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POST FOCUS ON COMMERCIAL REAL ESTATE

Lease action on Sixth Ave.



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REALTY CHECK

DEFYING conventional wisdom that the leasing market is mortally hobbled by a sublease overload, deals have just closed on a breathtaking 260,000 square feet of prime office space at 1166 Sixth Ave., Realty Check has learned — and most of the space was taken by financial service firms.

The 1.6 million square-foot, black-glass tower at 45th Street is a commercial condominium. **Edward J. Minskoff** owns floors 2 through 21. Insurer Marsh & McLennan owns floors 22 through 44 and occupies them as well.

But Marsh & McLennan has also been a tenant of Minskoff on floors 7 through 10. It moved out of those floors about a year ago and put them up for sublease through Cushman & Wakefield.

Now, hedge fund D.E. Shaw, which is also a Minskoff tenant on floors 4 through 6, has doubled its space in the tower by adding floors 7 through 9 in a sublease from Marsh & McLennan, giving the firm 240,000 square feet in all at 1166 Sixth.

There was speculation in the buzzing brokerage world yesterday that DE Shaw, which has about 100,000 feet at 120 W. 45th St., would move its employees out of

that location into 1166 Sixth, which has larger and more efficient floor plates.

Meanwhile, Westwood One Radio Networks snatched up the 10th floor.

The asking rent on all four former Marsh & McLennan floors was said by industry sources to be \$45 a square foot, although final terms couldn't be pinned down.

Higher up in the tower, hedge fund manager Invesco, which has been a direct-lease tenant of Marsh & McLennan on floors 25 through 27, just signed a renewal and expansion totaling 100,000 feet — of which about 20 percent represents new space.

The ask on those floors was \$58 a square foot, according to sources.

Cushman & Wakefield's **Andrew Sachs** and **Timothy Gibson**, who represent Marsh & McLennan, could not be reached for comment.

But brokerage world sources said the 1166 Sixth mega-deals will hardly be the last of it before year's end.

"Contrary to what some have claimed, the Manhattan market's really catching fire," one insider said gleefully.

"There's a lot also going on at major Park Avenue buildings, and you'll see more large transactions before the year's end.

"It's taken time, but there's now absolute recognition by tenants that the leasing market is at or near the bottom. They're grabbing space because they know it won't last forever, and also because

they finally know what their head-count needs are."

From Mumbai to Madison Avenue!

Except for a few stubborn locations where landlords continue to ask for the moon, Madison's vacant storefronts are filling up one after another.

The latest retail deal brings something new to the prime shopping stretch north of 57th Street — not another Italian, French or British name, but one from India.

Kimaya, that nation's leading fashion house, has just inked for 4,500 square feet on two floors at 717 Madison Ave. between 63rd and 64th streets.

The asking rent was said to be \$2 million a year, although Prudential Douglas Elliman's retail leasing chief, **Faith Hope Consolo**, who brokered the deal, declined to confirm that figure.

Mumbai-based Kimaya sells couture fashion, eveningwear, bridal wear, jewelry and accessories by leading designers from India, Pakistan, Malaysia and South Africa, as well as its own private label. It will take over the ground- and second-floor spaces formerly occupied by E. Braun and Joseph Martin.

"Kimaya is poised to be one of the most exciting new entries on the New York fashion scene because it is absolutely unique," Consolo said.

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