

Loan Sought on Lipstick Building

A partnership is seeking to refinance a \$113 million mortgage on the leasehold interest in Midtown Manhattan's Lipstick Building.

The 635,000-square-foot structure, at 885 Third Avenue, is owned by **IRSA**, which is controlled by the **Elsztain** family of Argentina, and **Marciano Investment** of Beverly Hills.

The partnership is seeking an unspecified amount above the existing loan's balance, with the excess used for various costs, including capital and leasing expenditures. It's unclear whether a fixed or floating rate is preferred. **Mission Capital** is the partnership's advisor.

The 34-story building, between East 53rd and East 54th Streets on the east side of Third Avenue, has a red-granite face and an oval shape whose three layers resemble an open lipstick tube. The lead tenant, law firm **Latham & Watkins**, occupies 409,000 sf.

The Class-A tower, in the Midtown/Plaza District, was built in 1986 by Houston-based **Hines** and **Sterling Equities** of New York. In 2004, the duo sold the property to a **Tishman Speyer** partnership for \$235 million.

In 2007, the Tishman group divided the ownership of the structure and the underlying land, selling the pieces in separate transactions. A group of foreign investors, led by investor **Haim Revah**, acquired the leasehold interest for \$606.8 million. Revah's partners included IRSA, Marciano and Israeli shops **Tao Tsuot** and **Financial Levers**. In 2011, IRSA and Marciano gained control of the leasehold interest in conjunction with a recapitalization.

Also in 2007, the Tishman team sold the land to a partnership between **SL Green Realty** of New York and SL Green spinoff **Gramercy Capital** for \$317 million. In 2010, SL Green bought



out Gramercy's position. Last February, SL Green sold the underlying land to a joint venture between **Shanghai Municipal** of China and **Ceruzzi Properties** of Fairfield, Conn., for \$453 million. ❖