



## **RFR closes on \$100 million for 345 Park Avenue South**

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RFR Holding LLC closed on \$100 million in financing for 345 Park Ave. South. Through this 10-year CMBS transaction arranged by Citibank, RFR will defease existing debt on the property while taking advantage of low interest rates to reduce its cost of capital going forward.

345 Park Ave. South is an office property located in the Midtown South submarket. The office floors are 100% occupied by Digitas, a leading digital marketing firm owned by international advertising and public relations company Publicis Groupe. Initially drawn to the building by a sublease, Digitas developed a strong working relationship with RFR and subsequently executed a lease to expand to all of the office space in the building as it became available. The Digitas lease expires in November 2021, leaving 8 years of term remaining. The street level retail space is occupied by two bank branches and a new restaurant, Manzanilla.

"This transaction exemplifies several trends we're seeing in the financing marketplace," said Jason Brown, head of acquisitions for RFR. "With strong sponsors like RFR, lenders are now willing to extend the term of the financing beyond the terms of existing leases. There's an understanding that groups with a track record of retaining and attracting tenants are likely to maintain stable performance in the future."

"We're also seeing investors and lenders increasingly drawn to core markets like Manhattan, and the Midtown South submarket has proven itself as the most attractive location for tech and media companies," said Mark Weiss, CIO of RFR.

"In the context of the interest rate environment and our portfolio-wide strategy to limit rate exposure, refinancing made a lot of sense."

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