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L&L, Allianz Join Forces in Midtown South

By Rayna Katz



NEW YORK CITY—**L&L Holding Co.** and **Allianz Real Estate**, have formed a joint venture partnership for the recapitalization of 114 Fifth Ave. Following the recapitalization of the Midtown South property, Allianz is a majority owner of the venture with L&L, who will continue to serve as the general partner, the managing agent and the leasing agent for the 19-story, 350,000-square-foot office tower.

The purchase price for the property, which sits on the southwest corner of 17th Street, was \$209 million. The deal was brokered, on behalf of the partnership, by **Savills Studley's Woody Heller** along with **Adam Spies, Douglas Harmon, Kevin Donner** and **Adam Doneger** of **Eastdil Secured**.

The announcement comes on the heels of a \$45 million building-wide redevelopment of the property. Those upgrades—and some other changes—left the building well positioned, Heller tells GlobeSt.com.

“This is one of the few properties where the developer was able to get vacant possession, fully renovate it and then release all of the space at one time. That affords you the opportunity to do

things. For example, the mechanical equipment is new and more importantly, the bathrooms now are sized to accommodate density, the HVAC system has been upgraded and L&L expanded the lobby to be properly sized for a building of its type.”

He continues, “Now you have a class-A, renovated building fully that’s being fabulously well received; hence the numbers.”

The multi-million dollar upgrade began in 2013 after L&L and private equity partner **Lubert-Adler** acquired a 99-year leasehold interest in the property. Over this period, L&L has secured several leases.

The firm inked 345,552 square feet of transactions at 114 Fifth Ave in the last 12 months, resulting in 100% occupancy. Among the building’s new tenants are **Mashable, Capital One, Gawker Media, First Look Media; MasterCard;** and creative services firm **AKQA**. 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,” says **David Levinson**, chairman and CEO of L&L Holding Co. “We look forward to working with Allianz to maximize the value of this property.”

“114 Fifth Avenue is a strong asset and excellent addition to our expanding US real estate portfolio,” adds **Christoph Donner**, CEO of Allianz Real Estate of America.