

CASE STUDY



Seyfarth Shaw 620 Eighth Avenue

Close cooperation between CBRE's tenant rep and agency leasing groups resulted in a 100,000-sq.-ft. lease at the future home of The New York Times. The transaction was the first lease arranged at the nearly-completed brand new office tower located at 620 Eighth Avenue, on New York City's West Side.



CHALLENGE

In 2003, Forest City Ratner, developer of the new 50-story, 1.5-million-sq.-ft. office tower at 620 Eighth Avenue on New York City's West Side—a business/residential neighborhood in the early stages of recovery after decades of decline—hired CBRE as leasing agent with the challenge of positioning the building as a high-end, “iconic” destination for tenants moving from prestigious locations in the Park Avenue, Fifth Avenue and Rockefeller Center/Avenue of the Americas districts of the Midtown office market.

The development of the new office tower in 2001 resulted in a “Deal of the Year” award from The Real Estate Board of New York (REBNY) the following year. Under the leadership of Mary Ann Tighe, CBRE had assembled several contiguous properties and coordinated the joint venture for the development of the new headquarters of The New York Times, which will own and occupy the first 27 floors of the building.

CBRE was given the responsibility of leasing 700,000 sq. ft. on floors 29 through 50. The initial perception in the marketplace was that the building was in uncharted territory for high-end offices and that asking rents were too high. CBRE clearly had to convince prospective tenants that the area was one of future growth and respectability that warranted rents comparable to the well-established office districts a few blocks to the east.

Toward the end of 2005, Seyfarth Shaw, a Chicago-based law firm, decided it wanted to expand its New York presence from its current 65,000 sq. ft. Seyfarth Shaw was looking for approximately 100,000 sq. ft. of contiguous space with contiguous expansion options in a location befitting one of the nation's premier labor law specialists.

SOLUTION

In January 2006, CBRE's tenant representation team, headed by Lewis Miller, began a search on behalf of Seyfarth Shaw. They toured several Midtown buildings with large available blocks, including those buildings represented by their CBRE agency leasing colleagues.

Later that month, Howard Fiddle and his team, representing 620 Eighth Avenue, presented the building to several partners of Seyfarth Shaw. The presentation included renderings of the space, floor plans, and tours of other nearby sites that reinforced the message that Midtown's premier locations, which had migrated westward from Park and Fifth Avenues to Sixth and Seventh Avenues in recent years, was now coming to Eighth Avenue. As examples, the team cited the glass tower being built atop the

landmark Hearst Building at Eighth Avenue and 57th Street, as well as the new Time Warner Center at Columbus Circle and Worldwide Plaza at 49th Street and Eighth Avenue. Positioning the area as a “24/7” office/residential neighborhood, the team also

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referred to several new residential towers that had been replacing many of the old walk-up tenements in the Hell's Kitchen/Theatre District a few blocks north of the new Times tower.

In short, the team had to "sell" Seyfarth Shaw on Eighth Avenue as an up-and-coming office venue, and then sell the company on the building. Seyfarth Shaw was drawn to 620 Eighth Avenue because it is a spectacular building and the floor plate—high ceilings, very few columns, efficient floor layout, eight corner offices per floor—worked well for a law firm.

In late January, CBRE began negotiations with Seyfarth Shaw for the 31st, 32nd and 33rd floors. When talks appeared to stall, Lewis' team began showing alternative West Side locations to Seyfarth Shaw. At the same time, CBRE had a lease out with another law firm for six floors in the building—including 31 through 33—although that transaction was not going smoothly and was in danger of falling apart.

In March, Seyfarth Shaw became convinced that 620 Eighth Avenue would meet its goals for rebranding as well as current and future expansion. Lewis kept discussions active with Howard, and eventually convinced Howard that he could arrange a lease with Seyfarth Shaw quickly and smoothly. In early April, CBRE convinced Forest City Ratner that the Seyfarth Shaw deal was in everyone's best interest. In mid-April, Forest City ceased negotiations with the other prospective tenant and presented a lease proposal. Negotiations went smoothly and Seyfarth Shaw signed the lease later in May.

RESULT

The building was topped off toward the end of last summer, and The New York Times is finishing out its floors. Construction is proceeding on schedule, and the building is expected to be functional by April 2007 and 100% completed by July.

Seyfarth Shaw was the first tenant to sign a lease in the new Times building. The law firm is planning to move into the building possibly as early as April. Since the Seyfarth Shaw signing, three additional tenants have signed leases in the building. Less than 200,000 sq. ft. remains available out of the original 700,000 sq. ft.

"They say that in new construction, the first lease is the hardest," commented Howard Fiddle. "Signing Seyfarth Shaw really helped to legitimize the building in the eyes of other prospective tenants."

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