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<http://therealdeal.com/blog/2015/09/14/425-park-sees-record-300-per-square-foot-rent-deal/>

## 425 Park Avenue sees record \$300-per-square-foot rent deal

By Christopher Cameron



*A rendering of 425 Park Avenue (Credit: Foster + Partners)*

Hedge fund Citadel has agreed to pay \$300 per square foot for the penthouse portion of its new 200,000-square-foot space at L&L Holding's 425 Park Avenue, breaking a city record and renewing hopes among developers that office prices will continue to soar well into the triple digits.

Citadel will take a total of 200,000 square feet, though it is unclear what it will pay for the non-penthouse portion, Crain's reported.

Rent in a typical Class A Midtown office building averages about \$80 per square foot, and only three other buildings have ever rented for more than \$200 per foot: 9 West 57th Street, the General Motors Building and 667 Madison Avenue.



*Rendering of 425 Park Avenue (credit: Foster + Partners)*

Citadel, whose founder Ken Griffin has been the rumored buyer of a \$200 million-plus penthouse at 220 Central Park South, was mulling the decision to become the anchor tenant of the L&L Holding Company, GreenOak Real Estate and Tokyu Land Corp. project for some time, according to Crain's.

Other landlords are already attempting to break the \$200 per square foot barrier. The Time Warner Center, Park Avenue Tower, 1 Vanderbilt, 860 Washington Street and an office cube at the foot of 432 Park Avenue are all asking about \$200 per square foot.

"It makes logical sense that if the bar for the top of the market has been raised, more buildings can achieve rents at the previous high point," said Stuart Romanoff, whose firm, Romanoff Equities, is building 860 Washington Street in partnership with Property Group Partners.

L&L had previously predicted the space could fetch \$250 per square foot or more. The building is scheduled to open in 2018.