

MANY BIDS OFFERED FOR KNICKERBOCKER

Applications Already Made for Entire Space of Hotel Building When Converted.

ASTOR COMPANY MAY SELL

Tremendous Demand for Stores and Offices in Times Square Section Indicates Record Rents.

One million dollars will be spent on the reconstruction of the Hotel Knickerbocker at Broadway and Forty-second Street, into a store and office building, according to Nicholas Biddle, manager of the Vincent Astor real estate properties in this city. Mr. Biddle, in discussing the transaction whereby a company headed by Mr. Astor took over the Knickerbocker from James B. Regan for his fifteen years and eight months lease, said yesterday that final alteration details had not been decided upon. Charles A. Platt, architect, and Marc Eidlitz & Son, builders, have been studying the building for some time," Mr. Biddle said, "with a view of suggesting the most practical subdivision methods and they have not submitted their report, upon which we shall base our plans. We expect to spend close to \$1,000,000 on the alterations.

"The tremendous demand for stores and offices in the Times Square section was largely responsible for our decision to undertake this type of an improvement and we intend to begin work at the earliest possible time. The response from tenants, operatives and investors to the idea has been amazing. The report is less than a day old and we have been deluged with inquiries for space offers to purchase the entire property and offers to lease all or part of the building.

"Mr. Astor's company is not in a position as yet to consider any of these offers; if they come high enough there is even a probability that the new holding company may consider a sale."

New Records for Rentals Expected.

Real estate men declared yesterday that new records for store rentals would be established in the remodelled Knickerbocker, it being freely predicted that the enormous purchasing power of the never-ceasing Times Square traffic would make the frontage one of the most valuable for retail store purposes in the city. A leading operator, who is in close touch with realty developments in the neighborhood, expressed the opinion that the corner alone would bring, with little difficulty, a rent of \$2,500 a front foot, and that frontages on Broadway would bring as high as \$1,500 a front foot. He based his prediction on the remarkable rents now being obtained for store space on Forty-second Street and on Broadway. On the basis which he outlined the Knickerbocker, which has a Broadway frontage of 102.6 feet and a street frontage of 185 feet, should return from the stores alone more than \$400,000 a year.

Few sections of the city have witnessed a more striking advance in rentals than Times Square, where competing business men who appreciate its retail possibilities have been willing to pay record prices for desirable locations. A sixteen-foot store on the north side of Forty-second Street, between Sixth Avenue and Broadway, was recently taken at a rent of \$22,000 a year. On the same side of the street, in the Acker, Merrill & Condit Building, at 135, 137 and 139, it is known that the United Cigar Stores Company, which recently acquired the property, has refused offers of \$1,500 a front foot because they are holding the property for a deal involving the entire plot.

Ralph Gusshee, who several months ago leased the building at 141 West Forty-second Street, is paying at the rate of \$1,200 a running foot.

Higher Figures on Broadway.

Even higher rentals are being obtained on Broadway between Forty-first and Forty-second Streets. The store at the northeast corner of Broadway and Forty-first Street, now occupied by Park & Tilford, was leased early in the week at a rent of close to \$2,000 a front foot. Across the street, the former store occupied by a firm of jewelers, at 1,455, is being held at a \$1,400 figure.

John David, the clothier, some time ago leased for a long term at \$40,000 a year net, the two properties at 125 and 127 West Forty-second Street which would indicate a payment of about \$1,000 a foot net. At the Sixth Avenue corner in the plot formerly occupied as McDermott's Cafe, stores with a depth of only 20 feet are returning front foot values of \$1,000 a year.

The big store on Broadway adjoining the Knickerbocker, occupied by one of the St. Regis Restaurants, is paying a proportionately low rent which is explained by the fact that their lease was made two years ago. These interests are paying only \$1,000 a front foot, it is said, but the lease has a one-year cancellation clause.

Further north on Times Square, recent rent values are obtainable in a study of the situation in the old time Hotel Wallick property. The Broadway frontage of the property was re-

tained by the Schulte Cigar store interests in the deal whereby the balance of the hotel was leased to the Hotel Claridge for use as an addition. The grade floor is now being cut up into five stores all of which have been leased from the plans. The Forty-third Street corner has been taken by the Hilton Company, clothiers, at a rent of about \$2,000 a front foot and the inside avenue stores by Shaw, Jeweller, the St. Regis Restaurant, the Mirror Candy Company and by the Chain Shirt Shops at a rent of \$1,600 a foot.

The upper floors of the Knickerbocker should bring anywhere from \$4 to \$6 a square foot a year, according to Times Square renting agents, who declare that prevailing rents in similar buildings depend upon the size and location of offices. In the new National Association Building in course of construction on West Forty-third Street on the site of the old Racquet and Tennis Club, the original rent schedule has been advanced from \$3.50 a square foot to \$6, largely on account of advanced building costs and the increased demand for office space. The highest rent now being obtained in the mid-town section is being paid in the new Guaranty Trust Building at Fifth Avenue and Forty-third Street, according to report, where the \$9 a square foot mark has been reached.

And this is not the limit. Fifth Avenue brokers are predicting that before many months have gone by office rents in new buildings in the new uptown financial and business centres will have passed the \$10 mark, which means that an office measuring 12 by 12 feet will be worth \$1,440 a year or \$120 a month.