



Ernst & Young Move U.S. Headquarters to Manhattan's Far West Side

Keiko Morris, Wall Street Journal, 11.2.17

Global professional services company Ernst & Young LLP is heading to Manhattan's far West Side.

The company said it plans to move its U.S. headquarters from 5 Times Square to One Manhattan West, where it has signed a lease to take 600,000 square feet on 17 floors.

EY, which has been expanding its presence in the metropolitan area, is part of a wave of big tenants, including Amazon.com Inc., that have committed to taking office space at the eight-acre development where One Manhattan West is now rising.

The company liked Manhattan West's location near Penn Station and subway lines as well as the modern construction and building systems offered by the eight-acre Manhattan West complex and the 2.1 million square-foot office tower where it will reside, said Richard Jeanneret, vice chair and northeast managing partner at the company.

Another important component, he said: the tax incentive package New York state is offering. The state will provide EY with up to \$12 million in tax credits if it creates 1,152 jobs in New York City over the next seven years. The company has about 10,000 employees in the New York metropolitan area.

"At the end of the day, with our analysis of space needs and costs to lease that space, the incentives helped us to keep the concentration we planned to have in the city," said Mr. Jeanneret.

In September, the state announced a \$20 million tax-credit package for Amazon.com to add more than 2,000 jobs over 10 years in New York City. Amazon signed a 15-year lease for about 360,000 square feet at Five Manhattan West.

"Our investments to attract and retain the world's leading companies are creating high-paying jobs and leveraging new investment to help strengthen and grow our economy," said Gov. Andrew Cuomo in a statement.

EY's workforce has been growing as the company provides more services to clients in sectors including digital technology, life sciences, consumer products and media and entertainment fields, said Mr. Jeanneret. The company this year opened two wavespace locations in Chelsea and Union Square, which focus on innovations in areas such as robotics, artificial intelligence and data analytics. Another office in Hoboken, N.J., is expected to open later this year.

Brookfield Property Partners L.P., the developer behind Manhattan West, has been on a roll, signing leases for almost 1.6 million square feet at the complex since May, the company said.

Global professional services firm Accenture in August signed a lease for 250,000 square feet. J.P. Morgan Chase & Co. signed a lease for 300,000 square feet in May, more than tripling its office space at Five Manhattan West.

"The average age of class A office building in Manhattan is in excess of 70 years old," said Ric Clark, chairman of Brookfield Property Partners. "So there has been a lot of success in this part of the city because the buildings are brand new."

EY's lease for a little over 900,000 square feet at 5 Times Square will expire in 2022. It hasn't decided whether it will retain some presence there.

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