

May 13, 2015

Deals of the Week: Leases



Norton Rose Fulbright

107,215
Relocation

Norton Rose Fulbright is moving out of 666 Fifth Avenue after signing a mega-deal at 1301 Avenue of the Americas, according to brokers in the deal.

The law firm inked a deal for 107,215 square feet at the 45-story building between West 52nd and West 53rd Streets. With 112 lawyers in its New York office specializing in areas including labor and intellectual property, the law firm is slated to move into the new office space in fall 2016.

Norton Rose Fulbright occupies a comparable amount of space, a spokeswoman for the brokers said, in the Kushner-owned 666 Fifth Avenue (Kushner Companies Chief Executive Officer Jared Kushner owns Observer Media Group, which publishes Commercial Observer). Norton Rose Fulbright will be on part of the 28th floor, as well as the full 29th through 31st floors of its new office, according to the brokers.

Moshe Sukenik, Chris Mongeluzo and Lee Brodsky of Newmark Knight Grubb Frank represented the tenant. Andrew Sachs, Timothy Gibson, Bill Levitsky and Ben Shapiro, also of NGKF, represented the landlord, Paramount Group.

"The floors at 1301 Avenue of the Americas lend themselves to efficient design that affords our client the opportunity to reinvent its workplace and create a more energized environment," Mr. Sukenik said in prepared remarks.

—Terence Cullen



Centerbridge Partners

46,571
Expansion

Centerbridge Partners has renewed and expanded its lease at 375 Park Avenue, otherwise known as the Seagram Building.

The private investment firm expanded by 13,624 square feet for a total foothold of 46,571, according to a spokesman for the landlord, RFR.

Centerbridge Partners has signed a long-term lease, and asking rents were on average \$165 per square foot, according to an RFR spokesman. He declined to give what floors the tenant is on.

Steve Morrows of RFR represented the landlord in house, according to a news release. Brian Goldman and Neil Goldmacher of Newmark Grubb Knight Frank represented Centerbridge Partners.

"Retaining and expanding existing tenants is important to me," said **Aby Rosen**, the co-founder and principal of RFR, in prepared remarks. "We are seeing more wealth funds in the market and 375 Park remains the most attractive address for global business."

While Centerbridge Partners has renewed its lease at the Seagram Building, the fate of one of the building's most storied tenants remains uncertain. The owners of the **Four Seasons** restaurant—which has been in the building since the late 1950s—are expected to decide whether to relocate when the current lease expires next year. In the meantime, RFR has begun the approval process to restore the landmarked space that the restaurant occupies.—J.C.



Forever 21

40,000
New

Forever 21, one of the most popular retailers in the exploding fast-fashion world, has signed a lease for 40,000 square feet at 490 Fulton Street between Elm Place and Bond Street in Downtown Brooklyn.

First reported by *The Wall Street Journal*, Forever 21 is expected to open its newest New York store at the five-story property controlled by **Crown Acquisitions** by the end of this year. The *Journal* noted that Downtown Brooklyn was previously home to a Forever 21 (at 1 DeKalb Avenue), but that location shut its doors in 2007. Today, there are nine Forever 21 locations throughout the five boroughs.

Asking rents for the lower-level space were \$55 per square foot and were \$325 per square foot for the main floor, according to a press release issued by Crown.

Forever 21 did not immediately respond to a request for comment.

According to *Forbes.com*, in 2014 Forever 21, which is based in Los Angeles, had a revenue of \$3.9 billion. The company employs 30,000 people and has over 480 stores nationwide.

Other tenants at the property include **Planet Fitness**, **Raymour & Flanigan**, **Express**, **Swarovski**, **Chase Bank** and **IHOP**. The upper three floors of the building are **Long Island University** dorms.

—Danielle Schlanger



Foot Locker

36,000
New

Foot Locker, the global athletic footwear and apparel company, has signed a 15-year lease for the entire 36,000-square-foot retail space at 1460 Broadway, *The New York Post* reported.

The store will be a flagship location for Foot Locker, which also recently re-signed a lease at 112 West 34th Street for 34,200 square feet. The all-glass storefront at 1460 Broadway is designed by **MdeAS** and will include 4,500 square feet of LED signage.

The building, owned by **Himmel + Meringoff** and **The Swig Company**, is 16 stories and 220,000 square feet. It is also known as **8 Times Square**. The property sits at the corner of West 41st Street and is undergoing \$45 million in renovations as part of a repositioning.

"We are delighted that Foot Locker will occupy 100 percent of our multi-level property at 8 Times Square, where it will benefit from around-the-clock pedestrian traffic and incomparable brand signage," said **Leslie Himmel**, the principal of Himmel + Meringoff, in prepared remarks.

Eric Gelber of CBRE represented Foot Locker in negotiations. CBRE declined to comment. **Farrell Virga** and **Jason Vacker** of the firm represented Himmel + Meringoff in-house.

In March 2015, *Forbes.com* reported that total sales last quarter increased to \$1.91 billion and that shares of the company were up 37 percent over the past 12 months.—D.S.



Pinterest

32,000
New

Pinterest, the website that allows users to virtually "pin" images, videos and other objects to their digital bulletin boards, has signed a lease near **Bryant Park** for its first New York City office.

The San Francisco-based company has secured space at 475 Fifth Avenue between East 40th and East 41st Streets, *The New York Post* reported. According to the publication, the office will include 32,000 square feet on the entire fourth and fifth floors of the 275,764-square-foot, 24-story building.

Asking rents range from the upper-\$80s to over \$100 per square foot.

CBRE's **Sacha Zarba** represented Pinterest in negotiations. **JLL's Frank Doyle**, **Doug Neye** and **Cynthia Wasserberger** represented the landlord, **TIAA-CREF**. Neither firm immediately responded to requests for comment.

Other tenants at the property include **Muji's** North American flagship store, **Penske Media**, **Daikin US**, **Torchlight Investors** and **Square 1 Bank**. Property records indicate that **TIAA-CREF** acquired 475 Fifth Avenue for \$144 million in 2011.

In March, *The New York Times* reported that Pinterest was valued at \$1 billion, noting that it tripled its worth in 18 months. The company was founded in 2010 by **Ben Silbermann**.—D.S.