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Tiffany Cuts 260,000-SF Deal at Toy Center

By: Globe Street

NEW YORK CITY-In the second large-scale headquarters relocation at 200 Fifth Ave. since L&L Holding Co. bought the century-old property, Tiffany and Co. is consolidating into a 260,000-square-foot space there. The jeweler is relocating its headquarters personnel from 600 Madison Ave. and two other Midtown locations in a 15-year lease.

Tiffany chairman and CEO Michael J. Kowalski says in a release that the move to the former International Toy Center provides his company “an excellent opportunity to lock in meaningful long-term savings in occupancy costs, and to gain efficiencies from housing everyone in one location.” He adds that Tiffany is pleased that 200 Fifth is expected achieve LEED Gold certification, “consistent with Tiffany’s corporate sustainability philosophy.”

The company will relocate to four-and-a-half floors at 200 Fifth, with the move targeted for next spring. In a release, Tiffany says it expects to realize \$125 million in occupancy cost savings over the term of the lease. It intends to sublease its existing properties through the end of their lease terms, which run through 2015, “but expects to recover only a portion of its rent obligations due to current market conditions.”

For L&L, the Tiffany deal, which has been rumored for the past two months, is another success story following on its \$500-million acquisition and \$135-million makeover of the 850,000-square-foot property. Last year, the Grey Group moved its 370,000-square-foot headquarters into the building, while Eataly is currently building out 44,000 square feet of boutique eateries and shopping in a partnership with celebrity chef Mario Batali.

A Studley team of chairman and CEO Mitch Steir, EVPs Matt Barlow and David Goldstein and senior managing director Greg Taubin represented Tiffany & Co. L&L was represented in-house by EVP David Berkey along with Howard Fiddle, vice chairman at CB Richard Ellis, and CBRE senior associate Evan Haskell.