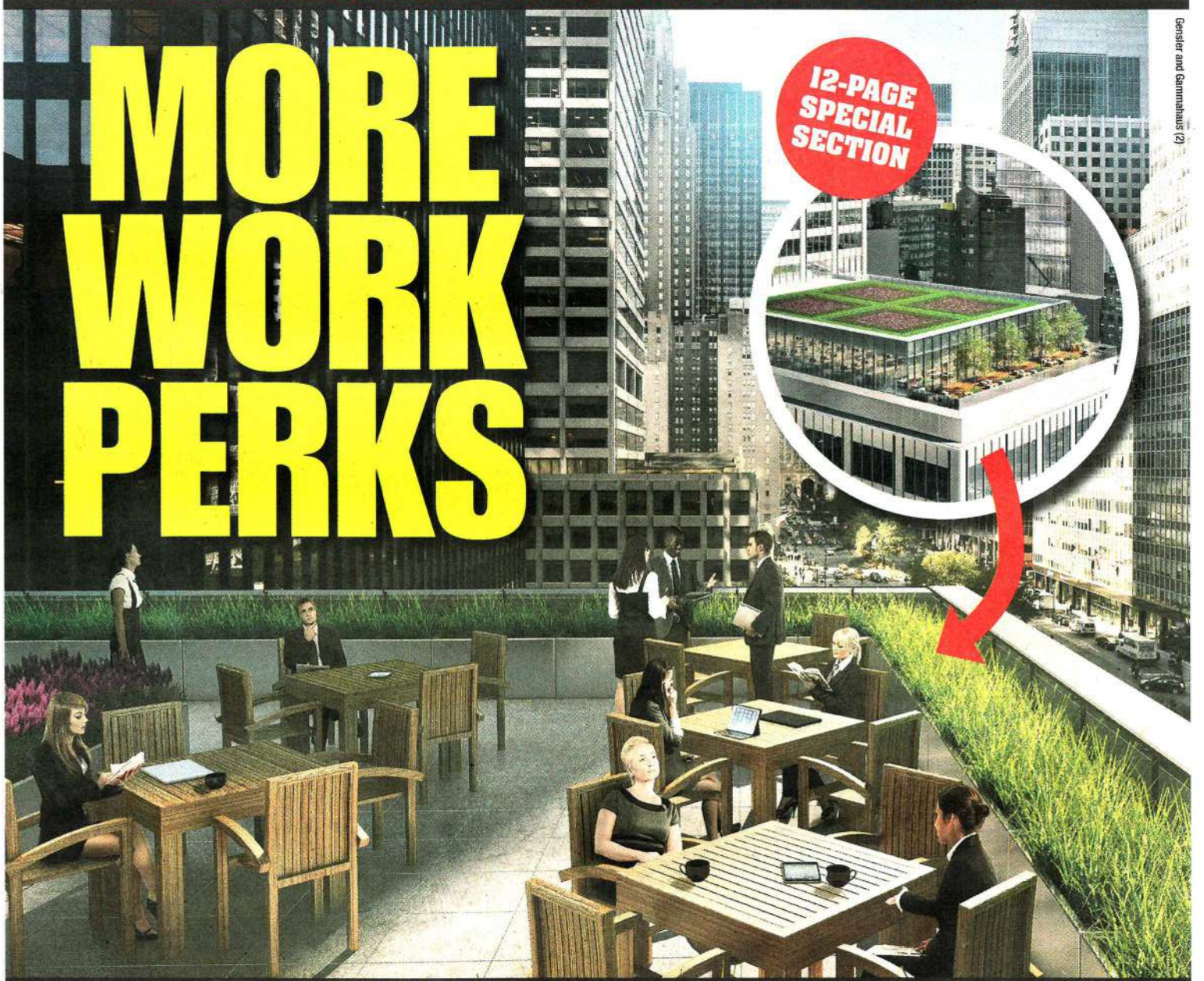




Commercial Real Estate

MORE WORK PERKS

12-PAGE SPECIAL SECTION



Genster and Gammahus (2)

At Midtown's 399 Park Ave., developer Boston Properties enlarged a low-rise section and added a garden-laden common space on top. An old lobby got a redesign and new one was added.

Office buildings add green space and other extras to lure tenants with high standards

By LOIS WEISS

FOR today's tenants, deals are driven by a new buzzword: Amenities.

While location still counts, a curated lifestyle often wows would-be tenants to sign the bottom line. And when it comes to the number of amenities, owners have

decided that bigger is better, and the more, the merrier.

"Tenants have been densifying, and you can't sit at a small desk all day. You need a place to go, even for five or 10 minutes," observes Peter Turchin, vice chairman of CBRE of the open-plan offices that pack people in.

Now, in-house amenities focus on amplifying break-like opportu-

nities. "[The employees] have the mobility tools to be able to move around very efficiently, so this is a big part of the redevelopment being contemplated around the city," Savills Studley's Vice Chairman David Goldstein explains.

"It's hospitality reinvented for office buildings."

To add value and lure tenants, the owners are giving up rentable

space to create a "special story" through these amenity areas.

Brian Waterman, executive vice chairman of Newmark Knight Frank, says the owners are looking at lobbies and other nooks and crannies for amenity enhancements. "They are creating more 'we' space as opposed to 'me' space," he says.

