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Lease Beat

Firefly Value Partners Takes Space at Hot Starrett-Lehigh Building

By Daniel Geiger 10/11 3:30pm

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It's not just tech companies that have been flooding Midtown South, a neighborhood that has dramatically risen in popularity even as Midtown and Downtown have stagnated.

Firefly Value Partners LP, an investment management firm, has signed an 11,000-square-foot lease at the **Starrett-Lehigh Building**, the property's owner **RXR Realty** announced.

Starrett-Lehigh Building

The deal appears emblematic how the area has even caught on among tenants traditionally linked to other areas of the city. Boutique financial companies of Firefly's ilk often gravitate to elite submarkets of Midtown such as the Plaza District.

Neighborhoods like the Meatpacking District and now Chelsea, where the Starrett-Lehigh Building is located, have begun to draw a broader segment of tenants as those areas have become increasing prized for their decidedly non-corporate aesthetic and rich nightlife and restaurant scenes.

Firefly will take the space on the Starret-Lehigh Building's 15th floor, a small portion to be sure. The building, which RXR Realty acquired in early 2011 for nearly $1 billion, has some of the largest floorplates in the city, sprawling over 100,000 square feet. Other large tenants in the property include **Tommy Hilfiger and Dentsu McGarry Bowen .**

"We are very pleased to see that such a well-respected investment firm wants to have their offices located at Starrett-Lehigh," **William Elder**, an executive vice president at RXR Realty who oversees the company's New York City leasing, said in a statement. "While most of our activity to date has been with high margin and fast growing creative businesses, we are beginning to see that this location is very appealing to high-end finance and hedge fund businesses and are excited to expand the tenant mix in that direction."

RXR Realty made a big bet on the neighborhood in buying the 2.3 million-square-foot building. It followed up that acquisition with another big purchase, taking control of **620 Avenue of the Americas**, another Midtown South office building, for over $500 million earlier this year. The deals have appeared to pay off as the area has continued to gain cache among tenants and rents have risen. RXR recently rented the top floor of 620 Avenue of the Americas to the online music company **Spotify**, an over 60,000-square-foot space, for rents that were rumored to be in the $60s per square foot, making it one of the neighborhood's top deals in recent months.

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