



January 30, 2013

Nothing but Upside at 195 Broadway



After yesterday's announcement that HarperCollins leased 180k SF at L&L Holding and Beacon Capital Partners' 195 Broadway, L&L CEO David Levinson tells us rents have risen 30% since L&L purchased the 1M SF-er in '06 (being across the street from Fulton Center doesn't hurt). And he expects them to go up another 15% in the next two years—good timing, since Thompson Reuters' lease there expires in three. David says the HarperCollins lease hedges against that rollover risk. Also in two years, he expects to open two high-end retail spots in the lobby (for which L&L has painstakingly worked to gain Landmark

Preservation Commission approval). PS: Retail rents also rose from \$100 to \$400/SF since the acquisition.

Media tenants head Downtown partly for rent savings. 195 Broadway's asking rates are \$45/SF, while David anticipates \$75/SF rents at 114 Fifth Ave at 17th Street (his firm acquired the leasehold interest at the Midtown South building for \$165M this month and will renovate into 380k SF, Class-A space). CBRE's Ken Rapp, who with colleagues



Mary Ann Tighe and Chris Mansfield repped HarperCollins (L&L's David Berkey and Andrew Wiener repped in-house), says the publisher started looking for space 15 months ago, opting to skip SL Green's planned total renovation of 10 E 53rd St (which we snapped moments ago). The relo shrinks its space by 30k SF, but there are efficiencies: four 40k+ SF floorplates vs twenty 20k SF ones. Further Downtown, Ken's excited to hear about leases he expects to close on Water Street—good news for the Sandy-impacted area.