

Trio shells out \$200M for hotel portion of 1568 Broadway

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Renderings of 1568 Broadway

Maefield Development, Fortress Investment Group and L&L Holding have purchased the hotel portion of 1568 Broadway for \$200 million.

JPMorgan Chase provided \$75 million for the purchase, according to documents filed with the city's Department of Finance. The bank previously provided \$175 million in financing on the hotel portion of the building. The 47-story building houses a Double Tree Hotel and the historic Palace Theater, the latter of which is still owned by the Nederlander Organization.

Maefield acquired the leasehold stake in the hotel in 2015, paying Sunstone Hotel Investors \$540 million. The deal was valued at just over \$1.15 million per key. Fortress has been involved with the property for some time, but L&L Holding is a new equity partner, a source familiar with the partnership said. L&L's stake in the hotel wasn't immediately clear and representatives for the company could not immediately be reached for comment.

Maefield is redeveloping the property, in partnership with Nederlander, to create a 704-key boutique hotel. Last year, the New York City Landmarks Preservation Commission approved plans to elevate the 100-plus-year-old Palace Theater by 29 feet in order to make room for new retail and entertainment space.