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Waterman Signs 75-Year Master Lease, with a JV, at 400 Park Ave.

By Rayna Katz



NEW YORK CITY—Seizing on their similarities rather than their differences, ground-lease holder **Benenson Capital Partners** and leasehold owner **Waterman Interests, LLC** announced Tuesday they have closed on a 75-year master lease for 400 Park Ave. The class A office and retail building, sits in Midtown’s Plaza district, on the corner of 54th Street.

Benenson has owned the land under 400 Park Avenue since 1971 and Waterman Interests, in a joint venture with institutional investors advised by **J.P. Morgan Asset Management**, acquired the leasehold interest on the property in August

of 2010 from RFR Holdings LLC without utilizing any debt financing, and continues to hold the asset free and clear. Following Waterman’s acquisition, principals of Benenson and Waterman began discussing a new master Lease, according to the announcement.

When Waterman acquired the leasehold interest, the term had only 17 years remaining. Over the past two years, the Waterman partnership has made several upgrades to the building, including elevator replacement, new windows on several floors—with more to come—and a wide array of infrastructure replacements and improvements. In addition, the JV refurbished the former SYMS department store space from floors B to 5 of the building. The improvements led to the leasing of over 100,000 square feet, notes the *New York Post*.

The property’s new tenants exclusively are banking, hedge fund, and private equity firms. With the extension of the leasehold term to 75 years, the Waterman partnership plans to continue investing substantially in the building, the announcement reveals, to create premier work space and to make significant aesthetic changes to the ground floor retail space and entrance to the building. Additional investment is slated to take place “immediately” and be delivered in phases over the next 24 to 36 months, a spokeswoman tells GlobeSt.com.

Waterman Interests founder and managing member Phillip Waterman III is looking toward the building’s future. “Thematically, this transaction was a key foundation of our investment strategy, and now that it is completed, we have never been more confident in our ability to continue to

transform 400 Park into one of the finest boutique office buildings on Park Avenue and create outstanding financial returns for all parties, including Benenson Capital,” he says in the announcement.

Benenson COO **Richard A. Kessler** reveals in the Post that he has had reservations about this asset in the past. “400 Park had always troubled me because it was like a poor cousin in close proximity to iconic buildings such as Seagram and Lever House.”