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Investment manager Wafra Capital Partners signs lease at 425 Park Ave. skyscraper



425 Park Ave. is under construction between East 55th and 56th streets.
GETTY IMAGES (MICHAEL LEE)

By [Liz Young](#)

Wafra Capital Partners has signed a deal to take 13,900 square feet at 425 Park Ave., a 47-story office tower under construction in Midtown.

The New York-based investment management firm signed a lease for the 35th floor of the property, a Wafra executive confirmed Tuesday.

Wafra has existing offices at 350 Park Ave., about four blocks away, according to the company's website. The firm specializes in structuring leasing and real estate products that are Shari'ah-compliant, or compliant with Islamic religious principles and guidelines about investments. It had \$5.5 billion under management as of Dec. 31.

The firm [recently acquired 111 Wall St. in lower Manhattan](#) with Nightingale Properties, with plans to redevelop the office tower.

[Drew Saunders](#) and [Martin Horner](#) of JLL and [Kirill Azovtsev](#) of Savills represented Wafra in the 425 Park Ave. deal. [Andrew Wiener](#) and [David Berkey](#) of L&L Holding Co. represented the building's ownership.

The \$1 billion office tower, under development by L&L and designed by Foster + Partners, is nearing completion. It will include about 670,000 rentable square feet of office space and about 18,000 square feet of retail space, with a tenant parking garage on-site.

L&L is developing the building with Tokyu Land Corp., based in Tokyo, and BentallGreenOak, based in Toronto.

The building is the first full-block tower to be built along Park Avenue in about 50 years, according to L&L. The tower sits between East 55th and 56th streets. The anchor tenant at the property will be asset management firm Citadel, which [has leased 331,800 square feet](#) across 16 floors.

With this latest deal, 425 Park Ave. is now about 60% leased, according to a spokesperson for L&L.

The deal with Wafra is the third lease to be finalized over the past few months:

- Private-equity firm Hellman & Friedman LLC [signed a 15-year lease deal](#) in March to take 27,800 square feet across two floors. The firm plans to move from Lever House at 390 Park Ave., about a block away, in the fourth quarter of this year.
- Health care real estate investment trust Medical Properties Trust in April took 13,900 square feet, signing a 15-year lease for the full 36th floor, [according to the *Commercial Observer*](#).

425 Park Ave. received its temporary certificate of occupancy in January. Its landlords expect the first tenants to start moving in before the end of the year.

L&L, based in New York, is a real estate company that has acquired and developed more than 10 million square feet of commercial and residential space in New York and Florida. Its New York portfolio includes the Terminal Warehouse in Chelsea, TSX Broadway in Times Square and 222 Broadway in lower Manhattan.

Manhattan office leasing has been slow over the past 15 months amid the pandemic.

About 4.55 million square feet of office space was leased across Manhattan in the second quarter of this year, roughly the same as in the first quarter and up 43% compared with Q2 2020, [according to a report from Colliers](#).

Still, a researcher at Colliers said he sees reasons for optimism ahead, especially as more workers prepare to return to their offices over the summer and into the fall.

For now, most office workers here are still logging in remotely. Office buildings in the New York metro area had an occupancy rate of about 21% as of June 23, according to an analysis of building access data from Kastle Systems, which provides security for 2,600 buildings across the country.