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The Port Authority of New York and New Jersey approves plan for GSA lease at One World Trade

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One World Trade Center; Al Barbarino

By Al Barbarino

The Port Authority of New York and New Jersey has approved a plan for the U.S. General Services Administration to become the third tenant at One World Trade Center.

The GSA is set to sign a 20-year lease, with up to four 15-year renewal options, taking a total of 270,104 square feet, the Port Authority announced at a board meeting on Thursday.

“While we have yet to finalize a date for signing a lease for space, GSA remains committed” to the deal, said Dan Cruz, a GSA spokesman, in an email. “We continue to work closely with the Port Authority and the Durst Organization every step of the way.”

The total rental cost over the initial 20-year term is being estimated at \$351.4 million, according to documents provided by the Port Authority.

The GSA plans to occupy floors 50 through 55, sources said.

If the GSA goes ahead as planned, the building will be more than 50 percent pre-leased – to three tenants that are not representative of Downtown’s financial services roots.

“The advantage of this building is that the flexible floor plates appeal to a variety of groups in different industries,” said Eric Engelhardt, director of acquisitions with the Durst Organization, which is overseeing leasing on behalf of the Port Authority.

Prolific magazine publisher Conde Nast Publications Inc., the building’s anchor tenant, agreed last year to move into the 1,776-foot skyscraper from its headquarters at 4 Times Square, a building owned by the Durst Organization. They will occupy 25 floors at One World Trade, Engelhardt said.

Beijing Vantone Real Estate Co., a Chinese real estate group, has also signed a lease for floors 65 through 69, and part of 64, Engelhardt said.

The Durst Organization is leasing the building with the help of Cushman & Wakefield, which is ready to launch what Engelhardt called a “full frontal marketing campaign” geared towards a global audience.

He said companies across a range of industries have shown interest in the remaining space, though he was unable to give names due to the ongoing negotiation process.

In 1970, the Port Authority and the GSA entered into an agreement to lease the 750,000 s/f at the U.S. Customs House building at Six World Trade Center, which was severely damaged during the Sept. 11 attacks and subsequently demolished.

The current term of the lease extended through December 31, 2013. The GSA waived its right to have Six World Trade Center rebuilt in exchange for an equivalent amount of space at One World Trade Center, the Port Authority documents state.

One world trade center is scheduled to be completed by 2014.

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