

Lease Deals of the Week



Knotel

➔ 20,000
New

Office provider **Knotel** has signed its latest Manhattan lease at the **Moinian Group's 72 Madison Avenue** in NoMad, where it is taking 20,000 square feet across four floors.

Knotel agreed to a 10-year deal for the entire second, third, 11th and 12th floors at the 12-story, 58,500-square-foot building, it announced last week. The company, which provides short-term lease arrangements to office tenants who license their space from Knotel, said its footprint at 72 Madison Avenue will be 100 percent occupied upon opening this month.

The deal represents the second time Knotel has taken space at a Moinian-owned property; last year, the company inked a lease that will eventually see it occupy all 25,000 square feet of office space at the landlord's **55 West 21st Street** in the Flatiron District, as CO reported in September 2017.

Knotel was represented by **Elie Reiss** of **Skylight Leasing**, while it was not clear who handled the transaction on behalf of the landlord. Representatives for both Knotel and Moinian declined to provide rents in the deal. Reiss did not return a request for comment.

While the bulk of Knotel's clientele to date has been small- to medium-sized companies seeking shorter-term leases, the firm said it is seeing stronger demand from larger corporations. (Disclosure: **Observer Capital**, led by **Observer Media** Chairman and Publisher **Joseph Meyer**, is among Knotel's investors.)—*Rey Mashayekhi*



T.J. Maxx

➔ 19,000
Expansion

T.J. Maxx is expanding on West 57th Street near Columbus Circle.

The discount retailer extended its lease at **250 West 57th Street** and added 19,000 square feet on the fourth floor, **Empire State Realty Trust** revealed in its first-quarter report published last week, bringing its square footage in the building to 47,000. T.J. Maxx will pay \$1.9 million annually, or \$40 a square foot in total, according to the report. The retail chain extended its lease for another 12 years and has been in the building since 2010, an ESRT spokeswoman told CO.

Joanne Podell and **Mary Clayton** of **Cushman & Wakefield** represented ESRT, along with **Fred Posniak** and **Shanae Ursini** in-house. **Peter Ripka**, **Andrew Mandell** and **Richard Skulnik** of **Ripco Real Estate** handled the deal on behalf of T.J. Maxx. Spokespeople for both brokerages didn't immediately respond to requests for comment.

The expansion comes just as the company reported fourth-quarter 2017 sales of \$11 billion, a 16 percent increase compared to the fourth quarter of 2016. *The Real Deal* was the first to write about the lease.

ESRT has done a brisk leasing business recently at the building; music management firm **RZO** inked a deal last week to consolidate its space in the building, CO reported. The **American Society for Composers, Authors and Publishers** took 85,400 square feet there last October, and **Universal Music Group** leased a full floor there a month later.—*R.B.R.*



NYC Construction Authority

➔ 11,492
New

The **New York City School Construction Authority** has leased the ground floor of **Gary Barnett's** 30-story Upper East Side condominium for a pre-kindergarten program, according to public records.

The agency, which develops and leases on behalf of the city's **Department of Education**, inked a 15-year deal for 11,492 square feet at the base of **The Kent, Extell Development Company's** 83-unit condo project at **200 East 95th Street** at the corner of Third Avenue which is slated to open at the end of 2018. The DOE will open a public pre-kindergarten in September in the building, according to a spokesman for the SCA.

Howard Kessler of **Newmark Knight Frank** represented the SCA in the transaction, and it's unclear if Extell had a broker. Kessler and Extell didn't immediately respond to a request for comment.

The city will pay \$1.97 million annually for the first five years of the lease, per the memorandum of lease on file with the **Department of Finance**, \$2.17 million annually for the following five years, and \$2.38 million (\$207 a square foot) for the 10th through 15th years of the lease. Asking rents for educational and medical space in Manhattan averaged \$47 a square foot in 2017, according to data from **CBRE**.

David Lebenstein, who heads C&W's not-for-profit advisory group and handles deals for the SCA in the outer boroughs, said the rent might be justified if there's a usable basement as well as the 11,492 square feet stated on the lease.—*R.B.R.*



Noho Hospitality Group

➔ 11,000
New

Noho Hospitality Group, led by renowned Chef **Andrew Carmellini**, **Josh Pickard** and **Luke Ostrom**, has signed a lease for 11,000 square feet at the **South Street Seaport**, a spokeswoman for the restaurant group confirmed. The company took the space at **Howard Hughes Corporation's Pier 17** at **80 South Street**.

As per *The New York Post*, which broke news of the deal, the restaurant will be on the pier's first floor and mezzanine level. Noho Hospitality will join **Jean-Georges Vongerichten** and **David Chang** when they open restaurants at the \$731 million redevelopment project.

Chang will open a **Momofuku** in the fall, and as CO previously reported, Vongerichten is planning to open a 40,000-square-foot food market in the **Tin Building**, which Howard Hughes is restoring, and will open a 10,000-square-foot seafood restaurant on the second floor of Pier 17 later this year.

RKF's Robert Futterman, **Joshua Strauss**, **Benjamin Zack** and **Spencer Levy** represented both sides in the Noho Hospitality deal, an RKF spokesman informed CO. None of the lease details were immediately available.

The Noho Hospitality spokeswoman would only confirm the details in the *Post* article to CO, but the company's New York tristate president, **Saul Scherl**, told the *Post* the eatery would be "in line with our vision of bringing unique offerings to the Seaport that can't be found anywhere else in the city."—*Lauren Elkies Schram*



LEDA

➔ 4,700
Relocation

The nonprofit **Leadership Enterprise for a Diverse America** (LEDA) is moving its Manhattan offices within the Garment District to **Handler Real Estate Organization's 315 West 39th Street**, Commercial Observer has learned.

LEDA agreed earlier this month to take 4,700 square feet on the sixth floor of the 16-story, 135,000-square-foot building between Eighth and Ninth Avenues, according a press release from Handler. The nonprofit will relocate this coming June from its current location several blocks away at **Empire State Realty Trust's 501 Seventh Avenue**.

Asking rent in the seven-year deal was \$42 per square foot, sources said. Handler's **Darell Handler**, **Scott Galin** and **Helen Kim** represented the real estate investment firm in-house, while **Bert Rosenblatt** and **Michael Herz** of **Vicus Partners** represented the tenant.

In the press release announcing the deal, Handler said LEDA "outgrew its existing sublease" at 501 Seventh Avenue and was looking for "a larger floorplate in a central location" and at a "reasonable price point." The building at 315 West 39th Street primarily serves creative, design, fashion, media and nonprofit tenants, most of whom have relatively limited footprints on short-term, flexible lease terms.

"After an exhaustive search, LEDA is proud and excited to call 315 West 39th Street home," Rosenblatt said in a statement to CO.—*R.M.*