

The Children's Place Opts To Remain at Its North Jersey Headquarters

By Linda MossCoStar NewsMarch 6, 2024 | 7:16 AM : 3-4 minutes

Retailer Signs New Lease for Less Space After Saying It Was Relocating



The Children's Place has been a longtime tenant at 500 Plaza Drive. (JLL)

The Children's Place, the large North American children's apparel retailer, has decided to stay put.

The company, after saying last year that it planned to exit its headquarters in North Jersey, has signed a new lease for less space at the property, broker JLL said Tuesday.

Children's Place has been a longtime tenant at the Harmon Meadow campus at [500 Plaza Drive](#) in Secaucus. It had been occupying 197,000 square feet at the 466,496-square-foot building, and will now have 120,000 square feet, according to JLL, which represented the landlord in the transaction.

Last summer, Children's Place in a securities filing said it was going to [do an early termination](#) of its headquarters lease, effective this May. That original lease's term ended in 2029. Terminating it five years early, "combined with the workforce reduction initiative, will enable the company to reduce its current space configuration and capitalize on lower prevailing market rates than would have been applicable under the company's existing lease, which included escalations in occupancy costs," Children's Place said in its filing.

The retailer "committed to a remain at the property as the company continues to accelerate digital transformation and fleet optimization strategies," according to JLL.

Children's Place didn't immediately respond to an email from CoStar News seeking comment Tuesday. It has been downsizing its store fleet and has experienced financial woes, but [last month](#) it secured financing, and a Saudi investment group acquired the majority of its stock.

The Plaza Drive property, managed by Manulife Investment Management for Manulife US Real Estate Investment Trust, will be undergoing a capital-improvement program, JLL said. The building's heating, ventilation and air conditioning system will be replaced and the property's 1,474-vehicle covered parking garage will be upgraded. Currently, potential tenants are touring three full floors that feature high ceilings, floor-to-ceiling windows, flexible floor plates, and some seventh-floor offices with private outdoor space, according to the brokerage.

"We are seeing a great deal of interest in 500 Plaza Drive and Manulife's plans will further elevate the building and ensure it remains a sought-after address in the market as occupancy trends continue to evolve," David Stifelman, JLL senior managing director, said in a statement.

The tenant roster at the office property includes Hartz Mountain Industries, the former owner of the 11-story building where it now houses its global headquarters, and Quest Diagnostics.

For the Record

JLL senior managing director David Stifelman and Timothy Greiner, executive managing director and the firm's head of New Jersey brokerage, serve as exclusive agents for 500 Plaza Drive and represented Manulife. The tenant was represented by Savills Tri-State President David Goldstein and Vice Chairman Gregg Najarian.