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Media Turning to New Page

By LAURA KUSISTO

Nielsen, the marketing and advertising research company, is nearing a deal to move to the former Goldman Sachs headquarters building near the New York Stock Exchange in what would be the latest shift by a major media company to the Financial District.



Kevin Hagen for the Wall Street Journal

The current headquarters of Nielsen at 770 Broadway.

Nielsen's headquarters is now at 770 Broadway, a hip building in the heart of the East Village that's also occupied by J. Crew, the Huffington Post and AOL. The company is negotiating to lease about 160,000 square feet in 85 Broad St., according to multiple people familiar with the discussions.

A number of other media companies have moved to downtown in recent years, often seeking cheaper rents. The deals have helped transform the Financial District from a stronghold of banks and other financial services companies into an increasingly diverse office and residential neighborhood.

In the biggest move, scheduled for 2014, publishing conglomerate Conde Nast is taking space in the World Trade Center for its headquarters, now in Times Square. Meanwhile, companies such as ALM Media, publisher of the American Lawyer, and the Harry Fox Agency, a music licensing company, have already moved nearby.

Downtown is luring media companies partly because rents in office buildings there are more of a bargain than they are in hip neighborhoods such as SoHo, Chelsea and the Flatiron District. In Midtown South, a popular area among media and tech companies, rents have risen above \$60 a foot and the vacancy rate for top-tier space hovers around 6%, according to Cassidy Turley.

Meanwhile, rents in prime downtown buildings are just more than \$40 a square foot, while the

vacancy rate is 8.6%.

"Pricing levels have continued to rise over the last couple of years; beginning of the scarcity of space; driving all of those types of [tech and media] tenants to look at options" in Lower Manhattan, says William Elder, an executive vice president at RXR Realty, which owns several buildings in the area, including 620 Sixth Ave. and the Starrett-Lehigh Building.

Rents are more attractive downtown partly because, over the decades, major Wall Street firms have felt less of a need to locate downtown. Companies moved to Midtown and even out of the city, and some firms didn't return after the destruction of the World Trade Center by terrorists in 2001

Nielsen, known for its ratings of television viewership, in the spring hired CBRE Group Inc. to find a tenant to sublet its space at 770 Broadway, where it currently occupies about 160,000 square feet, according to people familiar with the company's plans.

Brokers in Midtown South say they're seeing heated competition for its few large blocks of space. Tenants including Microsoft Corp., Facebook and Google Inc. have all looked in the area.

Paul Glickman of Jones Lang LaSalle, agents for Edward Minskoff's 51 Astor Place, an under-construction office building across the street from 770 Broadway, said he's seen significant interest from tenants even as other leasing submarkets in the city have slowed.

"We have strong activity on the building from a wide and diverse array of tenants, particularly those from the technology and digital media industries," Mr. Glickman says. "It provides for a large block of space in a marketplace that's lacking blocks over 100,000 square feet."

Write to Laura Kusisto at laura.kusisto@wsj.com

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