

Sixth Ave. is hot spot for office leases

By SHARON McDONNELL

Hot, hot, hot—that's Sixth Avenue, this year's hands-down winner in the office market lottery, boasting the most leasing activity around town.

If ever a street has undergone an image make over, this is it. Sixth Avenue is rapidly joining Park Avenue as a preferred address for corporate headquarters in midtown. The avenue is favored due to its recently renovated, classic modern office towers filled with large-size floors.

The transformation of Bryant Park into a safe and pleasant oasis of concerts, movies and concessions from an unsavory hangout has helped boost the image of Sixth Avenue.

The proof is in the numbers. Leasing activity on the avenue jumped 60% in the first eight months of 1994 compared with 1993, according to Edward S. Gordon Co.

"In the 1970s, Sixth Avenue was the southernmost and westernmost tip of civilization" in Manhattan, says Anthony Malkin, president of W&M Properties, which owns several midtown properties. "Now it's become a central location as the world has shifted to the west."

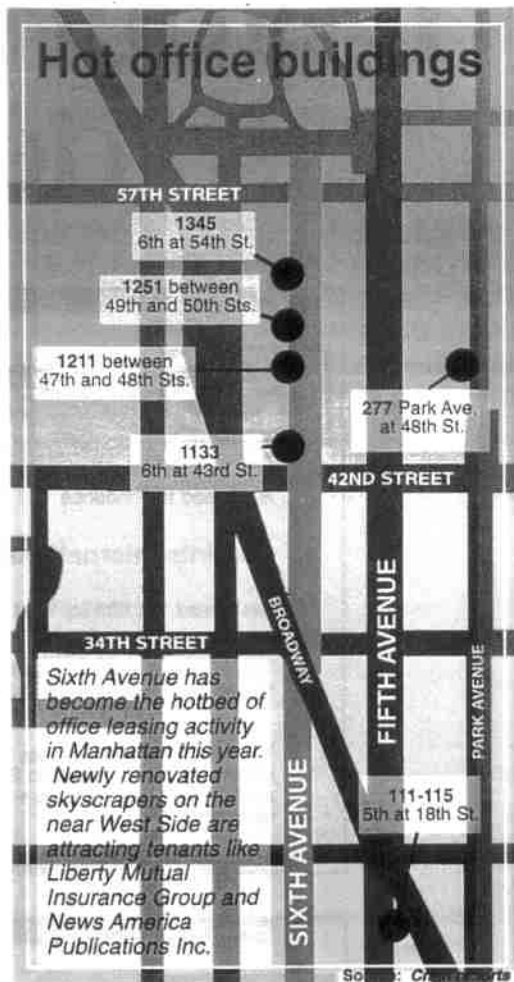
In fact, leasing skyrocketed 81.9% in the area from 42nd Street to 59th Street between Fifth and Seventh avenues, according to a report by Julien J. Studley.

A rush for large blocs of space has made offices of between 75,000 square feet to 100,000 square feet a rare find.

"All the major blocs of space that were on the market one year ago are spoken for—and I couldn't say that three months ago," says David Yaspan, senior managing director at Grubb & Ellis New York. "Things are not sitting."

The big question is the depth of the apparent recovery. Although companies have a pent-up demand for space because relocation plans were put on hold during the recession, they are watching their bottom lines like never before. The uncertainty over the future is making building owners confused as to whether they should give lease extensions or bet on a better deal with a new tenant.

But for now, owners and brokers are pinching themselves over these hot spots.



Source: Crain's Reports