

# Vornado Signs 200 KSF Tenant in Manhattan

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A telecommunications company will relocate to a recently redeveloped tower.

Verizon will relocate its New York City headquarters next year to 203,000 square feet at PENN 2, Vornado Realty Trust's recently redeveloped 1.6 million-square-foot, 31-story office tower in Midtown Manhattan.

Under the 19-year deal, Verizon will lease more than 195,000 square feet of office space on the eighth through 10th floors. It will also have a 4,400-square-foot flagship retail location on the building's ground floor on Seventh Avenue and exclusive access to more than 25,000 square feet of outdoor space.

In addition, all tenants in Vornado's PENN DISTRICT, which encompasses 4.4 million square feet of premium office space across two towers, have access to a 180,000-square-foot amenity package. Amenities include The Landing, a full-service restaurant, bar and private dining rooms; 53,000-square-foot sports, wellness and fitness center; and 100,000 square feet of flexible workspace and conference facilities.

Cushman & Wakefield is the exclusive leasing agent for PENN 2. A team led by Josh Kuriloff, Peyton Horn, Heather Thomas and Kyle Ernest negotiated on behalf of Verizon, while Vornado was represented in-house by Glen Weiss, Josh Glick, Jared Silverman and Anthony Cugini.

## Collaboration, innovation and transit access

Verizon currently has its New York office at 1095 Avenue of the Americas, a 42-story, 1.2 million-square-foot trophy tower also known as 3 Bryant Park. The company plans to bring approximately 1,000 corporate employees together under one roof at PENN 2. It will also maintain two corporate campuses in Basking Ridge, N.J., and Irving, Texas.

Verizon stated the move to PENN 2 will provide an ideal environment for innovation and collaboration. In addition, the tower is located directly above Penn Station, offering direct access to 15 subway lines, the Long Island Railroad, New Jersey Transit, PATH, Amtrak and eventually to Metro-North Commuter Railroad.

The move comes as Verizon plans to require corporate employees to be in the office three days a week after Labor Day, The Wall Street Journal reported. The firm's current policy requires workers to be on-site eight days a month.

As more return-to-office policies are implemented, leasing activity and asking rents in Manhattan have been increasing this year. Manhattan saw the highest increase in quarterly volume in the first quarter of 2025 since the fourth quarter of 2019, according to Colliers.

## Transforming the tower

Vornado spent \$750 million transforming the office tower, built in 1968, to a modern, mixed-use facility. Completed in 2023, the transformation incorporates a new curtain wall and triple-height lobby; 16 double-height outdoor tenant loggias; and The Bustle, a 430-wide expanse of office space stretching from 31st to 33rd streets on Seventh Avenue.

PENN 2 also has 30,000 square feet of retail including The Dynamo Room, a 7,100-square-foot full-service restaurant and bar from Sunday Hospitality. Other features include 72,000 square feet of outdoor green spaces; The Perch, a rooftop glass pavilion and event space that opens onto a 17,000-square-foot private green space available to tenants; and a 280-seat Town Hall suspended above the 33rd Street promenade.

With the Verizon transaction inked, PENN 2 is now 60 percent leased. Other flagship tenants include Madison Square Garden and Major League Soccer.

In May, Universal Music Group leased 88,000 square feet for 22 years on the fourth through seventh floors. The tower will serve as the East Coast offices for Universal Music Publishing Group and several UMG corporate functions.