

Taking second look at new face of downtown

Having undergone some of the most tumultuous history in the United States, Lower Manhattan has reinvented itself multiple times and is now in the midst of another transformation, as new residential, hospitality, retail, dormitory and office buildings under construction are nearing completion.

For years a home to the financial services industry, market values of Lower Manhattan's office properties have regularly gyrated in lock-step with stock market values. This has changed dramatically, though, because the area has attracted a host of new industries.

Eastern Consolidated's new MetroGrid Report, The Commercial Market with a River-to-River Transformation, authored by Eastern chief economist Barbara Byrne Denham, is one of the most comprehensive reports compiled to date covering the new development and sales of all real estate product types in Lower Manhattan.

It offers a status report on the World Trade Center site and details relating to the new Fulton Street Transit Center.

With all of the expected visitors to the area, the report examines how Lower Manhattan could become the Number One tourism destination in New York City, unseating Times Square which is currently the biggest attraction;

Lower Manhattan's 9/11 Memorial has attracted more than 4.5 million visitors in its first year of operation.

And, with the one million-square-foot office lease signed by Condé Nast at One World Trade Center last January, relocating from Midtown's 4 Times Square, the Eastern report says sectors beyond finance and insurance got the message that Lower Manhattan is hospitable to other industries.

According to Denham, more than four million square feet of new leases need to be signed in order to bring the office availability rate of Lower Manhattan below 10% (it is currently 14.7% including the new World Trade Center buildings along with big listings at the World Financial Center and other buildings).

On the hospitality front, the report examines the opening of more than 12 hotels with close to 2,100 new hotel rooms, and another nine hotels that are under active construction with 2,200 more hotel rooms;

190 new or converted residential buildings were created in the last 25 years that added 22,000 new housing units to the inventory.

In addition to the 365,000 s/f of retail planned for the World Trade Center, three other retail developments or renovations are underway, namely:



Downtown's transformation should be complete in six years, according to new report.

Brookfield Properties' \$250 million renovation and expansion of retail at the World Financial Center begun in 2011 calling for a 25,000-square-foot gourmet food venue as well as more than 40 high-end stores, ultimately totaling 200,000 s/f of retail space;

When the Fulton Transit Center opens in 2014, another 25,000 s/f of retail space will be added;

The South Street Seaport is undergoing a renovation of its retail space and plans call for more recreation space, including a roof deck – and possibly a hotel.

“Given the multitude of new residential and hospitality developments Downtown, the retail that has followed to serve the growing Lower Manhattan community, the influx of new industries that have diversified an area that was for years home to mainly financial companies, and of course Lower Manhattan's 9/11 Memorial, a major tourist attraction, Downtown is, indeed emerging as a brand new metropolis within a metropolis,” says Denham. “River to river, the landscape's transformation will near completion in the next five to six years.”