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New York's 5 Times Square Sale Is Biggest Deal Since 2010

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New York's 5 Times Square, the headquarters for accounting firm Ernst & Young LLP, sold for \$1.5 billion in the biggest transaction for an entire building in the city since 2010.

A partnership led by New York real estate investor David Werner bought the tower from AVR Realty Co., said Allan Rose, AVR's owner and chief executive officer. The price is 17 percent more than what AVR paid in 2007, when it bought the building from Boston Properties Inc.

Buyer demand for high-quality buildings in the heart of midtown Manhattan has pushed office values in the area up 14 percent in the past year to peak levels, according to research firm Green Street Advisors Inc. In September, Norway's sovereign-wealth fund agreed to buy a 45 percent stake in nearby 7 Times Square for \$684 million from Boston Properties.

The 5 Times Square tower at Seventh Avenue and 42nd Street, known for the Ernst & Young sign with red letters down its side, was completed in 2002 and has 1.1 million square feet (102,000 square meters) of office space. The accounting firm is the primary occupant, according to AVR.

By dollar amount, the sale is the biggest of an entire building in New York since Google Inc.'s purchase of 111 Eighth Ave. in 2010, according to Real Capital Analytics Inc. Doug Harmon and Adam Spies of Eastdil Secured LLC served as investment bankers on the transaction, which was reported yesterday by the Wall Street Journal.

Complicated Deal

The sale required approvals from the city government, Empire State Development Corp. and the loan servicer Wells Fargo & Co., Rose said in a telephone interview.