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Blackstone Leads \$911M Loan on L&L Holding's 425 Park Avenue



425 PARK AVENUE. PHOTO: ALAN SCHINDLER

BY [MACK BURKE](#)

Blackstone Real Estate Debt Strategies (BREDS) has spearheaded a \$911.4 million debt package on [L&L Holding Company](#)'s 47-story Midtown office tower at [425 Park Avenue](#), L&L announced on Monday.

The financing will allow L&L to retire existing construction debt, complete any remaining work and then lease up and stabilize the 670,000-square-foot property, according to L&L's announcement. The firm [received a temporary certificate of occupancy \(TCO\) earlier this year](#).

It's unclear which other lenders joined Blackstone in this new financing. A representative for BREDS was not able to provide additional commentary or information prior to publication.

“We are excited to lead the refinance for this world-class asset as New York City office leasing demand for newly-built, state-of-the-art buildings accelerates,” said **Michael Eglit**, the head of U.S. originations for BREDS.

L&L Executive Vice President **Susan Choi Raffo** said that the financing is “a reflection of the investment community’s faith in New York City and the insatiable demand for high-performance office buildings that are also designed to positively impact the long-term health, well-being and quality of life of their occupants.”

JLL's **Michael Tepedino** and **Michael Gigliotti** represented the borrowing party in securing the financing, according to L&L.

L&L and co-managing partner **BentallGreenOak** — previously GreenOak Real Estate, before it merged with Bentall Kennedy in 2018 — [nabbed \\$556 million in construction financing from Massachusetts Mutual Life Insurance Company in 2015](#) to begin work on the tower, which is the first full-block office development to be built on Park Avenue in more than 50 years.

Japanese real estate firm **Tokyu Land Corporation** is also a co-equity partner and co-developer alongside L&L and BentallGreenOak.

Global asset management firm [Citadel is anchoring the skyscraper](#) — occupying 331,800 square feet across 16 floors — and other key office tenants include [real estate developer Wafra Capital Partners](#), [private equity firm Hellman & Friedman](#), and [healthcare real estate investment trust Medical Properties Trust](#), as Commercial Observer previously reported.

“425 Park Avenue has quickly established itself as an iconic Plaza District presence and a top destination for the technology-driven finance and investment firms that are helping to drive New York City’s economic resurgence,” L&L President and Chief Investment Officer, **Robert Lapidus**, said in a statement. “We are grateful for all of the incredible contributions and support we continue to receive from all of our design, construction, leasing and investment partners on this project.”

The asset will include a full-floor amenity center called the **The Diagrid Club**, as well as a number of outdoor gathering spaces and a space for transcendental meditation from the **David Lynch Foundation**, according to L&L. There will also be food and beverage offerings, including a restaurant on the ground floor that will be run by Swiss chef **Daniel Humm**, as well as an art installation from Japanese contemporary artist **Yayoi Kusama**.

L&L is wrapping up work on the **Foster + Partners**-designed asset, which soars nearly 900 feet into the air between East 55th and East 56th streets. But

despite the finish line being in sight, the developers have been met by some challenges.

In early November, the owner of a neighboring office building at **120 East 56th Street, First Pioneer Properties**, filed a lawsuit [claiming L&L's construction work had caused a number of issues for its property and its tenants](#), including roof leaks and a manhole explosion, among other things.

L&L and First Pioneer had come to an agreement in 2014 that allowed the developers of 425 Park Avenue to gain access to 120 East 56th in order to put up roof protection and a sidewalk shed. The lawsuit says that the agreement between the sides was set to expire after three and a half years, but the roof shield and sidewalk shed have been there for more than six years, despite First Pioneer's appeals to have them removed.

First Pioneer claimed that the roof protection blocked it from cleaning its roof drains and handling other maintenance, which led to roof leaks that have persisted for years. L&L not removing the roof protection has led to fines and the building at 120 East 56th being deemed unsafe by the city, First Pioneer alleged in its suit.