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New York, New York

Property Group Partners Sells SoHo Office Building

Aggressive Renovation and Repositioning Sets Stage for Lucrative Sale

Property Group Partners, a leading owner and developer of Class-A commercial real estate, has sold the office building located at 148 Lafayette Street for approximately \$850 per square foot. Epic, a real estate firm based in New York City, acquired the 154,953-square-foot property. Douglas Harmon, Adam Spies and Kevin Donner of Eastdil Secured represented Property Group Partners on the transaction. Property Group Partners owned the building in partnership with Bruce Toll and members of the Louis-Dreyfus family.

Acquired in 2007, Property Group Partners purchased 148 Lafayette Street for approximately \$390 per square foot. Designed by McKenzie Voorhees and Gmelin Architects in 1913, this quintessential turn-of-the-century SoHo industrial building features ornamental and limestone brickwork and open loft spaces that once housed printing presses and clothing manufacturers. At the time of purchase, much of the property was vacant with only one office tenant leasing a portion of space in the building. Seeing an opportunity to physically upgrade and expand the building, Property Group Partners mapped out and executed a comprehensive renovation campaign that repositioned the building in Manhattan's commercial real estate market.

Extensive renovations by Cook + Fox Architects in 2007 included a new office lobby and covered entry, new state-of-the-art mechanical, electrical, life safety and security systems; new operable tilt-and-turn windows; new restrooms, elevators and hardwood floors, and new retail storefronts. A 5,327-square-foot glass penthouse with an accessible private green terrace was added to the roof. The limestone façade was completely restored and completely repointed. As a result of this significant retrofit, which exceeded \$100 per square foot, 148 Lafayette was awarded LEED Gold Certification by NYSERDA for energy efficiency in 2008 and achieved its first Energy Star Award in 2009. It is one of the few century-old Manhattan office buildings to acquire this level of certification.

Implementing a successful marketing and leasing program, Property Group Partners was able to fully lease the office space by 2009. The impressive roster of diverse tenants includes the corporate headquarters of fashion designer Dolce & Gabbana; apparel maker Lafayette 148; architectural firm Callison; Tower Research, and Utrecht Art Supplies. Property Group Partners has served as the on-site manager of the property.



PROPERTY GROUP PARTNERS

Press Release

“The sale of 148 Lafayette Street validates our original strategy with this building,” said Jeffrey I. Sussman, founder and president of Property Group Partners. “With our partners, we recognized that a complete renovation and expansion would vastly improve this asset for both tenants and investors. Not only did we fully lease the building within 24 months after purchasing it, but we have now completed the successful sale of the property just a few years later.”

About Property Group Partners

Property Group Partners (formerly Louis Dreyfus Properties) the developer of 148 Lafayette Street, has developed, acquired and managed first-class office buildings in North America and Europe for over 40 years. The company’s portfolio has consisted primarily of high quality office buildings in central business districts and major urban locations, which have included New York City; Fairfield and Westchester Counties; Washington, DC; Miami; Chicago; Portland, Oregon; Montreal; Toronto; Paris and London. It has also built and developed for ownership a number of hotels in partnership with Four Seasons Hotels and Resorts, including the Four Seasons Hotel Washington DC; the Four Seasons Resort in Jackson Hole, Wyoming, and the Four Seasons Hotel Silicon Valley.

Active in the Washington real estate market since the early 1970s, it developed and manages Station Place, the 1.6-million-square-foot development connected to Union Station that is the headquarters of the SEC, 1101 New York Avenue and 801 Seventeenth Street. Property Group Partners is a key investor and developer of Capitol Crossing, a project that will encompass more than 2 million square feet of mixed-use space located between Massachusetts Avenue and E Street over I-395.

For more information about Property Group Partners, please visit our web site PGP.us.com

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