

What's Up Downtown: New Office Building

How long has it been since there has been a new office building in Princeton?

"Well, there was 253 Nassau a couple of years ago," says Tim Norris, a commercial real estate broker with N.T. Callaway. "But the upper floors are apartments, and Fox and Roach is on the bottom floor, and you could argue that a real estate office is retail. Before that . . . I don't know, and I've been in the business for 20 years."

This two-decade-plus drought in office building construction in

Princeton makes the 6,400-square-foot, three-story brick building that Roman Barsky is now completing on Harrison Street unique — and according to Norris, who is marketing it for Barsky — highly desirable. It's small, but Barsky's first venture into commercial real estate has generated lots of interest.

"There are always companies attracted to the downtown lifestyle, the synergy," says Norris. "A lot of money managers, attorneys, architects. There is a lot of business generated from just being downtown."

There are, of course, any number of office buildings in Princeton, some better located than the Barsky building, closer to the heart of downtown. But many of these buildings are 100 years old, or more. They may not be ADA compliant, that is they may not have the large elevators and bathrooms, barrier-less entries, and other features mandated by the Americans with Disabilities Act. They probably don't have parking, and they almost certainly don't have much interior flexibility. Walls may have to stay right where they are, for example, limiting a new tenant's ability to reconfigure space for its own needs.

Barsky's building, though, not only has parking, says Norris, but has covered parking. It is fully ADA compliant, wired for high-speed Internet, and has a wide-open interior that a tenant can set up any way it wants.

Maybe the biggest attraction, though, says Norris, is to a degree

intangibility. "A tenant can put its own name on the building," he says. "Signage is so important." It equals identity, and imprinting a whole building with your name is tremendously important to many of his clients. Otherwise, they're just a plaque among many plaques in a lobby.

A small building offers even a small business a chance to have its name alone on the sign.

This advantage will only kick in if just one tenant takes the whole new building, which is large enough to accommodate several small companies. But Norris

says that he is confident that that will be the case. A lease with a single tenant, whose identity he cannot reveal, is now in the works.

The new building is asking \$39 a square foot for its space. This is more than the \$36.50 per square foot being asked on Route 1 for space in the recently completed RexCorp building, which sits opposite the Hyatt, just off Alexander Road. But, says Norris, it is less than the \$40 to \$41 a square foot that offices fetch in Palmer Square.

If Norris had 10 more Princeton buildings just like the new Barsky building on Harrison, Street could he lease them all?

Possibly.

"Companies do like small buildings," says Norris. "There's always a demand for smaller buildings." But thoughts of trying to market multiple new small office buildings all at once isn't a prospect that keeps him up at night. The fact, he says, is that "land in Princeton is very, very tight. It's just about fully

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Big Space, Small Space

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developed, but you could buy something and redevelop it, maybe a house in a commercial zone."

Barsky may be doing just that. He is pleased with his first venture into commercial real estate, and as soon as a tenant is installed he plans to start looking for other commercial projects. He knows that there is a good chance that he won't find raw land again, and is prepared to renovate older buildings.

A force to be reckoned with in Princeton residential real estate, Barsky may yet become a big player in the Princeton commercial real estate market as well.

— Kathleen McGinn Spring