

JUNE 9, 2014 - 292 MADISON AVENUE IN THE NEWS - By David V. Griffin

Guess What's Happening to 292 Madison Ave.



Not long ago the structure standing at 292 Madison Avenue was merely a drab-looking structure, in a wall of pre-war architecture. Now under the stewardship of the Marciano International Group, the building's classic 1920's Romanesque architecture is getting a makeover that will preserve the character of its upper floors, while inserting dramatic new retail spaces into the first and second stories.

"Demolition was never proposed," says John Monaco, a partner at Herald Square Properties, the asset managers for 292 Madison. "Instead MIG created a visionary plan that would celebrate the character of the building, from the location, to the architecture, to the actual materials – polished concrete floors, high beamed ceilings, the works."

Marciano International Group is perhaps best known as the owner of Guess Jeans, and their knowledge of the fashion industry shows in their care with the building's glamorous new profile.



Partially obscured by an unfortunate previous renovation, the first three floors will feature steel-framed windows and renovated stone arches, while tenants on the 15th and 23rd floors will have access to terraces and roof gardens located on the setbacks.

Architect Mufson Partners' plans for 292 Madison include comprehensive upgrades of every system, from wiring to plumbing, with McGovern & Co. as the general contractor. Monaco allows that there were some challenges: "Older buildings have their own renovation histories," he notes. "A lot of the time it's something actually done after the original construction that becomes an issue."



But despite "a few fits and starts," Monaco says that the project is "moving nicely along on schedule" and he anticipates a finish date sometime in late July/early August. Tenants are already signing up, including a half-dozen prominent tech firms; Monaco points out that the location, steps away from Grand Central, the diverse offerings of Midtown, and the 42nd windows, which are actually visible blocks

away, all draw tenants to the building: "The views from and of the building are terrific."

Newmark Grubb Knight Frank's Jonathan Tootell, one of 292 Madison's exclusive leasing agents, was recently quoted in The Commercial Observer as saying: "Tech companies are clearly attracted to the prewar buildings (in the district), thanks to the flexibility of the space, uniformly high ceilings, oversized windows and overall value."

As Midtown East continues to reevaluate and regenerate its current building stock, 292 Madison will join other prominent area renovations such as 501 Fifth and 285 Madison as forerunners of a newly reinvigorated district. "The project is a tremendous success," Monaco says. "We've taken something old and tired and woken it and the whole block up."

JUNE 6, 2014 - **IRSA** IN THE NEWS - By Jennifer Henderson

LEASE BEAT

Meadows Office Furniture Relocates Manhattan Headquarters to Lipstick Building

Meadows Office Furniture has relocated its Manhattan headquarters to the entire 29th floor of the Lipstick Building at 885 Third Avenue. The contract furniture provider has signed a 10-year lease for the 13,855-square-foot space, which offers views of Manhattan and the East River.

Asking rent per square-foot was \$77, a figure in line with pricing of the two remaining full-floor spaces in the 90 percent leased building between \$73 and \$77 per square-foot, according to a recent statement. The availabilities include the 19,270-square-foot 17th floor and the 13,200-square-foot 28th floor.



Lipstick Building.

“There has been dynamic momentum in the building this year, which is reflected in Meadows taking the full tower floor,” said Daniel Elzstain, the director of IRSA, a co-owner of the building, in a prepared statement. “We have consistently attracted top tenants, but recent leasing activity, bolstered by our ability to build full floors and smaller pre-built units, has been particularly robust in the first half of the year.”

The Lipstick Building has been owned by a group of investors, primarily comprised of IRSA, Argentina’s largest real estate firm, and the Marciano Investment Group since 2010. The standout Midtown office space was completed in 1986 and is internationally recognized for its makeup inspired moniker from a cylindrical shape and partially red granite exterior.

Meadows Office Furniture, which moved to the Lipstick Building from a location in Chelsea, is ranked 15th in size for Women-owned Business Enterprises in the New York City area and is

nearing 50 years in business, according to a statement.

