

REAL ESTATE

Miracle on 54th street

By Steve Cuozzo

In an unusual case of close cooperation between the owners of land and leasehold, Waterman Interests has signed a new, 75-year master lease at 400 Park Ave., at 54th Street.

Tod Waterman's company made the deal with ground owner Benenson Capital Partners, the Benenson family's operating company, which has owned the site since 1971.

Waterman and institutional investors advised by JP Morgan Asset Management bought the leasehold on the 270,000 square-foot property from RFR in 2010 for \$35 million. At the time, the leasehold had only 17 years remaining.

Terms of the new lease were not disclosed. But both sides said the long-term arrangement will prove mutually beneficial.

It will enable Waterman to accelerate its upgrading of the 1957 tower, which was once best known as the home of discount retailer Syms.

When Syms went belly-up, Waterman repositioned the lower floors for high-end financial firms, and quickly signed a lease with City National Bank for much of the former store space.

The \$20 million Waterman put into improvements to the lobby, elevators and windows helped stimulate 100,000 square feet of new leasing.

"Benenson recognized that with our stewardship of the asset, it would make a lot of sense for us to collaborate to put the property on a different path," Waterman said.

Benenson COO **Richard A. Kessler** praised Waterman, saying, "Tod was willing to invest capital with or without a lease extension." He added, "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."