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Mitsubishi buys Metropolitan Tower office portion for \$163M

Japanese conglomerate inks deal through fund managed by GreenOak Real Estate

By Rich Bockmann



L&L Holding's Robert Lapidus and BlackRock's Laurence Fink with 146 West 57th Street

Mitsubishi Corporation, a cousin company to the firm that lost Rockefeller Center to lenders in the 1990s, has bought a 98.6 percent stake in the office-and-retail portion of the Metropolitan Tower near Central Park for \$163 million.

Through a fund managed by Midtown-based GreenOak Real Estate, the Japanese firm bought the interest in the 250,000-square-foot commercial condominium at the base of the 41-story tower at 146 West 57th Street (also known as 142 West 57th Street), records filed Tuesday with the city show.

The seller, a partnership between asset manager [BlackRock](#) and landlord L&L Holdings, bought the majority interest for an undisclosed sum in 2006 from Principal Global Investors.

L&L, which bought the entire commercial condo in 2000, continues to hold a 1.4 percent stake in the property.

Neither GreenOak nor BlackRock could be reached for comment, but L&L president Robert Lapidus said the new partners plan to make capital improvements to the property.

"Mitsubishi and GreenOak, through this structure, are long-term investors and plan on investing significant capital into the building," he said. "They're interested in attracting the appropriate tenants for a long-term hold."

Woody Heller of Savills Studley represented the sellers in the deal.

Mitsubishi Corp., a publicly traded company diversified across sectors such as finance and heavy industry, is part of the Mitsubishi conglomerate – a group of several dozen loosely affiliated companies that includes Mitsubishi Estate, the firm that was forced to turn over Rockefeller Center to lenders in 1995.

Along with firms like [Mitsui Fudosan](#) and [Unizo](#), Mitsubishi Estate is leading a wave of Japanese investment in NYC real estate.

Mitsubishi is renovating its office towers at 1221 and 1276 Sixth Avenue, and through its subsidiary the Rockefeller Group is developing the 2.5-acre mixed-use Flushing Commons mega-complex in Queens with partners the F&T Group and AECOM.

In September, Rockefeller Group president Atsushi Nakajima told the Wall Street Journal his company has a number of ground-up development projects in the pipeline.

"We liquidated some of our assets in the '90s but continued our commitment to the U.S. market, and have recently increased our investments in both the New York and U.S. markets," he said.

There are roughly 40,000 square feet of space available at the office portion of the Metropolitan Tower, which Macklowe Properties developed and completed in 1986. The upper floors of the building holds 241 condo and rental apartments.

Office tenants include the hedge fund Hutchin Hill, Och Ziff, Fifth Third Bank. Asking rents range from the mid-\$60s to low \$80s per-square-foot, Lapidus said.

Along with GreenOak, L&L is developing the Norman Foster-designed 425 Park Avenue office tower. The developers signed Chicago-

based hedge fund [Citadel](#) to a 200,000 square-foot lease at the 41-story building, with a portion of the space leasing for a record \$300 per square foot.