

COMMERCIAL OBSERVER

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Lease Beat

Barcelona Fashion Giant Puig Lease Brings 183 Madison Avenue to 99 Percent Occupancy



183 Madison Avenue

The Barcelona-based fashion and fragrance company **Puig** signed a 10-year lease for a 7,240-square-foot penthouse office space at **183 Madison Avenue**, *The Commercial Observer* has learned. A 1,200-square-foot terrace sweetens the deal, which brings the 257,000-square-foot building to 99 percent occupancy just two years after it had been half vacant.

Harry Blair and **Sean Kearns** of **Cushman & Wakefield**, along with **Gerard Nocera** of co-asset manager **Herald Square Properties**, represented the owner, **Inversiones y Representaciones Sociedad Anónima**. **Marc Weiss** and **Rob Eisenberg** of **Newmark Grubb Knight Frank** represented the tenant. Asking rents were between \$50 and \$60 per square foot.

IRSA last month purchased the remaining shares of 183 Madison Avenue from minority partner **Rigby Asset Management**. When IRSA in 2011 first invested in the building on Madison Avenue at 34th Street, it was just 50 percent occupied. IRSA's rehabilitation of the property included infrastructure upgrades and landmarking the lobby and facade. The Argentinian development firm also owns the **Lipstick Building** at **885 Third Avenue**.

"Ownership had a real vision," Mr. Nocera said. "They realized that Madison Avenue and 34th Street was a beachfront location. And the bones are tremendous." IRSA also broke the floors up, realizing that "divide and conquer was the way to go."

"They not only leased it up, but weeded out tenants that shouldn't have been there in the beginning," Mr. Nocera said. "They actually lowered the occupancy rate when they bought the building." Mr. Nocera noted that despite the overhaul, the building "still has a pretty good mix of tenants," including its traditional lingerie and other garment users.

The 99-year-old, family-owned Puig is the majority shareholder of the **Jean Paul Gaultier** clothing line. Additional properties include **Carolina Herrera**, **Nina Ricci** perfumes and **Prada** cosmetics.

"Puig opens up a whole other avenue of tenancy," Mr. Nocera said. "We've got a lot of tech firms and now, all of the sudden, this high profile perfume and fashion company."

Brokers from NGKF could not immediately be reached for comment.