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<http://therealdeal.com/2016/06/14/cushman-negotiating-for-new-hq-at-l-l-holdings-390-madison-ave/>

## Cushman negotiating for new HQ at L&L Holding's 390 Madison

*Brokerage is looking to consolidate Manhattan offices after a run of mergers and acquisitions*

*By Rich Bockmann*



*From left: renderings of 390 Madison Ave. (Inset top to bottom: Cushman's Ron Lo Russo, L&L's Robert Lapidus)*

Following its \$2 billion merger with DTZ last year, Cushman & Wakefield is negotiating for a new, consolidated headquarters to anchor L&L Holding's unique overhaul of 390 Madison Avenue, sources told *The Real Deal*.

Cushman has a term sheet out on several floors at the bottom of the mid-century property, which was formerly known as 380 Madison before L&L embarked on a plan to strip it down to its core and build it back up as a modern 32-story office tower, according to multiple sources.

A representative for L&L did not immediately respond to a request for comment, but a spokesperson for Cushman said the company is currently focused on integrating its offices and finalizing its real estate strategy.

"No final location decisions have been made at this time, including remaining at our premium location at 1290 Avenue of the Americas," the spokesperson wrote in an email.

Asking rents near the base of the 859,000-square-foot building are in the range of \$80 to \$100 per square foot, sources said.

It's not clear how much square footage Cushman is negotiating on, but the firm had been reported to be in the market last year for a 300,000-square-foot global headquarters.

In late 2015, however, Cushman moved its global headquarters to Chicago, and one source said it wasn't clear if the former Massey Knakal Realty Services group would relocate as part of the deal.

L&L is constructing what is essentially a new building on Madison, and if the deal goes through it would move Cushman closer to its CRE peers. The brokerage has always been an outlier with its headquarters at 1290 Sixth Avenue near Rockefeller Center, while competitor firms CBRE, JLL and Newmark Grubb Knight Frank are all located on Madison or Park avenues near Grand Central Terminal.

A run of mergers and acquisitions has left Cushman with a scattered footprint across Manhattan.

The company already had about 175,000 square feet at Vornado Realty Trust's 1290 Sixth Avenue when it acquired Massey Knakal in January 2015 for about \$100 million. Massey has a little more than 40,000 square feet a few blocks south from the L&L building at 275 Madison Avenue, which owner RFR Holding is in contract to sell for roughly \$270 million. There's a significant amount of time remaining on that lease, which CoStar shows runs through 2029.

The legacy Cushman group also has a downtown office at One World Trade Center.

Meanwhile, after the private equity firm TPG Capital acquired European brokerage DTZ for \$1.1 billion in 2014, the firm grew its footprint in Manhattan in early 2015 with the purchase of Cassidy Turley, which roughly 47,000 square feet at 277 Park Avenue.

L&L is taking a unique approach to its Madison Avenue building, which amounts to one of the few new construction projects in Midtown

East. Because the 1950s property is overbuilt under current zoning, the developers would lose square footage if they decided to tear the outdated building down and construct a new one.

So what they've decided to do is "remass" the building, or essentially tear it down to its steel core and build it back up, but this time with higher ceilings and abundant outdoor space.

It's the same process L&L used at the Sir Norman Foster-designed 425 Park Avenue, where the company signed hedge fund Citadel to a record \$300 per square foot for the penthouse portion of its 200,000-square-foot headquarters.

Rob Lapidus of L&L previously said the company was looking to sign an Eataly-style food hall at the base of 390 Madison to help liven the area, known mostly on the retail front as a menswear-shopping destination.

Completion is scheduled for 2017.