The landlord in the deal was represented by Newmark Grubb Knight Frank, specifically, Erik Harris, a senior managing director, Scott Klau, an executive vice president, and Mark Weiss, an executive vice president. Meadows was also represented by NGKF, specifically, Lawrence Zuckerman, a senior managing director

REAL ESTATE WEEKLY

MAY 7, 2014 – **HERALD SQUARE PROPERTIES** IN THE NEWS – DEALS & DEALMAKERS

Make-over for fashion building



Office and showroom building 234 West 39th Street is about to undergo significant exterior renovations and interior upgrades as part of a program being implemented by the building's new ownership, Herald Square Properties, and The Davis Companies.

Acquired last January in an off-market transaction, the 10-story, 94,000 s/f commercial property, between Seventh and Eighth Avenues, has long been a fashion industry favorite due to its central location, generously-sized floorplates, estimated at 9,000 s/f.

"Our intention from the very beginning was to maintain this property's traditional tenant-base, but with better services in a more attractive and up-to-date environment," said Jon Schneidman, partner, Herald Square Properties.

"We see this as a value-driven, mid-block alternative for fashion design and manufacturing businesses as avenue office space becomes increasingly scarce and expensive."

Currently, the building is nearly 90 percent leased, with one full-floor vacancy that is being renovated and several other leases up for renewal.

The building's leasing team is made up of CBRE's Paul Amrich, vice chairman; Neil King, vice president; and Lindsay Godard, associate broker.

Amrich said, "Too many landlords are avoiding the tenant base that made this area a vital part of the New York economy and culture."

"The new owners are encouraging fashion industry businesses here by updating everything from the entryway to the common areas and even the original staircases, providing both a contemporary and traditional aesthetic."

In addition to the CBRE leasing team, CBRE is the management agent.

APRIL 27, 2014 – **HERALD SQUARE PROPERTIES IN THE NEWS** – By Lois Weiss

High-wattage retail tenants are making their mark



Retail continues to be a bright leasing sweet spot as brokers say their tenants are out seeking multiple locations while investors continue to purchase both buildings and retail condos to upgrade their tenancies.

Brooklyn has gone from wasteland to wonderland as more national retailers jockey for position. Neiman Marcus has even signed on for its very first city location with a 16,000-square-foot space for its LastCall division at 210 Joralemon St. This is the United American Land

redevelopment of 48,000 square feet of retail at the Brooklyn Municipal Building called Brooklyn Heights Plaza where LastCall will join Sephora, It's Sugar and Yoga Works.

The Empire Stores are being developed in Dumbo with West Elm as its anchor. Kushner Companies and RFR Holdings' redevelopment of the Watchtower Buildings in Upper Dumbo is also expected to fill in with numerous retail tenants. Other stores are targeting Fulton Avenue, CityPoint and around Barclay's Center as well as Williamsburg.

Retailers are also giving a hard look at Queens as the next Brooklyn, and focusing on Jackson Heights, said Ariel Schuster, executive vice president of RFK.



The Bronx will soon have the glamorous new enclosed Mall at Bay Plaza to be anchored by Macy's and JCPenney by I-95 and the Hutchinson River Parkway. Further north on the Hutch, Simone Development Companies' 42-acre Hutchinson Metro Center is getting more retailers, office tenants and a Marriott Residence Inn.

In Manhattan, Madison Avenue is tightening up and rents are rising. The Gagosian Gallery, already on Madison, also opened in 1,000 square feet in the base of 821 Park Ave. at East 75th Street. This is one of the few retail spots on an avenue lined with expensive co-ops.

Last fall, H&M opened its 60,000 square-foot store at 4 Times Square at West 42nd Street with Lady Gaga while in March, L'Express opened its 28,000-square-foot store on steroids with a performance by Robin Thicke.