Firms saying sayonara to

Midtown and moving to Hudson Yards are also providing a wake-up call for their abandoned building owners. That has prompted owners to start investing in their properties and make them special, says David Falk, tri-state president of Newmark Knight Frank.

To add some oomph to George

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THE SPACE RACE

From AMENITIES on 29

To add some oomph to George Comfort & Sons and Angelo, Gordon & Co.'s 575 Lexington Ave., a midrise floor is being turned into a club with meeting rooms, a game room and outdoor space for functions. Says Falk, "They are investing a lot of money into an amenity area that will be a head-turner. It will be a gamechanger for the building."

At 675,000 square feet, the Rudin Management and Boston Properties project, Dock 72 at the Brooklyn Navy Yard, has the space and capital to pump up the offerings.

"Smaller companies who are fighting for the same employees and talent as Google and Facebook don't have the ability to provide the amenities that the bigger ones do," says Michael Rudin, vice president of the family company. He hopes to attract firms of all sizes to the new dramatic structure.

With WeWork already signed for over a third of the building, its community manager will oversee the entire property and all employees will have access to its activities and events.

Boston Properties' building at 399 Park Ave. has also been entirely reinvented. Not only are there new Park and Lexington Avenue lobbies and a new marquee, but a low-rise enlargement with a garden on top has also been created as an oasis in the sky. An available seventh floor has four terraces with an asking rent of \$95 per foot.

"We are really looking to be the best renovation on Park Avenue," says Turchin, with regard to 399 Park. "The market is appreciating repositioned product."

Smack in the middle of Times Square, the Durst Organization is spending over \$140 million on

improvements at 4 Times Square, with a large chunk targeted to transform the entire 45,600-foot fourth floor. Condé Nast's former Frank Gehry-designed café is now run by Michelin-star chef Claus Meyer, with meeting rooms managed by Convene.

Sources say Vornado Realty Trust's 2.52 million-square-foot monster One Penn Plaza, bounded by West 33rd and 34th streets between Seventh and Eighth avenues, is converting an entire 85,000-square-foot floor to house a cafeteria and other spaces earmarked for amenities. The building is also getting a new lobby in a major facelift and will be rebranded PENN I.

"I have a major tenant looking hard at the building and this is making them pay attention," confides one broker, who asked not to be identified. Vornado didn't respond to requests for information.

Similarly, the Empire State Realty Trust (ESRT) has added numerous amenities at the Empire State

Building, marketed as a campus for companies that include LinkedIn and Shutterstock. These include a new sky-high 67th-floor conference center, as well as a gorilla-sized



Michael Rudin

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— Michael Rudin, vice president of Rudin Management

lower-level health club and executive dining spot.

ESRT is currently signing a 4,000-square-foot lobby lounge for another of its properties, 1400 Broadway, which sits along the Broadway promenade between Times Square and



The Durst Organization

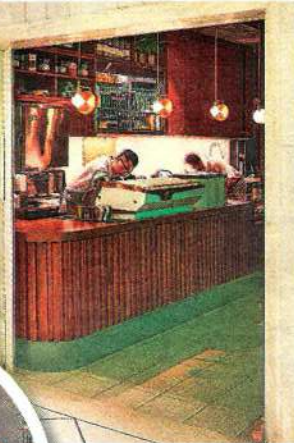


Dock 72, an under-construction office building at the Brooklyn Navy Yard, has stadium seating and a community manager who will plan events.

Fogarty Finger Architecture

Little Collins, a café (right) known for its avocado toast, is a new addition to the GM Building at 767 Fifth Ave.

Paul Barbera, Gensler (inset)



Among the \$140 million in improvements the Durst Organization is putting into 4 Times Square is a souped-up lobby (far left). At 575 Lexington Ave., a game room features a pool table with the building's logo.

a different environment to sit or eat with friends or do their work."

At the GM Building at 767 Fifth Ave., a lobby newsstand was replaced with Little Collins, a café renowned for its avocado toast. "We really tried to upgrade to match the nature of the tenancy," Turchin says.

Downtown, One New York Plaza created a dining and retail experience below grade. "It's a huge building and there isn't a ton of retail in the area," Turchin explains. Currently, the rear of its huge lobby that faces New York Harbor is being transformed with seating.

Herald Square.

"It's for a diversity of experience for the tenant work population," says ESRT's executive vice president, Thomas Durels. "We are seeing that the employees like the lounge experience and want to go to

Says Goldstein of Savills Studley, "Owners want to give people not only reasons to come to the facility, but stay there and have a productive time."

But Goldstein warns that it is still unclear which amenities will provide the most bang for the buck. "Any developer that has a block of space will have to come up with an innovative way to stand out," he adds.

Peter Riguardi, JLL's chairman and president, has already seen leases for ten-

ants that want to bring dogs to work. Tails are often wagging at WeWork's 18th Street headquarters, for instance.

So far no one has installed a doggy day spa but Goldstein laughs, "It's only a matter of time."

Not all amenities are equal, however, and one tenant's amenity might turn off a company whose employees have a different lifestyle and culture. Says Turchin, "It's not that one amenity fits everyone, but the building must ensure that the amenity caters to the tenancy."