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High-Profile New York Office Tower Signs First Lease in Over Two Years

Hellman & Friedman Signs 15-Year Agreement at L&L's 425 Park Avenue



L&L Holding Co. is nearing completion of its 47-story New York office tower, 425 Park Avenue. (Alan Schindler/L&L)

By Andria Cheng

In a hopeful sign for New York's troubled office market, [425 Park Avenue](#), the first full-block tower set to open on the corporate headquarters-heavy thoroughfare in 50 years, has added global private equity firm Hellman & Friedman as a tenant.

The lease, the high-profile building's first in over two years, carries added symbolism because it comes as the biggest office area in the United States has been emptied to a record degree by the pandemic.

With a 15-year agreement, Hellman & Friedman will occupy 27,800 square feet of space spanning two floors in the 47-story tower between 55th and 56th streets, developer L&L Holding Co. said in a statement Monday. Hellman & Friedman plans to relocate to the building in the fourth quarter from its current New York base across from the street at [390 Park Ave.](#), better known as Lever House.

The new tenant will join the building's anchor, Citadel, the hedge fund founded in Chicago by billionaire Ken Griffin. After its original lease in 2016, Citadel in January 2019 expanded its lease at the 690,000-square-foot tower by an additional 120,400 square feet to 331,800 square feet totaling 16 floors.

Hellman & Friedman didn't immediately respond to a request seeking comment from CoStar News. L&L declined to comment beyond its statement.

The lease comes at a time when the Plaza District in midtown Manhattan, the largest office submarket in both New York and the United States, [struggles](#) with employees working from home, according to a CoStar analysis.

The vacancy level in the Plaza District, which counts tenants including JPMorgan Chase and Blackstone Group, rose to an all-time high at the start of the first quarter, according to the CoStar report. The amount of sublease space has increased by about 20% since the start of 2020.

In a bid to rejuvenate New York's coronavirus-battered economy and encourage office workers to return, commercial landlords including L&L [are partnering with the state](#) to offer regular on-site COVID-19 testing for their tenants' employees.

With the submarket's "premier location," new or redeveloped assets such as 425 Park Avenue — in contrast to over 65% of space in the market that was either built or renovated before 1990 — still command the highest rents in Manhattan and the New York metropolitan area, according to the CoStar report.

The 897-foot tower, approaching completion since construction began in 2015, is expected to be the first New York commercial office building to meet WELL industry standards for health and well-being. Designed by Pritzker-winning architect Norman Foster, the tower features a 45-foot-tall grand lobby and two 38-foot setback floors, with the higher of the two housing the building's amenities. Both floors were designed to have more than 3,000 square feet of landscaped outdoor terraces.