

BEST IN CLASS

In-depth look at Featured Developments

270 PARK AVENUE AND MANHATTAN'S SKYLINE-ALTERING DEVELOPMENTS



By Antonio Lulli

The last decade, and especially the last five years, we have been witness to a major trend that may result in New York City reclaiming its rightful place among the leading skylines around the globe. Despite the well-publicized headwinds in the office market including possibly a structural reduction in office space demand due to remote work policies, there seems to be no stopping the office development pipeline already underway. One of the few silver linings which underpin this phenomenon is that despite the pain in the broader market, new and newly renovated Class A stock is seeing voracious demand and setting new record leasing rates. Much of this possible future office development is coming in increasingly taller towers that have the potential to reshape the city's skyline in a way reminiscent of the 1920s and 1960/70s building booms.

JP Morgan Chase's iconic new headquarters at 270 Park Avenue (developed in conjunction with Tishman Speyer) is arguably the poster child of this recent spree. Standing at 1,388ft (423m) and 70 floors, and holding a floor area of 2,500,000 SF, it is sure to be a commanding presence in the Midtown East cityscape for decades to come. The Park Ave colossus is a leader in much more than just sheer size. The Foster + Partners-designed tower will be New York City's largest all-electric office tower and is aiming for net-zero carbon emissions on a day-to-day basis. It will feature intelligent building sensors that reduce energy usage, triple-pane glazing on exterior windows plus automated solar shades tied to the HVAC system, and water recycling systems expected to mitigate water usage by 40 percent, according to JP Morgan. It plans to source all its electricity from hydroelectric sources.





270 Park Avenue is significant not only because of its massive floor area, but also as part of another emerging trend in the city: the rise of the supertalls [supertalls are buildings that surpass either 1,000ft or 300m in height]. This phenomenon has already transformed Manhattan's skyline and will more than likely do so at an even faster rate in coming years. We will focus on two particular submarkets which are driving this trend.

The first is Midtown East, immediately around Grand Central Terminal and Park Avenue, the result of a major rezoning designed to revitalize the area, which was primarily occupied by aging mid-century towers. Recent or upcoming projects around the famed train station include: 175 Park Avenue (RXR + TF Cornerstone), 350 Park Avenue (Vornado), 343 Madison Avenue (Boston Properties), 1 Vanderbilt (SL Green), 270 Park Ave (mentioned above, Tishman Speyer + JP Morgan), 425 Park Ave (L&L + BentallGreenOak).

The other main hub of supertall office development is on the west side of Midtown, anchored by Penn Station and Hudson Yards. In addition to Related Companies' aforementioned mega-development, which has so far completed only its first phase, the area has been transformed by the Manhattan West

complex (Brookfield) plus The Spire (Tishman Speyer), and will be further boosted by Hudson Yards' second phase, 3 Hudson Boulevard (Moinian + Boston Properties), the Affirmation Tower (Peebles - projected to be the city's second tallest), and Penn 15 (Vornado). Further down the line, Vornado's redevelopment of the sites surrounding Penn Station will yield up to four supertall office towers, and two further proposals including the redevelopment of the Port Authority Bus terminal (with potentially three supertalls built on the site) and the addition of an office tower atop the Macy's flagship store on Herald Square would round out the transformation.

These plus numerous other supertall developments around the city will drive the transformation of the New York City skyline as it tries to regain its crown as the skyscraper capital of the world from booming cities abroad, particularly Dubai and various cities around China and Asia. In doing so, it has gone from only four (4) supertalls in 2013 to nineteen (19) today and possibly up to 50 with the current pipeline.