Shoppers are gleefully continuing to walk down the Broadway promenade to Herald Square. Here, Urban Outfitters will soon open its 56,000-square-foot spread at Empire State Realty Trust's 1333 Broadway. "That Urban Outfitters lease really signifies the changes going on in the area," said Gerard Nocera of Herald Square Properties who is purchasing buildings in the area.

As SoHo and even Nolita now have skyrocketing rents — with SoHo breaking the \$1,000-per-square foot threshold recently — Faith Hope Consolo, chairman of Douglas Elliman Retail, says the smaller retailers and restaurants are moving to the Bowery area.

Meanwhile, the Meatpacking District continues to transition, looking toward the opening of the new Whitney Museum. "It's becoming the city's testing ground for great design," said Consolo. "We're seeing pop-ups such as Pantone, and leases like The Kooles next to the Apple store. As long as the residential, the hotels and the restaurants remain solid, the next hot designer will continue to locate here."

The retailer Billabong is back in the market aggressively said its broker, Paul Berkman, executive vice president of retail at JLL. Another of his clients, Modell's, is also active and pursuing deals.

Similarly, Kim Mogull, CEO of Mogull Realty, said, "All of my clients are expanding and bullish about the market."

Mogull says the Financial District has become a "must have" for any retailer or restaurant group. "Between the Trade Center, Brookfield Place, Goldman Sachs and Condé Nast, and all the new residential projects, that area is on fire as the residential, retail and office populations are growing exponentially."

Along nearby Broadway, Zara will open a 30,000-square-foot, three-level store at 222 Broadway, Urban Outfitters opened in 21,000 square feet at 180 Broadway inside the Pace University dorm building and the Gap leased about 20,000 square feet at 170 Broadway.

That neighborhood will continue to flower and we will see more retailers flocking to that corridor," said Berkman.

But despite all the action and numerous luxury retailers announced at Brookfield Place, everyone has eyes on Westfield Group and is waiting for deals like Eataly to be announced and construction at the World Trade Center to be completed.

MARCH 13, 2014 - **HERALD SQUARE PROPERTIES** IN THE NEWS - By Lauren Elkies Schram

LEASE BEAT

Sixth Tech-Related Tenant Leases at 292 Madison



292 Madison Avenue

Technology-focused venture capital firm **Greycroft Partners** has taken the entire 6,035-square-foot 20th floor at 292 Madison Avenue, *Commercial Observer* has learned. It's a new lease for the firm, which focuses on investments in early-stage companies, primarily in the digital media sector.

The asking rents were in the high-\$50s, according to a spokesperson for the asset manager, **Herald Square Properties**, which oversees the property on behalf of the landlord, **Marciano Investment Group**.

The exclusive leasing agents for the 41st Street building are **Newmark Grubb Knight Frank's William Cohen, Jonathan Tootell** and **Andrew Weisz**. The tenant's broker was **Harry Krausman** of **Cassidy Turley**, who wasn't immediately available for comment.

"Madison Avenue, south of Grand Central, has earned the moniker of Tech-Creative Corridor," Mr. Tootell said in a prepared statement. "Tech companies are clearly attracted to the prewar buildings here, thanks to the flexibility of the space, uniformly high ceilings, oversized windows and overall value."

Greycroft Partners will join **Borderfree, IDG TechNetwork**, Exponential Interactive, Qlik Tech and, most recently, Raptor Trading.

The lease marks Greycroft Partners' second office in New York City and third office nationwide. The firm is slated to move in in June.

"The convenience of the location is unquestionable," said **John Monaco**, a partner at Herald Square Properties. "But the renovations and upgrades implemented since the current ownership took over in 2011 truly reflects today's business needs across the board."

REAL ESTATE WEEKLY

MARCH 12, 2014 - **292 MADISON AVENUE** IN THE NEWS - In Print on Page B4 - LEASES

A provider of multi-asset trading and risk management solutions, Raptor Trading, has taken a 5,752 s/f full-floor space at 292 Madison Avenue. The exclusive leasing agents for the building are **William G. Cohen, Jonathan Tootell** and **Andrew Weisz** of **Newmark Grubb Knight Frank**. Asset manager Herald Square Properties oversees the property on behalf of landlord Marciano Investment Group. Building management is provided by CBRE.



