

Mastercard in talks with L&L to lease all of 150 Fifth Ave: sources

Credit card-processor looks to nab 200K sf Flatiron office property space when it becomes available next year

By Rich Bockmann | May 08, 2017 01:30PM

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From left: 150 Fifth Avenue, David Levinson and Robert Lapidus

Mastercard is negotiating with L&L Holding Company to lease its entire office building at 150 Fifth Avenue in the Flatiron District, a rare chance to score a big chunk of space in Midtown South.

The credit-card processor is in talks to take the entirety of the 200,000-square-foot, 11-story property when EMI's lease on the space expires next year, sources told *The Real Deal*.

Mastercard already leases about 60,000 square feet from L&L three blocks away at 114 Fifth Avenue for its technology hub, which works to develop products such as new digital-payment platforms and wearable technologies.

And with the unit growing rapidly, the company has been scouring Midtown South for the type of large block of contiguous space that's hard to come by in the area's tight market.

Representatives for L&L declined to comment, while representatives for Mastercard couldn't be immediately reached.

L&L is asking in the mid-\$90s per square foot for the space, sources said, a premium that reflects just how rare it is to find such a large block of available space in Midtown South. The average asking rent for the Flatiron District was just over \$72 per square foot in the first quarter, according to Newmark Grubb Knight Frank.

L&L, led by David Levinson and Rob Lapidus, leased the property to the music publisher EMI for 15 years in 2003. In 2012, a group of investors led by Sony and Universal Music Group acquired EMI and took over the lease.

A number of companies including Business Insider, the Scotland-based spirits company Edrington Group and the online marketer Purch Group occupy space in the building on subleases with Universal, and are all looking for new homes as the 2018 expiration date nears.

Mastercard's need for space, meanwhile, has grown rapidly. Sources previously told *TRD* that the company walked away from a 30,000-square-foot lease in the neighborhood when it realized it needed much more space.

Other tenants with large assignments have had to leave Midtown South in order to meet their needs. Spotify, for example, will be leaving its offices at RXR Realty's 620 Sixth Avenue after inking a 378,000-square-foot lease at 4 World Trade Center earlier this year.