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L&L Lands a Big One at Manhattan's 425 Park Ave

By Barbra Murray

CBRE signed the hedge fund to multiple floors in the new 425 Park Ave. tower, and it's paying quite a price.



425 Park Ave., New York – courtesy of dbx

New York—If all eyes weren't on the \$1.1 billion office project at 425 Park Ave. in Midtown Manhattan before, well, they are now. L&L Holding Co., developer of the 670,000-square-foot Plaza District property, just signed hedge fund Citadel LLC to a 200,000-square-foot lease. But it's not just the size of the commitment that's turning heads—it's the price tag attached to it.

Citadel will take space on multiple floors at the 47-story tower, including the penthouse level, for which the firm has agreed to pay \$300 per square-foot. It's a figure never before seen in the Manhattan office market, which is the most expensive office market not just in the U.S., but in the Americas, as noted in a recent study by commercial real estate services firm CBRE. And it's CBRE that can take credit for orchestrating the lease agreement on both sides of the table.

Andrew Sussman, John Nugent and Chris Corrinet represented Citadel, while Mary Ann Tighe,

Evan Haskell, Sarah Pontius and Zak Snider worked alongside L&L executive vice president David C. Berkey in representing L&L and its development partners, GreenOak Real Estate and Tokyu Land Corp.

“The Citadel lease is a huge sign of confidence by a very smart, successful organization and a huge sign of confidence for New York City and its office stock. There are tenants that understand the value to their companies of a 21st century workplace,” David Levinson, chairman & CEO of L&L Holding Co., told Commercial Property Executive. The 21st Century workplace behind the doors of 425 Park features such amenities as state-of-the-art technology, a private garage for the building’s tenants with a special car lobby, a chauffeurs’ lounge, a wellness center and an amenity floor with the unlikely offering of outdoor space. “425 Park has an environment that will allow for the recruitment of the best talent and a healthy environment that maximizes employee productivity,” Levinson added.



425 Park Ave., New York – amenity level

It’s not a bad time to market space in Midtown. With the financial and legal services sectors leading the way, leasing activity totaled more than 4 million square feet in the fourth quarter of 2015, pushing the annual total to its highest point since 2006, per CBRE research. The Plaza District submarket didn’t fare so well on its own, due in no small part to the premium rents. However, there’s nothing like having a commitment from a big-name anchor tenant and being the new office building on the block—or the only office building on the block in this case, as 425 Park will be the first full-block office development to sprout up along Park Ave. in 50 years—to attract followers. L&L is all confidence.

Levinson asserted, “The Citadel lease acknowledges our effort in creating a premier office building in Manhattan and we’re certain that other top tier organizations will join in becoming tenants at 425 Park.”