

## **L&L and pension fund are planning \$4B spending spree**

*Partners formed a \$500M JV to go after value-add acquisitions*

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*From left: Jamie Dimon, David Levinson and Robert Lapidus*

L&L Holding Company is teaming up with a large domestic pension fund to go on a \$4 billion spending spree in New York City.

The partners formed a joint venture that has \$500 million in dry powder ready to deploy in order to go after new value-add deals, L&L president Robert Lapidus told The Real Deal.

“The objective here is for us to have an identified capital source up front in order to move even more quickly on off-market and even marketed deals,” Lapidus said. “We thought this is a really good time to have dry powder and think there will be certain situations where there will be less competition [for deals].”

Lapidus said the joint venture will acquire properties as a general partner in the equity position of the capital stack, and by bringing in capital partners and taking on debt, the \$500 million in equity will translate into \$4 billion worth of purchasing power.

JPMorgan, which owns the former International Toy Center building at 200 Fifth Avenue and 195 Broadway in Lower Manhattan in partnership with L&L, is advising the pension fund, which Lapidus declined to name.

The L&L executive, who co-founded the company with partner David Levinson in 2000, said the partnership will go after the kind of value-add projects the company specializes in, such as the speculative office development at 425 Park Avenue and the 200,000-square-foot 150 Fifth Avenue, which will be entirely vacant next year when music publisher EMI's lease expires.

L&L recently hired Alex O'Connor, a former associate at AR Global, to work on acquisitions and former Trump Organization vice president David Orowitz to work on development.

Big institutional investors have teamed up with real estate firms in the past to leverage their expertise. Back in the early 2000s, Fisher Brothers launched a \$770 million investment vehicle with Morgan Stanley to go after properties in the city in different points in the capital stack.