**JONATHAN
TOOTELL**

REAL ESTATE WEEKLY

MARCH 12, 2014 - **HERALD SQUARE PROPERTIES** IN THE NEWS - In Print on Page B4 -WHO'S NEWS

Gerard Nocera and Michael Reid, founding partners of **Herald Square Properties**, announced that **Jon B. Schneidman** has joined the firm as a partner.

Schneidman is responsible for investments and has already worked on the acquisition of the firm's newest properties at 142 West 36th Street and 234 West 39th Street.

Prior to joining Herald Square Properties, Schneidman was a managing director and member of the Real Estate Executive Committee at Lehman Brothers Holding, Inc., which followed his tenure as senior vice president of the Global Real Estate Group for Lehman Brothers.

Before that, he was a vice president at Eastdil Realty.

REAL ESTATE WEEKLY

MARCH 12, 2014 - **HERALD SQUARE PROPERTIES** IN THE NEWS - In Print on Page B4 - LEASES

View the Space (VTS) a commercial real estate software company, is taking the entire 12th floor, containing more than 7,000 s/f at 142 West 36th Street. It will be the first tenant to move into one of the new Mufson Partnership-designed pre-built offices at the building. Exclusively representing landlords Herald Square Properties and The Davis Companies, as well as exclusively representing the tenant, were **CBRE's Paul Amrich, Neil King, and Lindsay Godard**. The building was acquired at the beginning of 2014 by Herald Square Properties and Boston-based The Davis Companies in an off-market sale. It is currently more than 90 percent occupied.

THE COMMERCIAL OBSERVER

MARCH 3, 2014 – **292 MADISON AVENUE** IN THE NEWS – By Lauren Elkies Schram

Another Tech Tenant Moving Into 292 Madison



A fifth technology company has taken a full-floor of pre-built office space designed by the **Mufson Partnership** at **292 Madison Avenue**, *Commercial Observer* has learned.

Raptor Trading, a provider of multi-asset electronic trading and risk management solutions, signed a lease for the 5,752-square-foot 22nd floor at the 41st Street building. Among the tech firms it joins is **Exponential Interactive**, which took the entire 11th floor in the building last year, as *Commercial Observer* previously reported.

The exclusive leasing agents for the building are **William Cohen**, **Jonathan Tootell** and **Andrew Weisz** of **Newmark Grubb Knight Frank**. **Elie Censor** of **Norman Bobrow & Co.**, who represented Raptor Trading in the transaction, didn't immediately respond to a request for comment.

"It's interesting how quickly this section of Madison Avenue has become a draw for technology-based businesses," Mr. Cohen said in a prepared statement. "This building, in particular, is a prime example of the ways in which refitted infrastructure and design in prewar office towers, including the redesign of the retail streetscape here, efficiently address the needs of new tenant groups."

The asking rents were in the high-\$50s, according to a spokesperson for the asset manager, **Herald Square Properties**, which oversees the property on behalf of the landlord, **Marciano Investment Group**.

Raptor is slated to move into the new space from **1700 Broadway** between 53rd and 54th Streets next month, Mr. Cohen said.

FEBRUARY 13, 2014 - **HERALD SQUARE PROPERTIES** IN THE NEWS - By Rayna Katz

Jon Schneidman Joins Herald Square Properties As Partner



NEW YORK CITY—**Jon Schneidman** has joined **Herald Square Properties** as a partner. In his new position, Schneidman is responsible for investments and already has worked on the acquisition of the firm's newest properties at 142 W. 36th St. and 234 W. 39th St.

"Jon brings strong relationships and investment acumen to our group," says **Michael Reid**, founding partner. "He is a visionary with great integrity and we are glad to have him on board."

