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## CRE Deal at \$2,000/SF



17,800 SF atop the **John Hancock Tower** recently traded for about **\$40M**—a deal that may bring another 100k visitors per year to the building. Montparnasse 56 CEO **Patrick Abisseror** says that the French company is thrilled to have the **John Hancock Observatory** real estate and **accompanying business**. (Who needs street-level when you have a prime view of the stars?) After renovations and a new business plan that will link Chicago's iconic attraction with M56's global network of 14,400 tour operators, Patrick expects to boost attendance within three years to **600,000 visitors per year**. Patrick says the company, owner of successful observatory businesses in Paris and Berlin, has long eyed the JHO and hopes for **other US acquisitions**.



M56 US operations chief **Eric Deutsch** said that buying the observatory was **complicated**. Issues included: expiring debt, ownership by a lender, and separation of the US's sixth tallest building into component parts. M56 purchased the observatory as a **commercial condo** from a partnership of Deutsche Bank and NorthStar Realty Finance, which took possession of the entire tower earlier this year. Eric tells us that the company is now digging into the numbers for the operating business, composed of admission tickets, **food and beverage**, as well as retail and photograph sales.



M56 is hiring an architect to redesign the space with cosmetic fixes and some more extensive changes. One major goal: **improve the flow** of foot traffic through the observation deck, Patrick tells us. M56 will also call upon its international team of tour operators to market the observatory to appeal to people from **China, India, and Brazil**. The JHO's 360-degree view—spanning Illinois, Indiana, Michigan, and Wisconsin—rivals those of M56's other top venues: the Montparnasse Tower observation deck in **Paris** that is expected to attract 1 million visitors this year and the **Berlin TV Tower**, which drew a record 1.25 million guests last year.