

L&L Secures Full Financing for Manhattan Trophy Office Tower

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David Levinson, L&L Holding

There's no stopping the development of 425 Park Avenue now. L&L Holding Co., lead developer of the \$1.1 billion Manhattan office project, has finished rounding up all financing for the premier 670,000-square-foot tower. Along with co-managing partner GreenOak Real Estate, L&L secured Tokyu Land Corp. as a new co-equity partner and co-developer, and landed a \$556 million construction loan as well.

It's an endeavor that is hard for investors and lenders alike to ignore. The 47-story office high-rise will sprout up in Midtown Manhattan, where it will hold the distinction of being the first newly built office property to span a full block on Park Ave. in roughly half-a-century. "This is a very rare occurrence to tear down a mid-century building in New York's storied Plaza District and replace it with a truly 21st Century office tower. It is unlikely that there will be another new building on Park Avenue in my lifetime," David Levinson, chairman and CEO of L&L, told Commercial Property Executive.

Tokyu Land was eager to come aboard the project, recognizing that entering the joint venture partnership presents, as company president & CEO Hitoshi Uemura offered in a prepared statement, a "once-in-a-lifetime opportunity to make a lasting contribution on one of the world's most prestigious commercial boulevards." There's the allure of Park Ave., and then there's the strong appeal of the U.S. in general. Uemura describes Tokyu Land as being keen on growth-oriented development projects overseas, and the Japanese company is not alone in placing the

U.S. high on the radar. According to the 2015 AFIRE Foreign Investment Survey, the U.S.

continues to top the global list of countries providing the most stable and secure real estate investments.

And of course, the Norman Foster-designed 425 Park has turned out to be a coveted investment opportunity stateside as well. Cornerstone Real Estate Advisers, an affiliate of MassMutual, came through with the half-billion-dollar construction loan. The financing package was arranged on L&L's behalf by commercial real estate and capital markets services provider

HFF. Cornerstone, like Tokyu Land, found the prospect of being a part of a new Park Avenue office tower irresistible, and the company was also enticed by the development's risk-reward metrics, which are particularly good given the sky-high prices the Manhattan trophy office market commands today.

With a new partner and full financing in place, it's all systems go for 425 Park. L&L and partners will begin the removal of the existing structure on the property this month. And in 2018, the doors of the new state-of-the-art office destination will swing open for the first time.