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Boston forgives & forgets

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THERE'S nothing like a good new deal to get rid of bad blood over a failed old one.

Such is the case at Boston Properties' 399 Park Ave., where hedge fund Avenue Capital has just inked a 57,000-square-foot lease on the sixth floor.

That's right, Avenue Capital -- the same outfit we reported two weeks ago had been bounced out of advanced negotiations for the tower's 11th floor when Boston found out the financial firm was talking to the owners of a different building.

Studley subsequently snatched the 11th floor after what Boston's leasing agent, CB Richard Ellis honcho **John Powers**, called the "hiccup" in talks with Avenue that Boston "didn't appreciate at that stage in the game."

But late Friday, Boston and Avenue came to terms on a sixth-floor deal for only slightly less space than it would have had on the 11th floor.

Powers quipped, "The world takes funny twists and turns, doesn't it?"

CBRE master dealmaker **Mary Ann Tighe**, who represents Avenue and got the firm out of the pickle, declined to comment.

Avenue, which is currently at **George Klein's** 535 Madison Ave., spread out over five floors, will be happy to exchange for one floor.

Sources said Klein, who has a good relationship with Avenue, made a last-minute offer to try keeping the hedge fund, but it wasn't enough.

In less than a year, Boston has now re-leased 340,000 of 400,000 square feet left behind at 399 Park by Lehman Brothers, Powers said.

"We're happy with Avenue on the sixth floor and we're happy with Studley on 11," he said.

From the newest tenant's point of view, he said, Avenue's trading operations will benefit from a more open floor plan on the sixth floor than existed on the 11th -- "It's a more suitable layout for them," Powers said.

What about the fact that Boston and Avenue were barely talking to each other two weeks ago?

"You move on," Powers laughed.

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It looks like Italian developer **Davide Bizzi's** Bizzi & Partners might have its eye on more projects in the US.

Sources said Bizzi bought the 24th floor office penthouse in the Delmonico Plaza commercial condo tower at 55 E. 59th St. for \$7.5 million, or a whopping \$919 a square foot.

Bizzi plans to use the top-floor aerie as its US headquarters. The purchase comes even as Bizzi plans to celebrate the topping off of its mammoth, **Gwathmey Siegel**-designed, 60-story condo/Setai hotel at 400 Fifth Ave. this Friday.

Cushman & Wakefield's **Andy Sachs** and **Bill Levitsky** represented seller Aion Partners, which owns about 40 percent of 55 E. 59th and is putting its sixth-floor space on the market for \$750 a square foot.

Sachs wouldn't comment on the terms of the deal or even confirm the buyer's identity.

But he said, "The strength of the sale price is tangible evidence of euro-denominated investors or occupiers benefiting from US weak-dollar policy and of foreign-investment confidence in the city's commercial marketplace."

Cushman's **Frank Coco** and **Diego Rodino di Miglione**, who repped Bizzi, were unavailable for comment.

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When is a "troubled asset" not so troubled?

In a genuinely miser able market, there's sometimes a tendency to tar stalled development projects as being in trouble even when they have no problem paying the mortgage.

Real Capital Analytics, the respected and oft-quoted market-research firm, is yanking the luxury condo development planned at 1355 First Ave. off what **Dan Fasulo**, RCA's managing director of research, calls its "troubled asset radar."

RCA last August had listed the BlueRock Realty project, known as The Charles, among its roster of jeopardized schemes.

Like innumerable other projects, it hasn't gone farther than a hole in the ground since BlueRock bought the site and air rights for \$34.15 million two years ago. A \$19.2 million mortgage is held by CBRE Realty Finance Holdings.

But yesterday, Fasulo said, "Just because it's struggling to get construction financing doesn't mean it's troubled."

The 34-story Charles between 72nd and 73rd streets is to have "bespoke" apartments designed by British architect **David**

Collins, with units starting at \$2.5 million.

Fasulo said, "It's a great project with just 50 units," and predicted it will start rising once lending resumes. "Let's face it, there's not a lot of new product out there," especially on the Upper East Side. steve.cuzzo@nypost.com

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