



AIG Said to Agree to Sell NYC Headquarters Buildings (Update2)

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By David M. Levitt



June 2 (Bloomberg) -- **American International Group Inc.**, the insurer saved from collapse by the U.S. government, agreed to sell its New York headquarters and an adjacent office building, two people familiar with the matter said.

An agreement has been reached for 70 Pine St. and 72 Wall St. in lower Manhattan, said the people, who declined to be identified because the talks are private. The price and the buyer weren't disclosed.

AIG is selling property and businesses after being bailed out four times by the federal government. The insurer agreed last month to sell its Japanese headquarters to Nippon Life Insurance Co. for \$1.2 billion. AIG also sold a 235,000-square-foot office building (21,800 square meters) in Ridgefield Park, New Jersey.

"This is going to be a transaction for someone who's not just a money buyer but someone who really understands how to develop property," said **Mark Weiss**, vice chairman of Newmark Knight Frank, a New York-based property broker which represented a bidder for the New York City buildings.

The buyers of the Manhattan buildings, which have a total of 1.05 million square feet, may convert them into offices, apartments or hotel rooms, he said. The buildings are connected by a skywalk.

Lower Prices

Prices in New York have fallen 30 percent to 50 percent since peaking in 2007, said **Woody Heller**, head of the capital transactions group at Studley, a New York-based real estate brokerage.

"It probably would have traded north of \$200 a square foot, even as vacant property, back in 2007," said Heller. "The most dramatic declines have been for vacant space and land."

David Monfried, a spokesman for AIG, declined to comment.

AIG will continue to occupy 70 Pine St. until the end of 2010, the people said. The company plans to move employees into its offices at 180 Maiden Lane, the people said.

The 66-story Pine Street headquarters was completed in 1932 and has about 775,000 square feet, according to Emporis.com, a property database. At 952 feet (290 meters), the tower is New York's fifth-tallest building, Emporis said. The Wall Street building is 16 stories and has about 279,000 square feet, according to MrOfficespace.com.

AIG sold the New Jersey building to KABR Real Estate Investment Partners LLC, a real estate firm founded by former Knight Securities LP Chief Executive Officer **Kenneth Pasternak**, according to a statement today from KABR. The price wasn't disclosed.

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