

THE WALL STREET JOURNAL.

August 27, 2012

WHAT'S THE DEAL

London-Based Firm Finds More Value Downtown

Frank Hirth LLC is relocating to the Financial District in a move that will double the international accounting firm's office space for rent at least 40% less per square foot than its current Midtown location.

The London-based firm has signed a 10-year lease for a 13,910-square-foot office on the 26th floor of Wall Street Plaza, at 88 Pine St., after having long outgrown its current 6,125-square-foot space at One Penn Plaza.

Frank Hirth opened its first office in New York with only four people in the month before the collapse of Lehman Brothers Holdings Inc.

"We arrived in August 2008, with our smiling faces and ready for business," says Kevin Johnson, a director of the New York branch.

Despite the obvious challenges of the financial crisis, the timing turned out to be good. In the ensuing years, Mr. Johnson says, the rising levels of scrutiny and regulations have benefited experts in international taxation. He expects the New York office could grow to 60 people from 38 in the next few years.

The firm is leaving One Penn Plaza two years before the expiration of its lease and is looking to sublet the space. Michael Kaufman, a partner of the Kaufman Organization who brokered the new lease, said that Frank Hirth had considered other locations, mainly Midtown, but settled on Downtown space.

Terms of the lease weren't disclosed, but the asking rent for the new office was \$45 a square foot. In the second quarter, according to the commercial real-estate firm Cushman & Wakefield, the average gross rental rate for a Class A office building was \$45.63 a square foot in the Financial District East and \$73.57 a square foot in Midtown.

"The value is incredible," says Mr. Johnson. If the firm remained in Midtown, he adds, "We would pay 40% more for the same amount of space."

Alessia Pirolo

Expanding Art Program Increases Buildings' Appeal

Art-in-Buildings, a program that promotes artists while marketing

the properties of real-estate company Time Equities Inc. where the art works are displayed, is expanding to new locations.

The program had its inaugural exhibition nine years when Francis Greenburger, who is chief executive of Time Equities as well as a literary agent and avid art collector, purchased 125 Maiden Lane in the Financial District.

The 17-story office building had a large, but empty lobby that Mr. Greenburger recalls thinking "would have been a wonderful exhibition space."

Now, the program employs a full-time curator, Jennie Lamensdorf, and includes permanent installations and rotating exhibitions in more than 15 buildings in New York and elsewhere in the Northeast.

Later this year, around Halloween, a new space will be unveiled on a store window at 223 W. 10th St., a residential and retail building in the West Village, and in the lobby of 51 Haddonfield Rd., in Cherry Hill, N.J.

The latter, a 100,000-square-foot office building that Time Equities acquired in May for \$3.4 million, is currently two-thirds vacant.

Mr. Greenburger is confident that the art "will give the building a different profile and make it more attractive" for prospective tenants.

The building at 125 Maiden Lane now hosts above three rotating exhibition a year. Just in the last few weeks, a painter has been working in the lobby as a part of May Mattingly's installation Flock House "Chromasphere," and the Indian artist Mrugen Rathod has created a site-specific sculpture constructed from scrap cardboard and wood.

The exhibitions may be part of the appeal of the building for many nonprofit organizations as the Lower Manhattan Cultural Council and Unicef, among others, have offices there.

The artistic creations aren't always universally loved, though. Mr. Greenburger recalls that once a tenant objected over an installation portraying women exercising on a pillow, which, he says, "not in a 1,000 years I would have seen as explicit."

Overall, he adds "most people enjoy being in an environment enlightened by the art."

Alessia Pirolo