Prior to joining Herald Square, Schneidman was a managing director and member of the real estate executive committee at **Lehman Brothers Holding**, which followed his tenure as SVP of the global real estate group for **Lehman Brothers**. Before that, he was a VP at **Eastdil Realty**.

Adds **Gerard Nocera**, also a founding partner, "Herald Square Properties was established at the tail end of a downturn and in a relatively brief period, the portfolio has grown, as has the team. The upcoming year will be an important time for our continued expansion."

The management team also includes **John Monaco**, partner, who joined shortly after Herald Square Partners was launched in 2009. Reid and Nocera are both former COOs of **SL Green Realty Corp.**, while Monaco is a former SVP of that firm.

FEBRUARY 12, 2014 - **HERALD SQUARE PROPERTIES** IN THE NEWS

Jon Schneidman Joins Herald Square Properties as Partner



Jon Schneidman

Industry Veteran Brings Investment Expertise to Team

Gerard Nocera and **Michael Reid**, founding partners of Herald Square Properties, www.heraldsquareproperties.com, announce that **Jon B. Schneidman**, 43, has joined the firm as a partner. In his new position, Mr. Schneidman is responsible for investments and has already worked on the acquisition of the firm's newest properties at 142 West 36th Street and 234 West 39th Street.

"Jon brings strong relationships and investment acumen to our group," says Mr. Reid. "He is a visionary with great integrity and we are glad to have him on board."

Prior to joining Herald Square Properties, Mr. Schneidman was a managing director and member of the Real Estate Executive Committee at Lehman Brothers Holding, Inc., which followed his tenure as Senior Vice President of the Global Real Estate Group for Lehman Brothers. Before that, he was a vice president at Eastdil Realty.

Adds Mr. Nocera, "Herald Square Properties was established at the tail end of a downturn and in a relatively brief period, the portfolio has grown, as has the team. The upcoming year will be an important time for our continued expansion."

The management team also includes John Monaco, partner, who joined shortly after Herald Square Partners was launched in 2009. Messrs. Reid and Nocera are both former Chief Operating Officers of S.L. Green Realty Corp., and Mr. Monaco is a former SL Green Senior Vice President.

About Herald Square Properties LLC

Herald Square Properties is a New York-based owner/operator of commercial assets with a six-building portfolio comprising nearly 2 million square feet. Herald Square Properties brings a wealth of experience to the successful renovation, repositioning and re-branding of commercial property assets throughout Manhattan. Among the signature assets for which it is responsible are the Lipstick Building, 1372 Broadway, 292 Madison Avenue, 183 Madison Avenue, 142 West 36th Street and 234 West 39th Street.



LEASE BEAT

THE COMMERCIAL OBSERVER'S BREAKDOWN OF LAST WEEK'S 10 BIGGEST DEALS*

Mundi Westport Group

15,592 Square Feet
RENEWAL

Mundi Westport Group is renewing its lease in Midtown.

The manufacturer and distributor of leather goods for labels such as **Mundi**, **Kenneth Cole**, **Timberland**, **Joseph Abboud** and **Marc New York** has added an additional 10 years to its 15,592-square-foot lease at **183 Madison Avenue**.

Joe Grotto Jr. of **Cassidy Turley** represented Mundi Westport Group.

"The success we have had at the building directly relates to the vision and practices of the current ownership and management," said **Gerard Nocera** of **Herald Square Properties**, the co-asset manager of 183 Madison Avenue. "IRSA's buildings are maintained at the highest standards, and tenants respond accordingly, as do their representatives."

IRSA acquired the remaining shares from minority partner **Rigby Asset Management** earlier this year. The acquisition comes two years after their initial investment in the building, which included a slew of capital improvements to boost its occupancy rate that hovered around 50 percent in 2011.

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The improvements included a multimillion-dollar renovation of its lobby, bathroom, facade and common areas, and a new concierge desk.

"Ownership had a real vision," said Mr. Nocera, speaking to *The Commercial Observer* in April. "They realized that Madison Avenue and 34th Street was a beachfront location. And the bones are tremendous."

