

New York | Healthcare Real Estate | Office | Thought Leaders

Medical School Tenant Grows Downtown Presence

NEW YORK CITY—The healthcare occupier has signed a 55,000-square-foot, long-term lease, adding to the 20,000 square feet it already takes at Lower Manhattan's first medical office building.

BY JOHN JORDAN

NEW YORK CITY—Weill Cornell Medical College has expanded its operations at William Macklowe Co.'s 156 William St.

Cornell University, on behalf of Weill Cornell Medical College, an affiliate of New York Presbyterian Hospital, has signed a 20-year expansion lease for an additional 55,000 square feet at the 12-story, 250,000 square foot L-shaped building. The new agreement brings the tenant up to 85,000 square feet at the Class A, 250,000-square-foot building, Downtown's first medical office tower.

As part of the transaction, Weill Cornell's existing lease for 29,000 square feet of space—comprising the 11th and 12th floors of the building—was extended to be co-terminus with its new long-term expansion agreement, according to the building ownership.

In addition to leasing the entire 24,000-square-foot sixth floor and the 17,000-square-foot seventh floor, Weill Cornell's new lease includes 14,000 square feet of ground floor retail and lower level space to house an expansive, state-of-the-art medical imaging center. The Weill Cornell space will boast approximately 65 feet of frontage along Beekman Street.

John Cefaly, Michael Burgio and David Berke of Cushman & Wakefield represented Cornell in the long-term expansion/extension lease transaction while Paul Wexler and Joseph Yadgarov of The Corcoran Group represented the building's ownership. **The tenant received legal representation from Rosenberg & Estis members Neil Underberg, Mark Aloia, and Lisa Radetsky, along with associate Adam Hirst.**

No financial terms of the lease transaction were released. However, asking rents for the office space at the property are in the high \$50-a-square-foot range. Asking rents for the building's retail space are at \$150-per-square-foot.



156 William St. was the first medical office building in Downtown Manhattan.

William Macklowe Co. acquired 156 William St. for \$62.5 million in 2013 and currently owns the property in a joint venture with LaSalle Investment Management. Since purchasing the building, the ownership has employed a strategy of filling all vacancies with medical office-related users. That strategy has paid dividends since less than 10% of the property is now available for lease.

William Macklowe, CEO of the Macklowe Co., says there is only 15,000 square feet of space available to lease at the building—12,000 square feet on the fourth floor and 3,000 square feet on the eighth floor.

“Given the building’s strategic location directly across the street from New York Presbyterian/Lower Manhattan Hospital and the relative dearth of nearby medical offices to service the revitalized Downtown office market, we knew that our strategy to target health care tenants was the correct prescription for this asset,” Macklowe says.

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