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Time Warner Looks West for Possible Office Move

Media Giant Eyes Headquarters Move From Columbus Circle to Hudson Yards

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[Time Warner](#) Inc. is leaning toward moving its roughly 1 million-square-foot headquarters to a fledgling office district on Manhattan's far West Side, according to a person briefed on the company's plans.

Time Warner intends to make a decision in June, the person familiar with the matter said.

The move to the Hudson Yards area by a major media company now located in a prestigious office tower near Central Park would boost the city's drive to transform an area now marked by rail yards and warehouses into a modern district of office and residential towers.

Artist rendering of plans for Hudson Yards on Manhattan's West Side.



Time Warner executives previously have said the move would help it consolidate employees from 15 buildings. It would also give the company the chance to freshen its image as a cutting-edge media and entertainment company that can compete for young employees with hip tech and media start-ups.

The Time Warner Center at Columbus Circle

[Coach](#) Inc. [COH -0.36%](#) helped spur the Hudson Yards' redevelopment in late 2011 by agreeing to take 600,000 square feet at a Related

Cos. tower at 10th Avenue and West 30th Street. But that move was more modest than that contemplated by Time Warner, because Coach's headquarters were just a couple of blocks away.

"The next tenant is an important moment for the district because it starts to build real momentum with tenants from other parts of the city. Coach was already there. We also need tenants to have this willingness to relocate and spend money to move," said Derek Trulson, a broker at [Jones Lang LaSalle, JLL -1.08%](#) who represents Extell Development Co. in leasing its site in the area.

Time Warner could choose one or multiple West Side locations, likely from sites owned by Extell, [Brookfield Office Properties, BPO.T +0.21%](#) Joseph Moinian and Related Cos.



The company has toured these sites looking for about 1.3 million square feet, and company leaders and consultants have had multiple meetings with developers and brokers, according to people familiar with the matter. These people said the company had signaled it was narrowing the search to the West Side.

Time Warner is also leaning toward selling its 1.1 million-square-foot Columbus Circle headquarters—which is expected to fetch more than \$1 billion, according to a person familiar with the matter. It expected to have a buyer by the end of May, the person said.

"There is such a unique window of time" for a company like Time Warner to move its headquarters, said Doug Harmon of Eastdil Secured, who is marketing the tower.

He noted investors were paying top prices for top properties—such as Time Warner's headquarters at Columbus Circle—and Hudson Yards developers were "so hungry to fill sites with very good-name, large tenants."

Time Warner has been a candidate for moving west since it met more than two years ago with Related executives about their Hudson Yards development.

Still, when the company officially started its search for a new home last year, it cast a much wider net. It approached the owners of about 20 local sites, including the World Trade Center and Brookfield's complex formerly known as the World Financial Center.

Time Warner has 6,500 full-time employees and occupies 4 million square feet in the New York area. It moved to Columbus Circle a decade ago—when that area had a more dated atmosphere—and anchored the development of the two-pronged tower overlooking Central Park. It also leases space for HBO at 1100 Sixth Ave. and 1271 Sixth Ave. for Time Inc.



Time Warner would move most of the divisions in its Columbus Circle site to Hudson Yards, including executive offices and potentially CNN, according to people familiar with the matter. It would also move HBO.

It remains unclear whether it would move Time Inc. Time Warner announced in March that it was spinning off the

magazine division into a separate company.

If Time Warner makes the move to the Hudson Yards area, it would join not just Coach, but also the U.S. division of [L'Oréal SA](#), [OR.FR -0.07%](#) which agreed to move from Fifth Avenue, and SAP, a software company, as the first handful of tenants in the fledgling Hudson Yards development.

The neighborhood was rezoned in 2005 to allow more than 40 million square feet of new office and apartment developments. The city has said it intended to spend \$3 billion on infrastructure there, including new parks and the extension of the No. 7 subway line to 33rd Street and 11th Avenue, which is under construction.

While companies such as [Morgan Stanley MS -1.10%](#) and Condé Nast initially expressed interest in moving to the area, employers pulled back when the recession hit. Overall, the Manhattan leasing market remains sluggish, but the Hudson Yards project appears to be bucking the trend. A number of new hotels and apartment buildings are under construction, as well as the first office tower in Related's \$15 billion development.

"The great advantage that we're now seeing of having started the south tower," said Jay Cross, who oversees Related's West Side development, "is that the yards in general—

the broader definition of the west side—has gained a lot of momentum and that's good for everybody."

Experts said the project would continue to face challenges, as many of the city's growing companies are small, technology and media companies that can't afford space in large, new office towers.

"The one monkey wrench that has come up is that this question of whether the new media companies and media-tech companies of the world...want the same Park Avenue-esque corporate addresses," said Michael Meola, who worked on the project while at the city Economic Development Corp. and now works as a consultant.