



JLL Capital Markets arranges redevelopment financing: \$393 million

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Rendering courtesy of Viewpoint Studios

Manhattan, NY JLL Capital Markets has arranged a \$393 million construction financing for the redevelopment of 125 West End Ave. into a world-class life sciences facility in the West Side.

JLL worked on behalf of the borrower, a partnership controlled by Taconic Partners and Nuveen Real Estate, to secure a four-year, floating-rate senior loan through funds managed by Apollo Global Management, Inc. and a mezzanine loan through Oaktree Capital Finance. The same JLL team also arranged \$181 million in acquisition and bridge financing for 125 West End and the surrounding campus in Fall 2019.

The 125 West End Ave. project involves the conversion of an existing 399,309 s/f office building into a purpose-built research and laboratory complex. The existing building's floor plates are ideal for a life science conversion ranging from 37,000 to 53,000 s/f and featuring 15'9" heights, industrial grade floor loads, direct loading access on multiple floors and gated shipping and receiving points.

The project benefits from immediate proximity to the West Side life sciences cluster and access to both public transportation and commercial thruways. The location on West 66th St. provides direct access to the Central Park 65th St. traverse. 125 West End Ave. is also a short walk from Lincoln Square and the 1, 2 and 3 subway lines as well as close proximity to the West Side Highway, providing access to the entire Tri-State area.

According to JLL's recent 2020 Life Sciences Outlook, New York boasts industry-leading demand drivers on par with major U.S. life sciences markets such as Boston, San Francisco and San Diego, including a highly skilled talent pool, proximity to Big Pharma, and world class academic institutes. New York City and New York State have also committed more than \$1 billion to facilitate the growth of the life science industry and the city ranks second in NIH funding over the past five years, only behind Boston / Cambridge. Despite all of this, life science companies comprise only 1.1% of the total New York City office investment market as compared to 12% in San Francisco, 25% in San Diego and 32% in Boston.

The JLL Capital Markets team representing the borrower was led by senior managing director Evan Pariser and managing director Geoff Goldstein.

“Taconic and Nuveen had a vision for an Upper West Side life science cluster years ago,” said Pariser. “It’s been really exciting to witness this vision turn into reality as they successfully build out 125 West End Ave. and create a truly dynamic life science cluster in New York City that one day may rival the likes of Boston or San Diego.”

“The transformation of 125 West End Ave. into a state-of-the-art life science hub and our financing of this project is a testament to the resilience of New York City and the promise of this emergent sector,” said Taconic president and chief investment officer Chris Balestra. “We are pleased to be working with our partners to realize this project—the largest of its kind to move forward since COVID-19 impacted our great city.”

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