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Unicorn Takes 107 KSF at Historic Manhattan Building

A company whose mission is to ease the home selling and buying process has signed for new space in the Financial District.

By Scott Baltic

Orchard Technologies Inc. has signed a long-term lease for 107,443 square feet at L&L Holding Co.'s 195 Broadway, in Manhattan. Cushman & Wakefield represented Orchard in the transaction.

Founded in New York City in 2017 and dedicated to simplifying the home selling and buying process, Orchard will occupy the 25th and 26th floors and part of the 24th. The company's nearly 200 New York-based employees will move into the space early next year, from their current location at 31 W. 27th St., in addition to which Orchard expects to create hundreds of new jobs in the coming year.

Orchard recently achieved "unicorn" status, that is, a \$1 billion valuation, after a recent \$100 million funding round.

A landmarked 29-story Class A office building dating back to 1916, 195 Broadway is the former world headquarters of AT&T and totals about 1.1 million square feet. In 2017, the property underwent a significant redevelopment that transformed the building's historic William Welles Bosworth-designed lobby into a retail galleria, which now features acclaimed restaurant Nobu Downtown and retailer Anthropologie.



195 Broadway. Image courtesy of Alan Schindler

Major office tenants include global marketing and communications firm Omnicom, publishing house HarperCollins and luxury fashion brand Gucci.

Cushman & Wakefield's Peter Trivelas and Gary Ceder represented the tenant in the transaction. L&L Holding was represented in-house by Vice President and Director of Leasing Andrew Wiener.

The property is subject to a 100-year unsubordinated net ground lease held by Safehold that expires in October 2118, according to information provided to *Commercial Property Executive* by CommercialEdge.

Turning a corner?

COVID-19 and the Delta variant notwithstanding, the Manhattan office market has seen its first decline in sublease vacancy in about two years, and office leasing velocity continues to increase, according to a third-quarter report from JLL. Still, the 4.7 million square feet of leasing in the third quarter remained 31 percent below the pre-pandemic level.

“Recovery will continue to be uneven and diverge as demand for transit-centric and highly amenitized product accelerates and a surplus of commodity product remains on the market,” the report states.

In the Financial District, Class A office net absorption in the third quarter was a negative 105,000 square feet on an inventory of 15.5 million square feet. Current total vacancy in this submarket is 14.9 percent, also according to JLL.

In January, L&L Holding and partners Tokyu Land Corp. and BentallGreenOak [received a temporary certificate of occupancy](#) for their 47-story tower at 425 Park Ave. The anchor tenant is hedge fund Citadel, which is taking 331,800 square feet and 16 floors at the building, which was designed by Norman Foster's Foster + Partners.