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SQUARE FEET

Office Park Revival Steals Some White Plains Tenants

By ELSA BRENNER
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WHITE PLAINS — As struggling office markets in [New Jersey](#), [Long Island](#), [Connecticut](#) and [New York City](#) vie to attract commercial tenants, landlords in downtown White Plains are grappling with a challenge from within Westchester County. A long-dormant office corridor along Interstate 287 east of the White Plains central business district is drawing some downtown tenants, as landlords offer competitive rents in refurbished buildings with gleaming lobbies and free parking.

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Alan Zale for The New York Times

"The lure of the city isn't enough anymore," said Howard E. Greenberg, of Howard Properties-Corfac International.

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Alan Zale for The New York Times

Westchester One in downtown White Plains, the tallest office building in the Westchester County, is more than half empty.

[Westchester One](#), a prominent office building in the heart of the central business district, embodies the troubles afflicting the downtown White Plains office market, Mr. Greenberg said. The 21-story glass, steel and concrete structure, built in 1975 and originally home to [I.B.M.](#), was the first high-rise commercial complex built in Westchester and is still the tallest in the county.

But when I.B.M.'s final leases — much of that space had been sublet — expired earlier this year, almost a third of the building was returned to its owner, Beacon Capital, a privately held real estate investment company in Boston. In addition, Argent Mortgage, which had leased almost a third of the building, left two years ago as the subprime mortgage crisis began.

White Plains's downtown has generally had a higher occupancy rate than the county as a whole and has gained high-end apartment buildings, new restaurants and retail outlets in recent years. But it has lately had a loss of commercial tenants, some that have downsized or gone out of business, and some that have opted for leafier views and lower rents.

"We're not talking about a hemorrhage, but the lure of the city isn't enough anymore," said Howard E. Greenberg, the president of Howard Properties-Corfac International, a commercial real estate firm that represents tenants.

Commercial rents in the downtown are higher than in suburban office parks, and it is often more difficult to adapt space for smaller tenants in the city's tall office buildings, with their long, narrow floor plates. By contrast, many boxlike buildings in the office parks can be reconfigured more easily for large or small tenants.

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Westchester One is now more than half empty, according to [CoStar Group](#), a real estate information company in Bethesda, Md.

For office space over all, the downtown vacancy rate was 11.7 percent as of March 31, up from 10.8 percent three months earlier. For the suburban office parks near I-287, the rate was 12 percent, unchanged from the end of 2008.

Typical of the businesses exiting the city is GLM, a division of DMG World Media, formerly in the central business district. The company, which produces trade shows, has reduced its head count to 65, from 100, through layoffs and is now renting 15,000 square feet — one-third the space it had downtown — at an office park along the interstate near the Hutchinson River Parkway, said Alan E. Steel, the company’s executive vice president.

Mr. Steel would not divulge the terms of the new lease, although real estate brokers say that annual rents for prime office space in the central business district hover in the low \$30s a square foot, about \$10 more a square foot than in the suburban office parks.

GLM moved to 1133 Westchester Avenue, a former I.B.M. office park on the I-287 corridor that was refurbished two years ago by Robert P. Weisz, chief executive and president of the RPW Group of Rye, which owns two million square feet of space in the county’s suburban office market.

The 74-acre office park now has a day care center for 100 children, a beauty salon, a full-service car wash, an executive dining room, a fitness center with a masseuse and a roving shoe-shine service, among other things. Mr. Weisz described it as an “amenities-rich environment” designed to serve companies whose employees “are putting in many more hours these days and need those services where they work.”

“Office parks are coming back in a different guise these days,” said Mr. Weisz, who specializes in buying older office buildings and repositioning them.

The [ITT Corporation](#) moved its global headquarters and 185 employees to 100,000 square feet at 1133 Westchester Avenue about a year ago from an office park in nearby Harrison. “The central business district of White Plains was never a serious consideration,” said Andy Hilton, a spokesman for the company, which also searched for space in Connecticut. “It was a combination of factors, including the right size, free parking and amenities.”

One compelling draw, Mr. Hilton said, was the lobby of ITT’s new headquarters with its impressive fountain, which now features a large version of the company’s logo.

For Joan Evans, the day care center was a big factor in her decision to take a job with ITT as an administrative assistant. She had received three job offers and chose ITT, she said, so she could “slip away for a few moments during the day” and see her 17-month-old daughter, Nicole.

RPW also owns 800 Westchester Avenue in Rye Brook, formerly the headquarters of General Foods and now renovated for multiple tenants.

Normandy Real Estate Partners, a private equity firm in Morristown, N.J., another suburban landlord, recently assumed full management responsibilities for 14 buildings in four office parks along Westchester Avenue — a 1.6-million-square-foot portfolio it calls the Exchange. Like RPW, Normandy is competing hard for clients from throughout the metropolitan region as well as from White Plains’s central business district.

“When the market is very strong, the deals come to you,” said Raymond P. Trevisan, a



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principal in Normandy. “Now there’s not a deal we won’t look at, even for just 1,100 square feet and a two-person office.” Vacancy rates in the Exchange portfolio are about 30 percent, he said.

But the suburban office market, once thought of as too far from the mainstream, is being reinvented, and space is beginning to fill up, said Mr. Greenberg, the tenant adviser. “These office parks were boring, but that’s not the case anymore,” he said. “Like everything else these days, they’re being recycled.”

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