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L&L Packs a Punch with Recap of NYC's 114 Fifth Ave.

By Gail Kalinoski

Property investment and real estate manager Allianz Real Estate purchased the majority stake in 114 Fifth Ave. in Manhattan for \$209 million and has formed a new joint venture with L&L Holding Co. following the recapitalization of the 19-story, 350,000-square-foot office building.



L&L Holding, which acquired a 99-year leasehold on the Midtown South building in 2013 for \$165 million with private equity firm Lubert-Adler, will continue to serve as the general partner of the venture and leasing agent for the property.

Located at the southwest corner of 17th Street, the building has had a complete \$45 million redevelopment. Upgrades to the property included new lobby, elevators, windows, electrical infrastructure, asset management system, main entrance and the addition of a landscaped rooftop space. The multi-million makeover led to a surge in leasing activity and the building is now fully occupied with tenants like digital media company Mashable, online media firm

Gawker, news organization First Look Media, financial services firms Capital One and MasterCard. Retail tenants include Bank of America and Lululemon.

“In less than two years, we have transformed 114 Fifth Avenue into one of the Flatiron District’s leading destinations for technology and media tenants,” David Levinson, chairman & CEO of L&L Holding, said in a prepared statement. “We are pleased to be joined by Allianz Real Estate, a company with a strong track record in the U.S. and beyond, and look forward to working with them to further maximize the value of this distinctive Class A property located in one of the nation’s hottest office districts.”

Christoph Donner, CEO of Allianz Real Estate of America, called 114 Fifth Ave. a “strong asset and excellent addition to our expanding U.S. real estate portfolio.”

“We are excited to start our partnership with L&L and are looking forward to future deals,” he added in his prepared statement.

Woody Heller of Savills Studley and Adam Spies, Douglas Harmon, Kevin Donner and Adam Doneger of Eastdil Secured jointly advised the seller.

Allianz Real Estate of America L.L.C., based in New York, has a portfolio of over \$11 billion of commercial mortgage loans and equity investments and commitments, in about 30 metro markets and spanning office, multifamily, retail, industrial and medical office buildings. It is part of Allianz Real Estate, which is a leading international real estate and asset manager within the Germany-based Allianz Group. Among its U.S. investments are a joint venture formed in May between itself, Waterton and Clal Insurance to buy up to \$800 million of core and core-plus multifamily properties. Nearly a year ago, the firm announced a joint venture with Manulife Asset Private Markets to acquire up to \$1 billion in high-quality office properties in U.S. gateway cities.

Manhattan-based L&L Holding, led by Levinson and Robert Lapdus, is a privately-owned real estate investment company with a portfolio of more than 6 million square feet of office space, primarily in Manhattan. The firm’s strategy is to form joint ventures with select institutional partners like Allianz Real Estate. Its properties currently include 195 Broadway, 200 Fifth Ave., 150 Fifth Ave., Metropolitan Tower and 600 Third Ave. One of L&L’s biggest projects is the plan with partners GreenOak Real Estate and Tokyu Land Corp. to build a 47-story office tower at 425 Park Ave. The \$1.1 billion development will be the first newly-built property on Park Avenue in nearly half a century.