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John Hancock Center Being Sold Piecemeal

French Group Buys View of the Chicago Skyline

By Mark Heschmeyer



Montparnasse 56 Group, a global leader in observation deck management, acquired Chicago's 1,030-foot-high John Hancock Observatory, a venue universally acknowledged to offer the best and most panoramic views of the city and its environs.

The prominent observation deck is at 875 N. Michigan Ave. on the 94th floor of the John Hancock Center, America's sixth-tallest building. The observatory, situated on Chicago's famed Magnificent Mile, offers an 80-mile, 360-degree, four-state view of Illinois, Indiana, Michigan and Wisconsin.

While the full purchase price of the observatory was not disclosed, county records show Montparnasse paid \$18.2 million for the real estate and borrowed \$36 million to finance the deal from an affiliate of Entertainment Properties Trust in Kansas City, MO.

The Paris-based Montparnasse 56 Group attracts more than 2.5 million visitors to its three European tourism sites annually.

The company has been evaluating growth opportunities associated with a number of major attractions and tourism venues in the United States and elsewhere around the world.

"After a history of successful operations and growth in Europe, Montparnasse is pursuing a strategic expansion initiative," said Patrick Abisseror, CEO of Montparnasse 56 Group. "We are aiming to acquire and operate exceptional sites both here and abroad, and maximize these venues' potential as world-class destinations."

"A well-managed observation deck contributes significantly to the image and global standing of a great city," said Eric J. Deutsch, head of U.S. operations for Montparnasse 56 Group. "Moreover, successful observatories that attract large contingents of national and overseas guests deliver major economic development benefits. Montparnasse 56 Group has the practical experience and know-how to achieve these valuable goals."

Last month, GAJHC LLC, an entity affiliated with Prudential Investment Management, acquired the retail and restaurant portion of the John Hancock Center for \$141.5 million.

According to Crain's Chicago newspaper, the Prudential affiliate acquired 206,000 square feet of space including the retail space on building's lower floors, as well as the 95th- and 96th-floor space leased out to the Signature Room restaurant.

An affiliate of Deutsche Bank was the seller. Deutsche acquired the property earlier this year after an ownership group including Goldman Sachs Group Inc.'s Whitehall Fund defaulted on about \$400 million of debt when the loan matured this past February.