’s reportedly in the process of buying a penthouse at Vornado’s 220 Central Park South for over \$200M, the highest price ever paid for an apartment in the city.