

Banking giant inks 20-year, 150,000 sq. ft. renewal in Jersey City, as landlord launches \$10 million building upgrade

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BentallGreenOak has launched a \$10 million upgrade to Newport Tower in Jersey City, which includes a plan to replace the main entrance with a large arched glass rotunda. — Courtesy: BentallGreenOak

By Kathleen Lynn

In a time of uncertainty for the office sector, many landlords and tenants have stayed bullish on the need for a physical workplace. Look no further than one of Jersey City’s tallest commercial buildings — and the French banking giant that has called it home for nearly 15 years.

The company, BNP Paribas, has signed a 20-year lease renewal for 150,000 square feet at Newport Tower, a 1.1 million-square-foot, 36-story property along the Hudson waterfront. It’s now working with building owner BentallGreenOak to make the space more flexible and modern for a workforce that is expected to spend less time in the office, but return nonetheless.

“A lot of our tenants are looking forward to coming back,” said Rob Naso, co-head of U.S. asset management at BentallGreenOak. “I don’t think you can replace the in-person dynamic.”

BNP Paribas has leased space in Newport Tower since 2007 and expects to have about 1,350 employees in the building by 2022. The company recently reduced its footprint at 787 Seventh Ave. in Manhattan, from 454,000 square feet to about 323,000 square feet, although representatives say its renewal in Jersey City reflects its commitment to the New York area.

The deal also comes as BentallGreenOak embarks on \$10 million in upgrades at Newport Tower, which sits at 525 Washington Blvd. These improvements include many that BNP Paribas requested, such as additional signage and its own reception desk. The bank's offices will be more flexible, with movable furniture and more space between desks, to reduce the chance of transmitting the coronavirus.

BNP says it will move a majority of its employees, depending on their roles, to remote work for two to three days a week for the foreseeable future. The company said it wants to encourage "creative collaboration" in the office, with places for employees to meet and exchange ideas, while also allowing work to be carried out remotely.

According to BentallGreenOak, upgrades to the 30-year-old tower will start at the front door, because visitors couldn't always tell that the building is separate from the Newport Centre shopping mall.

"You wouldn't know how to find the entrance," said Mariana Circiumaru, head of U.S. construction for BentallGreenOak, which is based in Toronto.

To remedy that, the main entrance is being replaced with a large arched glass rotunda, opening into a two-story glass atrium lobby. In addition, the company is converting 5,000 square feet of underutilized storage space off the main lobby into conference rooms and space for food and beverage providers.

BentallGreenOak also added a bicycle storage room, with showers and space for 54 bikes, to support workers who want to commute on two wheels. For those who prefer public transit, Newport is on both the PATH line and NJ Transit's Hudson-Bergen Light Rail.



Rob Naso



Mariana Circiumaru

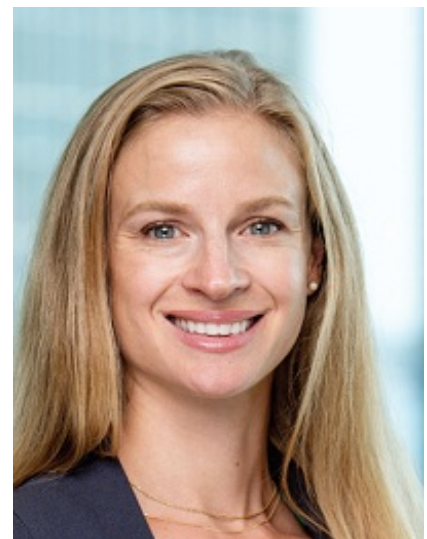


Newport Tower's new glass rotunda will open into a two-story glass atrium lobby. Building owner BentallGreenOak is also converting 5,000 square feet of underutilized storage space off the main lobby into conference rooms and space for food and beverage providers. — Courtesy: BentallGreenOak

The landlord is making other key improvements with an eye toward so-called ESG initiatives, which stands for environmental, social and governance. To that end, BentallGreenOak is adding a more efficient heating and air conditioning system as well as low-flow plumbing fixtures, LED lights and motion sensors to control lighting.

“To us, this is a great example of how to integrate ESG to generate long-term value for our client,” said Anna Murray, global head of ESG at BentallGreenOak.

Those improvements were important to BNP Paribas, which has made environmental sustainability a priority as part of its commitment to ESG standards. Newport Tower has a gold rating on the U.S. Green Building Council's Leadership in Energy and Environmental Design scale. BNP Paribas said it also will build out its space to become certified by the International Well Building Institute, under a global program that rates buildings on measures such as cleaning and sanitation, air and water quality and emergency preparedness.



Anna Murray

Elsewhere in Newport Tower, ownership is looking to upgrade finishes that “were a little outdated and not in line with current trends,” Circiumaru said. The building was developed on a site that was once home to an Erie Railroad terminal, so the lobby’s new design will include elements that echo the era of 1920s rail travel, she said.

BentallGreenOak launched the renovation in August and expects it to be completed in 2021, despite the fact that the COVID-19 pandemic has emptied offices worldwide and forced employees to work from home. Some employers have said they will allow more team members to work remotely, at least part of the time, even after the crisis has passed.

But BentallGreenOak believes the need for office space will return.

“We had this experience of working from home,” Circiumaru said. “Did it work? Yes. But can it be forever? We don’t think so. There is a risk of worker isolation. We do think that office as an institution will be here forever.”

But, she added, office landlords and occupants will have to take extra steps to make buildings cleaner and safer. Already, companies are adding plexiglass shields around desks to protect some workers. In the future, Circiumaru said, companies may have apps that survey workers about their COVID risks — with questions about how they feel and whether they’ve traveled — and issue daily office passes only to employees who seem healthy.

Financial details of the BNP Paribas lease were not disclosed, but rents at the building are in the low to mid-\$40s per square foot, according to BentallGreenOak. Ten-year leases are more common, but for a large tenant like BNP Paribas, 20-year leases are not unusual.

For the record

JLL represented BNP Paribas in its 150,000-square-foot, 20-year lease renewal at Newport Tower in Jersey City, while CBRE represented BentallGreenOak.