

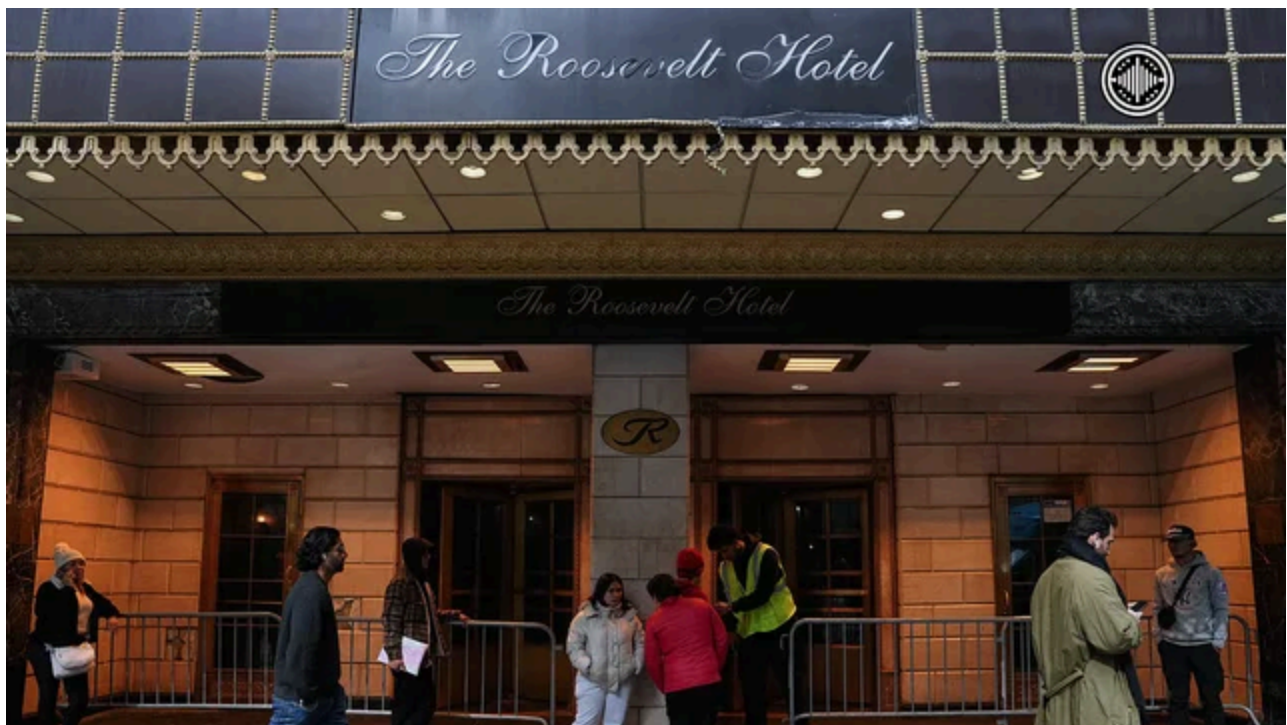
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JLL Exits Roosevelt Hotel Privatization Over Conflict of Interest

July 25, 2025

— Categories: Real Estate



A major global real estate advisory firm, Jones Lang LaSalle (JLL), has stepped down from its role in the privatization of Pakistan's Roosevelt Hotel in New York City, citing a conflict of interest due to heightened client demand for the property. This withdrawal raises new questions about transparency and the direction of Pakistan's troubled asset management under the current administration.

Jones Lang LaSalle (JLL), a U.S.-based real estate services company, was appointed in January 2024 to advise Pakistan's Privatization Commission on the partial sale and redevelopment of the Roosevelt Hotel, a historic property located on Madison Avenue in Manhattan. However, the firm has now formally withdrawn, explaining that a growing number

of its existing clients have expressed interest in the hotel, placing JLL in a position where it could no longer act as an impartial advisor.

The Roosevelt Hotel, owned by Pakistan International Airlines Investment Limited (PIAIL), was acquired in 1979 and has long been regarded as one of Pakistan's most prized foreign assets. Despite its prime location and historical value, the hotel has become a liability in recent years, operating only sporadically since it closed in 2020. Most recently, it served as a temporary migrant shelter following an agreement with New York City that has since been terminated.

The exit of JLL from the advisory role is a setback for Pakistan's ongoing efforts to offload financially draining state-owned enterprises under a \$7 billion agreement with the International Monetary Fund (IMF). That agreement requires the country to divest from several non-performing public assets, a move viewed by many as long overdue. However, with the privatization process consistently stalled or mishandled by past and current governments alike, skepticism is mounting over whether this latest effort will result in a viable transaction.

According to a statement from the Ministry of Privatization, JLL completed its due diligence and provided structural options for the hotel's sale before resigning. The firm's decision was based on the need to avoid "any perceived or actual conflict of interest," due to what it called "heightened interest" from its private sector clients once the lease deal with the city ended.

The ministry emphasized that it will now move swiftly to recruit a new financial advisor, promising to conduct the process "transparently and competitively." While this language may sound familiar, critics argue that successive governments, including the current administration, largely propped up by outside influences, have shown little in the way of follow-through when it comes to protecting national assets from mismanagement or undervaluation.

The Roosevelt Hotel has long been entangled in political and economic wrangling. Although plans to sell or redevelop the site have been floated by various administrations for over two decades, none have materialized. The property, which occupies an entire city block in Midtown Manhattan, continues to generate interest from investors but remains stuck in a bureaucratic loop fueled by indecision and a lack of political will.

As Pakistan faces mounting fiscal challenges and external pressure to reduce state inefficiencies, the privatization of assets like the Roosevelt Hotel could offer much-needed revenue and reform momentum. But until the process is freed from political interference and questionable oversight, it remains unlikely that meaningful progress will be made.

JLL's withdrawal, while disappointing, might offer a small opportunity: a reset in how the Pakistani government approaches strategic asset management. Whether this opportunity will be seized, however, depends on whether decision-makers choose professionalism over patronage, a choice that, unfortunately, has rarely been made in Pakistan's recent history.