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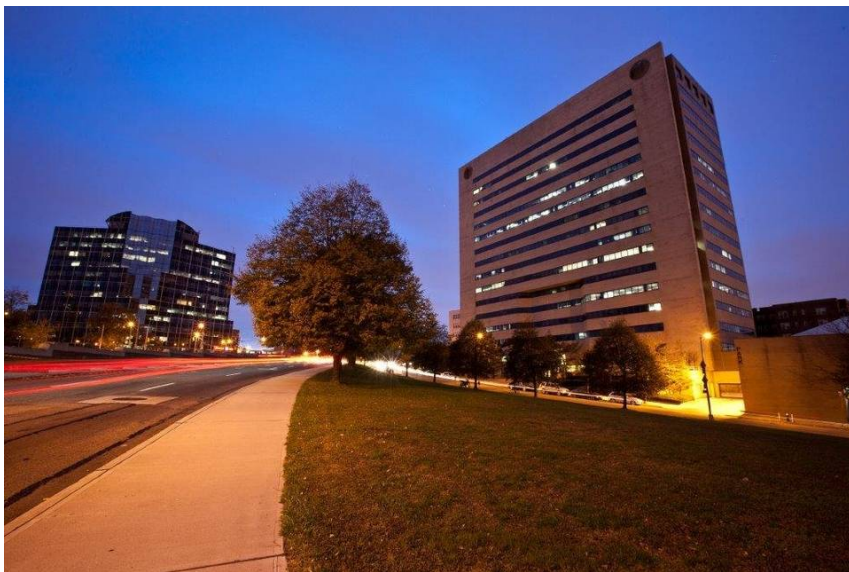
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NY REAL ESTATE COMMERCIAL

What's the Deal: Forest Hills Tower Signs New Tenants

A roundup of real-estate news in the Greater New York region



Muss Development's Forest Hills Tower at 118-35 Queens Blvd. *PHOTO: ALAN SCHINDLER PHOTOGRAPHY*

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Queens

Forest Hills Tower Signs New Tenants

The owner of an office building in the Forest Hills section of Queens is replacing a departing government tenant with local organizations seeking headquarters space in the neighborhood.

Muss Development has signed 43,000 square feet of new leases at 118-35 Queens Blvd., known as Forest Hills Tower. The building, which Muss constructed in 1981, is undergoing a multimillion-dollar renovation, said principal Jason Muss.

In 2012, Muss arranged a hasty, 200,000-square-foot lease with the Federal Emergency Management Agency to set up its New York City headquarters after Hurricane Sandy. The government agency is giving back space and will fully depart the building by the end of the summer, Mr. Muss said.

With the available space, Muss signed a 12-year lease with the Child Center of New York

to take 21,808 square feet on the sixth floor. Plaza College, a current tenant, signed a 15-year lease for 21,107 square feet on the third floor. After the expansion, Plaza College will occupy 61,107 square feet there.

The Child Center of New York, founded in 1953, offers programming, education and counseling to children in Queens. Its current headquarters in Woodside has become overcrowded, said spokeswoman Eugenie Bisulco.

“The new space is better-suited to accommodating our growth,” she said. “Forest Hills is a more central location, putting us nearer to our wellness centers and partner schools in Jamaica and South Queens.”

Brittany Travis, a spokeswoman with Plaza College, said its expansion will be used for classrooms and administration “to accommodate the new and exciting programs we are planning to offer in the near future.”

Asking rents at the building range from mid- to- high \$30s a square foot. Mr. Muss said there has been “pretty solid demand” in the local office market for space, especially from companies who serve the borough. “A lot of tenants serving Queens have a need for quality office space in Queens,” he said. “We serve that market.”

—*Emily Nonko*

Midtown

Office Asking Rents Are Ticking Higher

Average asking rents at Midtown Manhattan trophy towers increased slightly from the fall, indicating landlords are holding firm on rental pricing, according to a JLL report.

The Hedge Fund Index, which tracks 24 high-end buildings with a high concentration of boutique hedge funds and investment management tenants, revealed the average asking rent for this market niche was \$99.94 a square foot in the first quarter, up 0.5% from \$99.43 in September 2015—when the index was updated previously.

Landlords are maintaining pricing levels but likely will continue to offer robust tenant concession packages with free rent and allowances for tenants to build out their offices, said Cynthia Wasserberger a JLL managing director.

In previous economic cycles, asking rents in trophy buildings showed sharp increases, rising 127% between 1997 and 2000 and 82% between 2003 and 2007, the report noted. Since 2009, average asking rents have steadily increased by 36%. The first quarter’s average asking rent was 17% below the 2007 peak of \$120.22.

“We are sort of chugging along,” Ms. Wasserberger said. “Rents aren’t too out of whack the way they were in 2000 and ‘07.”

—*Keiko Morris*

New York

Investors Are Bullish on Real Estate Tech

Investors are more bullish about the real estate tech sector this year than startup companies are, according to a new survey.

