

[NY REAL ESTATE COMMERCIAL](#)

What's the Deal: News Digest

A roundup of real-estate news in the Greater New York area



European cafe chain Stolle's new U.S. home in Long Island City. PHOTO: JOHN TAGGART FOR THE WALL STREET JOURNAL

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AlleyNYC Will Lease Kaufman Property

The Kaufman Organization landed its first office tenant in its NoMad and Flatiron District portfolio, which the firm acquired last year.

AlleyNYC, which provides co-working space for entrepreneurs and startups, has a signed 10-year lease for 36,000 square feet on three floors at 119-125 W. 24th St. Grant Greenspan, a principal at Kaufman, described AlleyNYC as the type of “cutting-edge firm” Kaufman is looking to attract to its revamped buildings.

Founded in 2012, AlleyNYC recently raised more than \$16 million in funding and has grown to house more than 110 companies and 800 members. The company has a 16,000-square-foot space in Midtown Manhattan and a 40,000-square-foot-space in Chelsea.

“This property will be our flagship location, with plans to expand in the U.S. and beyond,” said Jason Saltzman, AlleyNYC’s founder and chief.

The low vacancy rate in Midtown South, which includes neighborhoods such as Chelsea, NoMad and the Flatiron District, often has made it difficult for rapidly expanding companies to find the space they need. “But the type of tenant staying in Flatiron and NoMad are driven by the lifestyle and are willing to wait until space is available,” Mr. Greenspan said. “It acts as a recruiting tool to be in that neighborhood, too.”

The 12-story building is one of four Kaufman and partner Principal Real Estate Investors acquired in a 99-year lease deal with Extell Development Co. Kaufman is investing \$34 million to renovate the buildings. Asking rents at the building are about \$65 a square foot, Mr. Greenspan said.

—Keiko Morris