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Yahoo to Take Space in Former New York Times Headquarters Tower

By Sarah Frier and David M. Levitt | May 21, 2013



Yahoo! Inc. (YHOO) will lease four floors in the old New York Times building near Times Square as part of an expansion in the city that includes its agreement to purchase Tumblr Inc.

The 176,000 square-foot lease of floors nine through 12 in the 16-story tower will enable Yahoo to increase its presence in New York by as much as 60 percent, with a focus on expanding its engineering team, Yahoo Chief Development Officer Jackie Reses said in a

blog post. The deal is also the first large lease for owner Blackstone Group LP (BX), which bought the building's top 12 floors in 2011.

"We love the symbolism of our Yahoo NYC team moving into the former New York Times building," Reses said in the post. "There has been a revolution in how users around the world consume media."

The deal helps ratify Blackstone's vision that the 100 year-old tower, which

the Times in 2007 vacated for a new skyscraper nearby, could appeal to the city's growing computer-technology industry, even in tourist-dominated Times Square. New York's technology sector has clustered in Soho, Chelsea, Flatiron and other trendier neighborhoods to the south of Midtown, driving vacancies there to the lowest in the U.S. Blackstone bought the top 12 floors at 229 West 43rd St. in 2011 for \$160 million. Yahoo, based in Sunnyvale, California,

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plans to move its New York workers into the new space by December. Its local employees now work in three different locations around the city.

'Simply Awesome'

The company is seeking to put its logo on top of the tower, a prospect Reses called "simply awesome." Blackstone, which said last year it had invested \$105 million in renovating the building, was offering prospective tenants the opportunity to put its name on the tower's rooftop cupola, where the Times's Gothic-type logo once shined.

The announcement yesterday coincided with Yahoo's plan to buy New York-based Tumblr, the blogging network, for about \$1.1 billion, its largest acquisition since Marissa Mayer became Yahoo's chief executive officer. About 500 Yahoo employees will move into the tower, and Tumblr workers will stay in their current offices, she said at

an event yesterday in New York.

Yahoo joins two other technology firms in the tower, said Christine Anderson, a Blackstone spokeswoman. 10gen Inc., a developer of Internet infrastructure, has 29,000 square feet, and Citysearch, a producer of Web-based city cultural guides, has 26,000 square feet, she said. The Blackstone-owned parts of the building have about 480,000 square feet, according to marketing materials provided last year.

The deal makes the building "a hub for the city's growing technology and media tenants," Anderson said.

She declined to say what Yahoo will pay in rent or give the length of the lease.

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