



WeWork Signs 56K S/F Lease For Former Daytop Space

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WeWork has signed a 56,000 square foot lease for a new Manhattan location, the latest of several major deals done by the company as well as other office suite providers in the city in recent months.

WeWork will occupy all of 54 West 40th Street in the transaction, which stretches for 15-years.

The deal is one among a number of leases the company has committed to in what appears to be an ambitious roll out of locations in Manhattan.



54 WEST 40TH STREET

Late last year, WeWork signed a deal for 75,000 square feet at 175 Varick Street in Lower Manhattan's Hudson Square neighborhood. Last month, the company leased 44,000 square feet at 261 Madison Avenue.

WeWork offers office suites to small companies and individuals and has branded itself as “the physical social network” – space where entrepreneurs and startup businesses can meet, coexist in a symbiotic community and collaborate or partner up. The concept has appeared to take off at a time when the city has become a booming area for creative and technology oriented fields.

WeWork also operates locations at 349 Fifth Avenue in Midtown, 154 Grand Street in SoHo and 1 Little West 12th Street in the Meatpacking District.

Sean Black, a leasing executive with Jones Lang LaSalle, represented WeWork in the deal at 54 West 40th Street, as well as other locations the company has taken in the past. Mr. Black couldn't be reached for comment.

The company isn't the only office suite provider that has found the Manhattan market a fertile area to operate. **Regus**, one of the largest office suite companies, **took 50,000 square feet late last year at 112 West 34th Street**. Last week, the **Centre for Social Innovation**, a Toronto based office incubator that specializes in hosting tenants involved in socially conscious or altruistic missions, [signed a lease for 24,000 square feet at RXR Realty's Starrett-Lehigh Building](#).

In the lease at 54 West 40th Street, WeWork will fill a building that had become mired in the bankruptcy of the property's former owner, **Daytop Village**, a drug and alcohol treatment center that had used the location as a rehabilitation facility.



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Daytop sold the building to investor Eric Hadar for \$26.5 million two years ago, but had struck an agreement that made the sale contingent on it securing a new home in which to relocate. In April, still without a deal to move, Daytop declared bankruptcy and 54 West 40th Street's sale to Mr. Hadar was contested by the center's creditors, who clamored to have the property put back on the market for sale in order to see if it could be handed to a new buyer willing to pay more.

Mr. Hadar was eventually able to acquire the property and negotiate the lease with WeWork.