



Rent the Runway

345 Hudson Street • New York, NY

Rent the Runway (RTR) is an online service which rents designer women’s clothing to consumers.



Client Objectives

Rent the Runway (RTR) had seen rapid growth over its young existence and was approaching a lease expiration. The company had grown piece by piece in a small building (163 Varick Street) in the Hudson Square Submarket of New York City, and was in need of a new solution and strategy moving forward, as they were quickly outgrowing the building they occupied in a very tight submarket.

Action

RTR engaged Cresa to immediately start working with their senior management to work on projected headcount over the next 5 years, additional growth strategies, incentive opportunities and options to explore. Once a clear strategy was put in place Cresa took to the market. Knowing that RTR would like to remain in the Hudson Square Market, the Cresa team looked for creative ways to uncover opportunities that were not currently on the market. This submarket was saturated with tenants looking for space yet there was very little space to accommodate them.

After exploring the obvious options the team reached out to numerous tenants and industry colleagues and uncovered a space at 345 Hudson Street that was about 2 months out for being brought onto market for sublease. This space had the layout RTR needed as well as the aesthetic they were looking for. The team using its relationships in the submarket was able to get Rent the Runway through the space almost immediately and once it was deemed the option that they wanted to pursue start the negotiation process well before the space was supposed to even be listed for sublease. This enabled RTR to be well ahead of the process with any competitors looking for the space. Working as a team together Cresa and Rent the Runway were able to have sublease negotiations completed before the space was put on the market.

Results

Cresa negotiated a new 7 year deal that was \$18.00 RSF less than the last deal completed in the building. From a market analysis stand point the rent was north of a 25% savings from comparable transactions in the area. In addition, the free rent concessions were structured so the remaining 2 years of the existing lease payments were relatively unchanged.



Space Size
39,848 RSF



Savings
\$18.00 RSF



Industry
Fashion / Tech

“Working with Cresa New York has been a great experience. They found us an incredible space that fit the checklist of items we needed before it even went on the market... and worked to ensure it never did go on the market. They are very tapped into the best spaces in New York and know how to negotiate to make sure their clients get the best terms.”

AJ Nicholas,
Deputy General Manager