

GULF NEWS PROPERTY

March 28, 2019

Manhattan enjoys a post-9/11 makeover

Regeneration efforts spark a massive mixed-use and residential building boom in the area



New York: Named after a wall that once ran across Manhattan in the early 17th century, Wall Street and the rest of the Financial District of Lower Manhattan is now enjoying a makeover as New York's most attractive residential areas. Having already survived terrorist attacks and financial panics, Wall Street (that houses the New York Stock Exchange) remains a crucible of New York's history. Now, regeneration efforts that started in the area post the 2001 World Trade Center attacks have not just made it a truly pedestrian-friendly enclave, but sparked off a massive mixed-use and residential building boom in the area. Many of these have been conversions of financial institutions and office buildings that have already migrated to Uptown, Midtown and even Hudson Yards. The migration was the catalyst for massive government and private sector investment in the area (more than US\$30 billion over the last decade), that has resulted in the makeover of the financial district. Its beauty lends itself to the vibrant and diverse community of people who are now calling it home: young and established professionals, investors, and even students. The World Trade Centre is perhaps emblematic of this change. Once home largely to finance, insurance and real estate sector tenants, it is now a hub for New York City's

creative economy. Most advertising, media and information sector tenants now want to be here, such as Conde Nast, Time Inc, Harper Collins and Spotify.

The New Downtown

Financial District is the “New Downtown” says Jason Walker, an associate with brokerage Douglas Elliman. “It’s constantly reinventing itself to meet the demand of its residents. There is an ever growing list of designer stores, restaurants, lounges, services, schools, parks, entertainment venues and transportation hubs.” What is also appealing to the investor is the large range of price points, he says. “You can get an oversized studio or a one-bedroom loft in a full service building for US\$900-US\$1,300 per sq ft. On the higher end, you can get a high-floor, ‘starchitect’ designer building with incredible city or river views that can fetch US\$1,800-US\$2,500 per sq ft. Rentals can range from US\$3,000 per month (entry) all the way up to \$25,000 a month for a top-level (luxury) unit with outdoor space and views.”

What is equally fascinating is how the social fabric of the area has changed. Gone are the days when Lower Manhattan’s residents had little to do when the sun went down. Now the evenings rock the entertainment and social scene. South Street Seaport is enjoying its renaissance with the concert venue at Pier 17 drawing a huge crowd. Nearby cobblestones Fulton Street is dotted with shops and cafés. Danny Meyer’s newest restaurant, Manhatta, on the 60th floor of 28 Liberty, is booming and so are the new and unique hotel brands that are catering to the 13 million annual tourists. Santiago Calatrava’s winged Oculus that stands guarding the One World Trade Centre now houses the Westfield WTC Mall and the massive transportation system underground that connects commuters from New Jersey and the rest of New York as well. In 2018, the area boasted of 5.5 million square feet of new leasing activity, the highest since 2014.

Long-term views

Prince Dockery, a resident of Downtown for the last 10 years, says, “We moved here with a long-term view. Everything in the area, from the traffic flow to bike paths, internet speeds and even schools have improved. We’ve also seen the addition of grocery stores, paediatricians, doctors and world class gym and training facilities. For young adults and working professionals there is a vibrant nightlife and for people like us with kids, we have museums, parks, concert venues.” Dockery who initially lived in a one-bedroom, has now upgraded to a two-bedroom to accommodate his growing family. “It’s now common to raise a family in the area and it’s good to see children exposed to so much in terms of demographics, cultures and backgrounds.” He admits that when he first moved in here, it catered mainly to Wall Street and Wall Street hours. “But now it’s all changed.”

According to the Lower Manhattan Real Estate Year in Review 2018, published by the Alliance for Downtown New York, last year saw 1,330 residential units in six buildings coming on to the market (76 per cent rentals and 24 per cent condo), that could fetch somewhere between US\$2000 to \$3,000 per square foot. The buildings include The Woolworth Residences at 2 Park Place (Alchemy Properties’ historic conversion has added

34 condos), 20 Broad Street (Metroloft's conversion of the former home of the NYSE with 533 rental apartments) and 49 Chambers Street (the Chetrit Group's conversion of the historic Emigrant Savings Bank, that added 99 condo units to the market). The pipeline of residential development for 2019 includes 540 units in seven buildings that includes One Beekman Street, 125 Greenwich Street and 25 Park Row.