Several new tenants have been brought to the building, including **Puig**, which signed for a 10-year, 7,240-square-foot lease, and the **Spector Group**, which took its headquarters into a 13,000-square-foot office.

The building is now 100 percent occupied.—ME

REAL ESTATE WEEKLY

SEPTEMBER 11, 2013 - HERALD SQUARE PROPERTIES IN THE NEWS - By Sarah Trefethen

Nocera puts his name on the line to bring family values to the real estate business

Even when paired with an open collar, there's something startlingly un-businesslike about the two brightly colored string bracelets adorning Gerald Nocera's right wrist, the handiwork of the youngest of his three daughters.

"That's a mandatory must-wear," the founding partner of Herald Square Properties and former SL Green COO said.

In Nocera's 30-year career in real estate, he says, family values and business values have often been one and the same.

After a brief stint as a retail broker for Coldwell Banker, Nocera went to work with Cohen Brothers in the early 1980s. He was there for 18 months. Several years out of college, it was the first job he held for more than a year.

"Charles [Cohen] showed me how successful family owners handle their business," Nocera said.

"Because they're a family business, the business is 100 percent the buildings that they own. Unlike a hedge fund that will buy a building and have a horizon of a three- to five-year period, the family businesses — like Charles or the Rudins — these are their children, and they treat them as such.

"And the people that they hire to represent them represent more than just their business; they represent their family and their family name."

He left the Cohens when a junior leasing position opened up with S.L. Green, then a relatively new company. Steve Green interviewed him four or five times, Nocera recalls. "Each and every one was exactly the same."

S.L. Green was not a family business, but Nocera found his experience with the Cohens still served him well. "The whole concept of Steve's company was 'we are a family,'" Nocera said. That family went public on the New York Stock Exchange in 1997.

"Steve [Green] is one of my heroes.... He allowed me to go from that junior leasing agent to ultimately COO of a publicly traded company," Nocera said.

Nocera grew up in New Jersey, the state where he and his wife of 22 years, Odalys, and their daughters make their home today. He studied in Pennsylvania and spent time in Los Angeles after college.

He uses the term "A.D.D." a lot when he talks about himself. Never formally diagnosed with attention deficit disorder, he says, he has a lot of the symptoms.



GERALD NOCERA

The future real estate player studied journalism and communications in college, but an internship in an advertising agency failed to hold his attention. He moved to L.A. and worked in sales for both I.B.M. and in an equipment financing agency before he took the position with Coldwell Banker, mainly to get back to New York.

"The first thing I learned in LA was that I'm an east coast guy," he said.

But somewhere in the process of that job and his time at Cohen Brothers, he fell in love with real estate.

"It's one of those industries where you get kind of immediate satisfaction," he said. "In the course of a relatively short period of time, you see the fruits of your labor."

After an impressive run at S.L. Green, Nocera left in 2007 to start Herald Square Properties, along with fellow S.L. Green COO emeritus Michael Reid and John Monaco, who was also a SVP at S.L. Green but whose history with Nocera dates back to the days when Monaco was Nocera's supervisor at Cohen Brothers.

The trio aim to bring their experience with hands-on, value added ownership to the company that they say is "more than an owners' representative."

One notable success is the Lipstick Building on Third Avenue, the former office of the notorious Ponzi scheme criminal, Bernie Madoff.

The owners "knew we had to move this building up a notch after the perceived negatives of the previous owner," Nocera said. "They brought us in for our expertise."

Today, the building is over 90 percent leased.

The partners are looking to grow their holdings to between three and five million square feet, Reid said, but looking into the distant future he sees an upper bound of somewhere between 10 and 15 million s/f, in order to maintain a fully hands-on approach.

"This is now our family," Nocera said. "This is the only way I know how to do business now. It's 110 percent of my focus, of John's focus, of Michael's focus and of [fourth partner] John Schneidman's focus. And our name is on the line."