

Full Financing Comes to 425 Park Ave.

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NEW YORK CITY—L&L Holding Co. and its co-managing partner, GreenOak Real Estate have secured full-financing for 425 Park Ave. A \$556 million construction loan will be

provided by MassMutual Financial Group for the new Midtown office tower. Set to rise in the iconic Plaza District and considered L&L's crown jewel, the building also has a new co-equity partner and co-developer: Tokyu Land Corp.

Tokyu and its subsidiaries will co-invest in the 47-story office tower alongside co-managing partners L&L Holding and affiliates of GreenOak Real Estate. MassMutual's loan, which comes via its affiliate—Cornerstone Real Estate Advisers—was arranged by HFF.

L&L will continue to serve as the lead developer for 425 Park, which will be the first full-block office tower constructed on Park Avenue in nearly 50 years. In a talk late last year, L&L Holding Co.'s president and CIO Robert Lapidus outlined his firm's unique plans for the building.

The approximately 670,000-square-foot building will include a five-star restaurant and something like a car showroom or a Sotheby's in another lobby retail area. "It's not going to be a bank; we want to provide an elegant experience," he said.

The layout of floors is compelling, he asserted. "Every floor has four corner offices and you can see the whole floor when you get off the elevator which is great for the collaborative offices we want today. Floors four through 11 feature 14-foot floor-to-ceiling windows and we've built the building out so it's like you're floating over Park Ave. in glass. It's pretty special."

The 425 Park Avenue project will be one of the largest real estate investments in the history of Tokyu Land Corp. The firm's parent company, Tokyu Fudosan Holdings, is one of Japan's largest publicly-listed real estate firms with total assets of Yen 1.8 trillion (US \$15 billion).

L&L Holding Chairman and CEO David Levinson says, "We welcome Tokyu Land as our partner and MassMutual as our lender for 425 Park Ave., which we all believe will redefine the modern office environment, enhance the timeless allure of the Plaza district and serve as Midtown East's first 21st century icon."

Adds Lapidus, "Tokyu Land's long-term investment horizon and overall development philosophy make it an ideal joint venture partner for 425 Park Ave. We proudly welcome the company to our partnership and thank MassMutual for helping us finalize the capitalization of this once-in-a-lifetime opportunity."

GreenOak co-founder and partner Sonny Kalsi notes, "Everyone associated with this project recognizes this as a rare chance to create a modern yet enduring legacy on the fabled Park Avenue. We are thrilled that one of our most trusted international partners, Tokyu Land, also recognized this fact and agreed to join as a co-investor."

Says Tokyu Land president & CEO Hitoshi Uemura, "This partnership presents a once-in-a-lifetime opportunity to make a lasting contribution on

one of the world's most prestigious commercial boulevards.”

Head of the alternative investments group at Cornerstone Jamie Henderson asserts, “This project presented a rare opportunity to gain exposure to a new office tower on Park Avenue. Given the pricing being achieved by such Manhattan trophy assets, Cornerstone found that the risk-reward metrics of this first mortgage investment provided an attractive opportunity that was well-suited to MassMutual’s investment criteria.”

Demolition of the current 425 Park Ave. building will begin this month, with delivery slated for 2018.