Low entry points

Walker, who recently sold a luxury unit at 15 Broad Street which used to be JP Morgans old headquarters and was then converted into luxury condos using designer architect, Philippe Starck, says "I love conversions and the Financial Centre has a lot of them. The idea of converting the structures and repurposing them to house people, makes a lot of sense. The existing structures allowed for large flowing floor plans, with high ceilings; very loft-like. Further, the oversized vault spaces lent themselves very well to amenity spaces, such as pools, golf-simulation rooms, billiards, spa retreats, and gyms. A lot of the global purchasers in the Financial District are very sophisticated and well travelled. They find the converted buildings cutting-edge, full of history and something different." According to Walker, there is a built-in appreciation when investing in the Financial District. "I call it the New Downtown, he says. "In a market where most of Downtown Manhattan prices have pretty much plateaued in the US\$1,800-US\$2,000 per sq ft range (for resale listings), the Financial District entry point is lower, allowing for appreciation and catch-up to some of its surrounding neighbours like Tribeca and Soho. Buildings like 15 Broad and 20 Pine have anchored the area, with a new breed of large converted five-star luxury buildings. Lots of Tribeca residences who previously wouldn't step foot in the neighbourhood have flocked to these buildings where they can get incredible amenities, views, and still be within walking distance to the rest of downtown."

One Wall Street

Residential development is expected to increase in the next couple of years, with the most talked-about conversion being "One Wall Street", a landmark 50-storey limestone art deco tower on the southeast corner of Broadway and Wall Street that was designed for the Irving Trust Company by "architect of the century" Ralph Walker in 1931. It was built atop what NYC urban historian James Neveus calls "the most expensive real estate in New York". Acquired by Macklowe Properties in 2014, the building is now being transformed into an apartment building in the largest office-to-residential conversion in the history of New York City. Macklowe Properties is working with SLCE Architects to transform this landmark into a condo building with 566 studio to four-bedroom apartments and a penthouse that offer unobstructed views of New York Harbour and the Statue of Liberty. While sales have yet to get underway, prices start from US\$960,000 for a studio apartment and construction is expected to wrap up sometime in 2020. The building will have 100,000 square feet of amenities and a Whole Foods at the base.

Richard Dubrow, Director of Marketing at Macklowe Properties, said, "Future residents at One Wall Street will naturally be drawn to the idea of living in an architectural icon, that has the beauty of a museum with wide halls and high ceilings. The building embraces both

its history and innovation to create a modern space for young professionals to live in and enjoy. One of its unique features is the Red Room, a 5000 square foot, triple height floor-to-ceiling mosaic by muralist Hildreth Meiere.”

Bespoke offering

Kelly M. Klingman, real estate broker at CORE, says the area has seen its residential population triple in size since 2008 and with the amount of luxury products that have closed sales, combined with offerings, the price per square foot is between US\$2000-US\$3000 and trending up. “Sales for One Wall Street will launch later this year,” Klingman says. “It is a real estate offering that is architecturally, environmentally, mechanically and economically superior.”

Planned well, Wall Street could become an exciting destination, with mixed-use ground-floor retail and residences above. But if not, it might become a nightmare for residents and tourists who are drawn to this area. To this Dubrow says, “Residential buildings have less density than office buildings, therefore, converting from office to residential use should only lower the load on the street and sidewalk.”

The biggest symbol of change in the Financial District is perhaps the bronze sculpture of the Fearless Girl by Kristen Visbal, who was reinstalled from the Bowling Green to face the New York Stock Exchange last year. As she stands up and stares down, she is more than a symbol of female empowerment. She keeps a watch on all the business going on here, the life and times of a new chapter in New York’s history.





