

# MANN PUBLICATIONS

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## 1001 Avenue of The Americas: A Comeback Story

ABS Partners Real Estate, LLC

**E**verybody loves a good comeback story. They're inspiring tales about the fulfillment of potential and a brilliant return to former glory. The recent successful repositioning of 1001 Avenue of the Americas, a 24-story office building on the northwest corner of 37th Street in many ways epitomizes that classic comeback narrative.

Built in 1926, the property boasts numerous advantages including three full sides of windows with an abundance of natural light and a typical floor plate size of just-under 12,000 rentable square feet, but it was in serious need of modernization. Additionally, the Midtown neighborhood had been evolving and the building sorely needed updated features and amenities to meet the requirements of this emerging tenant base. In 2008, the ownership, 1001 Sixth Associates, committed to an extensive modernization program and teamed with ABS Partners Real Estate, LLC, to embark upon an extensive capital improvement program as well as initiate an aggressive marketing and re-branding campaign. The ownership turned to ABS, known for their deep experience in managing and leasing similar assets primarily located in New York City with a concentration in the Midtown market. The ownership was also drawn to the ABS philosophy of being firmly focused on providing the best in customer service. With each new assignment that the company embarks on, a senior executive provides oversight to ensure quality control and the partners also spend significant time enhancing these relationships.

The extensive, multi-million dollar base building improvement plan involved:

- Creating a new lobby and entrance
- Updating all common corridors on multi-tenant floors
- New bathrooms, and plumbing systems upgrades
- Installing new operable, thermo-pane windows
- Passenger elevator cabs
- Electrical upgrades
- Heating system renovations
- Fire Protection System upgrades
- Security system upgrades
- And more

Original steel windows were replaced with new double-hung insulated windows on all newly rented spaces enhancing natural light and energy efficiency. Each renovated floor was outfitted with new

bathrooms and tenant controlled air-conditioning unit(s). New tenants were then provided a choice of outfitting their spaces via Landlord contracted work with high-end building-standard finishes or funding to an equal value should a tenant prefer the option of conducting their own construction. The entire building was also wired with five telecoms providers: TW Telecom (Fiber), Lightpath, Verizon Fiber, Time Warner Cable and Wave to Wave communication so tenants can select the provider they prefer. Additional power upgrades are also being planned. Early in the process ABS collaborated with Sector DeSouza, Architects, to redesign the lobby and entrance using the original as a guide; being sure to keep the travertine marble intact, said Jay Caseley, partner and executive managing director, ABS Partners, who oversees the building.

"The bones of the lobby were timeless, it was just in need of updating and renovation," explained Caseley. "The old lobby set the wrong tone for new tenants we look to attract."

ABS' Construction and Operations Department, led by Executive Managing Director John Ambrosini, was responsible for the oversight and coordination of the construction, infrastructure work, and ongoing building management. Once ABS installed new glass and a revolving entry door, replaced a noisy air-conditioning unit and added new fixtures and a formal lobby area, the entire character of the property changed and deals started to happen, he said.

"This initial renovation program demonstrated to prospective tenants that the ownership was committed to the process of bringing the site out of an old era and into a new one," added Douglas Regal, managing director at ABS Partners who oversees the building with Caseley. "We created a modern structure in an old skin."

The renovation process was followed by an increased velocity of new and renewal deals with more than 100,000 square feet leasing-up in the past 18 months. The diverse tenant mix now includes legal, accounting, technology and creative firms instead of garment-related businesses. Though most brokers look at a major vacancy with trepidation and extreme anxiety, ABS viewed the exit of global garment producer Li & Fung Limited as an amazing opportunity to retenant 1001 Avenue of the Americas with a wider cross section of businesses.

One key factor that facilitated a number of deals was an aggressive prebuilt program ABS launched at the site. Deals were made on approximately 30,000 square feet of space with six units ranging from 2,000 to 6,000 square feet. Richmond Events, Inc., a corporate event-planning company, took the first prebuilt ABS completed in the building, totaling 4,210 square feet. NetRoadShow, Inc., which provides Securities & Exchange Commission compliant online communication tools, also inked a 4,210-square-foot deal. Venio LLC relocated from a Midtown building on Fifth Avenue, taking 11,000 square feet.

"Venio chose 1001 Avenue of the Americas due to the value they found in the light and views and the build out we offered them," said Regal. "Smaller tenants can benefit from the move-in ready solutions with flexible layouts that are part of our prebuilt program at the building."

Other recent tenants include accounting firm Schulman Wolfson & Abruzzo LLP, which signed on for 6,180 square feet on the tenth floor. In a 10-year deal, SJI Associates, an advertising and marketing firm, inked a renewal for 7,364 square feet on the 23rd floor. Lightspeed Trading, a leading provider of ultra low latency direct market access (DMA) trading technology, risk management solutions, and brokerage services, is a recent tenant. Also recently added to the roster is Crossix Solutions, which delivers next generation Rx-based analytics to help pharmaceutical marketing teams, and healthcare communications companies. © 2012 Jill Lotenberg In the most recent



transaction, American Associates Ben-Gurion University of the Negev signed a 12-year lease for 10,136 square feet at 1001 Avenue of the Americas. The nonprofit will occupy the entire 19th floor.

"The renovations helped to change the opinion of the building within the broker community," said Caseley. "Brokers have responded very favorably and are indispensable in helping us achieve success at 1001. Brokers and their Tenants appreciate the stable ownership that is deeply committed to the ongoing improvement of the property."

The entire 24th and 25th floors total 9,886 square feet and are strongly preferred to be leased together.

"It's an extraordinarily rare opportunity to lease a duplex penthouse space with three full sides of windows and two large exterior terraces on the 25th floor," said Regal. "The landlord is also willing to provide a new building installation for qualified tenants. There is no space like this in the area with tremendous views."

Additional leasing opportunities include a full-floor totaling 11,696 square feet and a 5,500 square foot corner unit on the 10th floor with terrific north light and views. These units will be available in the third quarter of 2012, market information will be released soon. Regal noted that the prime location is another key selling point for potential tenants. Close to major transportation hubs Grand Central Station, Penn Station, Port Authority Bus Terminal, and numerous subway lines, all commuters can easily walk to their stations. 1001 Avenue of the Americas is near to major attractions including Bryant Park, Rockefeller Center, Times Square, the Theater District, and a host of shopping and dining options. The conversion of 980 Sixth Avenue to hotel use provides a dual benefit; it will bring added amenities to the area, and removes competition from the local office space market.

"The multitude of enhancements made to the property have significantly increased prospects to attract, and retain, a wider category of creative and service firms," added Caseley. "1001 Avenue of the Americas offers opportunity for companies in search of full floors nearing 12,000 square feet, as well as smaller firms looking for a highly improved office building in a convenient Midtown location."

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