

## David W. Levinson

BY VIVIAN MARINO | APRIL 25, 2012 | THE NEW YORK TIMES

Mr. Levinson, 63, is the chairman and chief of the L & L Holding Company, which is based in New York and owns and operates five million square feet of office space in the Manhattan area. Its portfolio includes 200 Fifth Avenue, once called the International Toy Center, and 425 Park Avenue, which is about to be redeveloped.

He co-founded the company in 2000 and was a vice chairman of CB Richard Ellis until 2005.

Interview conducted and condensed by Vivian Marino

Q. What's your take on the Manhattan office market these days?

A. Our outlook is positive. We're seeing a gradual improvement in our economy. We see a supply-constrained market — in fact, the last 10 years has seen the lowest amount of development in 110 years. We're getting an improvement in the vacancy rates. And in 2011 rents over all in New York have gone up 11 percent.

So business has gotten better. It was a difficult time after Lehman collapsed in 2008.

Q. Lehman was one of your capital partners at the time, at 200 Fifth.

A. I'm very proud to say that every building we had in 2008 we still have today. In fact, during that period of time, a lot of institutions came to us for assistance. Buildings that had been foreclosed on we took over and operated them until they were able to decide what they wanted to do.

Q. Are you working on many projects right now?

A. Some of our existing buildings are going through redevelopments. We are doing a very large retail development down at 195 Broadway, and probably our most important and most exciting new development is 425 Park Avenue.

Q. Let's talk about your plans there.

A. We'll be demolishing about 75 percent of the building. There'll be a podium — of course the brick skin will come off — and we'll build a new tower on top of the podium. The current condition of the building — it's so dated — is that it's not economically feasible to try to rehabilitate it. It's not a sustainable building in terms of energy efficiency: there's single-pane glass, old mechanical systems.

This is a very special and unique opportunity — it's a full-block building. There has not been a full-block building built on Park Avenue in 50 years, and there's no other in the foreseeable future.

Q. How do you envision the new building?

A. We'll leave it to the architects, but I would guess probably the first six floors of steel will remain — that would be the podium — and then there will be a tower on top of that. We'll start getting Central Park views probably about 300 feet up. There will probably be a variety of floor sizes. We're looking to do it column free, floor-to-ceiling glass and sustainable — LEED platinum or gold. It's going to be in the range of three-quarters of a billion dollars. So you have to create value.

We just invited 11 of the greatest architects in the world to compete for the design, and then we'll get it down to a short list. We would like to hear back from them some time in early May to see if they're interested. Hopefully we'll have our architect selected by the early fall.

Q. What's the development timetable?

A. It's all "as of right," which means we don't need any special permission or permits. We just have to comply with all of the regulations. We'll begin early spring 2015. All the current leases expire on the same day in April 2015. And we expect we'll complete it by the end of 2017. None of us have ever seen a building demolished on Park Avenue.

Q. Before this project, your last big undertaking was the conversion of the former International Toy Center at 200 Fifth Avenue.

A. 200 Fifth Avenue was a great example of what we're capable of doing. This was a 100- year-old structure of 850,000 square feet, and full capitalization of that building is almost three-quarters of a billion dollars.

We bought it in 2007 and built it through the recession. Not only was there a physical challenge to building this building, there was a financial challenge. And today we're very happy. We have Tiffany & Company headquarters at 350,000 feet and the Grey Group at over 370,000 feet. We're negotiating with one tenant for the last floor in the building. That's 57,000 feet.

Q. You have some history with that building, don't you?

A. My dad had a toy store in Queens and we used to go there and buy electric trains and toys. I never really thought about the building when I was a kid. I was only interested in the toys. I was the official toy tester for my dad. If I liked it, it would get in the store.

Q. You had a successful career as a broker. What drew you to real estate development?

A. The ownership side and development side and construction was always something that I wanted to do. I worked my way through college renovating buildings. I went to Northeastern University and that's how I got through school. And when I graduated college I was the largest landowner in Woodstock, N.Y. I tried to build a ski resort and hotel complex in the mid-'70s, and that sort of collapsed and I essentially lost everything. Then I

became a broker.

Q. Is your stake in the Yankees 10 percent, as some reports have said?

A. It's not correct. I don't know where that came from. I don't disclose how much I own. But I wish I owned more.