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Vanderbilt family refinances Madison Avenue office tower for \$80 million

The midtown office building was refurbished and is now fully occupied.



By [Daniel Geiger](#)



CoStar Group, Inc.

The Vanderbilt family took back 501 Madison Ave. in 2013

After completing renovations and leasing up 501 Madison Ave., the famous Vanderbilt family has successfully refinanced the midtown building constructed by the family's patriarch Cornelius Vanderbilt in the late 1920s for \$80 million.

The family swapped out an existing \$60 million construction loan with AXA Equitable Life Insurance Co for an \$80 million loan with AXA—likely netting about \$20 million in profits in the process. According to city records, there is no other outstanding debt on the property. It's common for landlords to turn a profit by taking out a loan to renovate a property, then lease it up and refinance.

"AXA did the construction loan with the plan to eventually convert it over into a long-term loan when the renovations at the property were finished and it was leased up," said Andrew Singer, the chairman and CEO of the Singer & Bassuk Organization, a mortgage brokerage that arranged the financing for the property.

The famous industrialist family's billionaire patriarch, Cornelius Vanderbilt, completed the 30-story, 200,000-square-foot building in 1929 on the cusp of the Great Depression. The family then ground-leased it for 84-years, a transaction that allowed other owners to operate the building in the eight decades since. But in 2013, Mr. Vanderbilt's heirs decided to take the building back after the ground lease expired.

"They decided after all of these years they would take the risk of renovating the property to enjoy the benefits," said Mr. Singer.

The Vanderbilt heirs, which Mr. Singer said are located across the country, needed to refurbish 501 Madison Ave. in order to make it attractive to tenants and fill it up. Over a year ago, they took a \$60 million construction loan from AXA to upgrade the property's lobby, elevators and building systems. The overhaul worked and 501 Madison Ave. is now fully occupied.