

**June 15, 2018**

[Link to Article](#)

## **HNA and MHP secure \$342M refi at 850 Third**

*Natixis, Paramount Group and Harbor Group provide the financing for 617K sf Midtown tower*



*From left: Norman Sturner, 850 Third Avenue and David Chen*

By [Mark Maurer](#)

HNA Group has scored a financing lifeline at its Midtown East office tower 850 Third Avenue, part of a portfolio of U.S. office towers that the cash-strapped Chinese conglomerate has sought to sell.

HNA, in partnership with MHP Real Estate Services and ATCO Properties & Management, secured \$342 million from French bank Natixis, real estate investment trust Paramount Group and Virginia-based investment Harbor Group International, *The Real Deal* has learned.

The deal included \$100 million in mezzanine financing, with \$75 million from Paramount and \$25 million from Harbor Group, sources said.

The short-term, floating-rate loan replaces existing financing from Morgan Stanley, which [provided a \\$238 million package](#) at the time of the 2016 acquisition. HNA and partners acquired the property [for \\$463 million](#) in 2016.

The refinancing comes as the 21-story, 617,000-square-foot property is going through some major changes. The building's largest tenant, Discovery Communications, [is planning to vacate](#) its approximately 190,000 square feet when its lease expires in May 2020. At that point, nearly one-third of the building will be empty.



*Jordan Roeschlaub and Dustin Stolly*

The building also could soon change owners as HNA is in the midst of selling its U.S. assets, which were acquired in just the past few years. HNA sold two of its U.S. towers so far to John Kukral's Northwood Investors – 1180 Sixth Avenue, in partnership with MHP, [for \\$305 million](#) in February and a San Francisco tower at 123 Mission Street for about [\\$300 million last month](#). SL Green Realty is reportedly negotiating [to buy 245 Park Avenue](#).

MHP meanwhile is downsizing and relocating its offices in the wake of the sale of a majority stake in the company to Miami-based [Banyan Street Capital](#) earlier this year.

A Newmark Knight Frank team led by Jordan Roeschlaub and Dustin Stolly and a Cooper-Horowitz team led by Richard and David Horowitz brokered the financing. The owners could not be reached for comment.

