

Real Estate Journal

THE LARGEST WEEKLY COMMERCIAL/INVESTMENT NEWSPAPER COVERING THE STATE

The ripple effect of a residential conversion boom



What happens when New York's white hot housing development market exerts pressure on commercial tenants in the heart of Manhattan? For one of our clients, a savvy publisher that had outgrown its office and recognized an opportunity created by the convergence of timing and circumstance, the result is bathed in natural light with 270-degree views of Manhattan from the southwest corner of West Village's former printing district.

Here's What Happens

The opportunities - and challenges - presented to tenants on the commercial side of this process are aptly illustrated with our client, Workman Publishing. A publisher of primarily non-fiction print and audio books and calendars with annual sales surpassing \$25 million, Workman wanted a space that not only met its programmatic needs, but also maximized the oversized industrial structural features and natural light. Further, it required the space to reflect its tightly woven eclectic culture and creative product.

The concept we designed was that of villages linked by a main road, where departments and workgroups are linked by an outer loop that encourages interaction. We chose a rich pallet of bold colors and patterns over more subdued, restrained options. Custom workstations were developed for the specific needs of each department and workgroup as opposed to the use of slick state-of-the-art systems office furniture. Workgroup productivity and communication was enhanced by varying the heights and degree of partitions between workstations, creating an atmosphere of "openness."

But first, a bit of history.

When Displacement is a Good Thing

New York City has been the huge exception in an adjusting national residential market. Prices here have remained stable, while the "building boom" triggered by a decade of record-smashing sales continues unabated as projects already in the works near completion. As Workman discovered, this demand for new product catalyzes a sharp increase in the number of commercial, industrial and institutional-to-residential conversion projects.

708 Broadway in Greenwich Village was the address of Workman Publishing's headquarters for 18 years. Originally a small publisher of adult and juvenile trade books and the creator of the Original Page-a-Day Calendars, the firm grew to become one of the largest independent publishers in the country whose string of best-sellers began with B. Klban's Cat. Other notable bestsellers include What to Expect When You're Expecting; Brain

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Quest; 1,000 Places to See Before You Die; The Official Preppy Handbook; The Silver Palate Cookbooks; and runaway New York Times bestseller Water for Elephants.

This success generated an ever-increasing need for space. Workman accommodated this need by haphazardly leasing space throughout 708 Broadway as vacancies came about. Efficiency was secondary to the physical accommodation of Workman's rapidly expanding workforce. By this time 200 New York-based employees were packed into approximately 45,000 scattered s/f of office space. It was clear that Workman had outgrown 708 Broadway.

Seizing the Moment

That same year the building was purchased by a developer who intended to convert it into luxury condominiums. Workman still had seven years left on its lease, but the timing seemed perfect for a change of address. The firm astutely negotiated its way out of its lease and began looking for a suitable space.

Concurrently, a major commercial real estate brokerage was in the process of converting an industrial loft building for office use at 225 Varick Street. The building offered 26,000 s/f floor plates, large windows, industrial columns and voluminous spaces free of load-bearing walls. Workman leased the eighth and ninth floors, which also featured spectacular east, west, north and south views.

Workman Publishing's office fragments had found the blank canvas on which to unite.

From Vision to Fruition

Implementing the "village linked by roads" concept, we designed both an outer loop and a tighter inner loop around the core links common functional spaces, support and building services, with a wall punctuated with display cases and openings to each department and workgroup area.

Generally the perimeter was designed as open office. The editorial areas, however, required several enclosed offices and tall workstations. Offices were designed to have sidelights and glass panel doors to allow natural light to penetrate into the floor plate. The edge created by perimeter offices were segmented and fragmented by episodic open common areas.

One "Boom," Two Markets

Workman Publishing is a case-in-point of what happens when New York's white hot housing development market exerts pressure on commercial tenants in the heart of Manhattan. Leases are lost, but opportunity also presents itself to customize a workspace which meets the company's current needs in ways that the old space may not have.

Concurrently, as commercial space becomes more scarce, developers are quick to fill the vacuum with new product. So the ripple effect of a residential conversion boom is an explosion in the number of lost commercial leases, and in the number of commercial build-outs, developments and conversions. Triggered by a booming residential market in which historic, open space is highly prized, a ripple effect has transformed the environment in which New Yorkers work. Our commercial design work continues to directly contribute to this trend with contracts such as Workman Publishing.

It's all about seizing the moment.

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