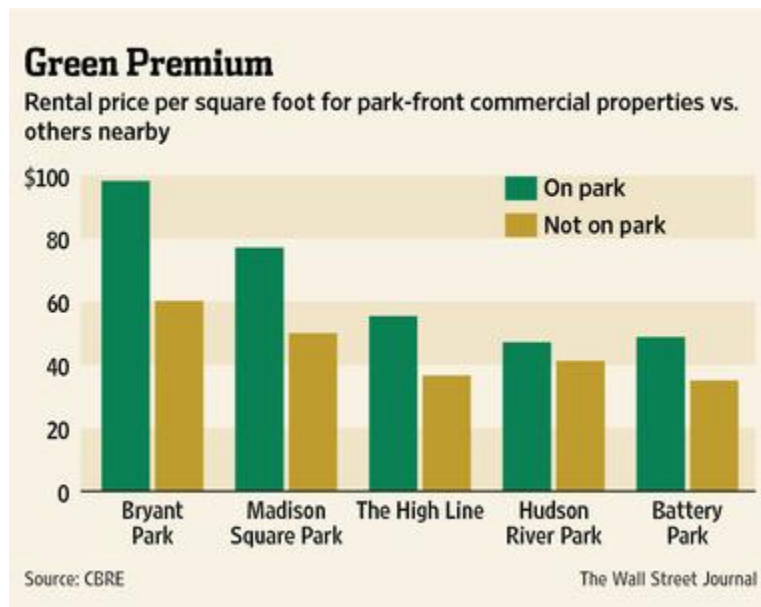


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Parks Elevate Office Rents

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In the past two decades, private landlords and the city have poured millions into revitalizing green spaces, such as Bryant Park, Madison Square Park and the High Line. Those investments appear to have paid off in significantly higher office rents.

Office buildings located directly across from five city parks command rents on average 44% higher than comparable nearby properties, according to a new report by CBRE Group Inc., a real-estate brokerage.

Residential buildings on park-side streets like Fifth Avenue and Central Park West have long been expected to command top dollar. It turns out that companies seek out offices by parks for similar reasons: views, prestige and a rare quiet retreat from the bustle of the city.

"Our office is on the second floor and the whole front of our office is solid floor-to-ceiling picture windows. All we see is the park, the full four seasons," said Bob Holmes, founder and chief executive of Sudden Industries, an Internet company with offices by Madison Square Park for more than a decade.

"When the time comes and you want to have those heart-to-heart chats, there's nothing better than going for a walk in the park," Mr. Holmes added.

Bryant Park , once a haven for drug dealers and drifters, gave one of the biggest boosts to office rents, according to the CBRE study, which found that asking rents for buildings by that park were 63% higher than comparable Midtown properties.

"It was a draw, but not for the kind of people we wanted," said Douglas Durst, chairman of the Durst Organization, of the park in its earlier days.

The Durst family began assembling a site just northwest of the park in 1968, and in 2010 built the 51-story One Bryant Park, which is now largely occupied by Bank of America.

The area around Madison Square Park has seen a more recent turnaround, and asking rents directly on the park are 54% higher than similar buildings a block away.

Advertising company Grey Group moved its offices a few years ago from 49th and Third Avenue to the Toy Building at 200 Fifth Ave.

"It's like having a park in your front yard that you have access to," said Owen Dougherty, Grey's chief communications officer.

One of the city's newest parks, the High Line, has also given a boost to a handful of adjacent office buildings, where rents are 51% higher than in comparable buildings a block away.

"What it means is that redeveloping these parks provides value to the city," said Pamela Murphy, a senior vice president of research at CBRE. "If you want to attract top talent to Manhattan, having something that adds to the quality of life of these workers is essential."

But many of the companies that moved to these neighborhoods when rents were still low may now have to choose steep premium when their leases are up, and not all of them said they thought it was worth it.

"We're not in a position to use parks as a choice of how we're going to run our business in the future," Mr. Holmes said. "There are lots of great reasons to choose a neighborhood—views of the river, access to the subways or a park for lunchtime."