2019 LOWER MANHATTAN REAL ESTATE YEAR IN REVIEW



THE ALLIANCE FOR DOWNTOWN NEW YORK

2019

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EXECUTIVE SUMMARY

Lower Manhattan Records Strongest Year in Nearly Two Decades for Office Leasing and Private-Sector Employment

For new leasing, 2019 was the strongest year since 2000 with over 7.3 million sq. ft. of new commercial office leasing activity. Strong leasing across a diverse set of industries helped push private-sector employment to 250,815, a figure not seen since before September 11.

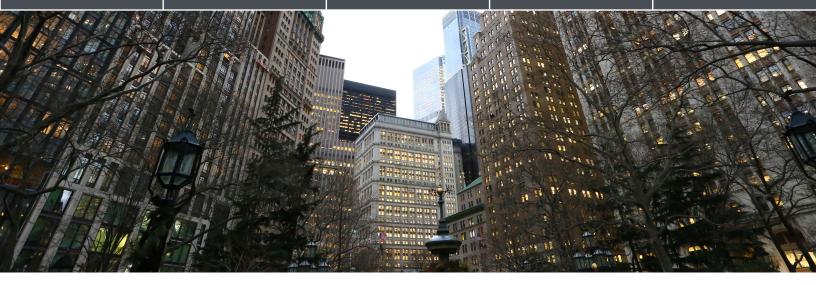
Once home largely to Finance, Insurance and Real Estate (FIRE) and government sector tenants, Lower Manhattan is now a growing hub for New York City's creative economy. Relocations of Technology, Advertising, Media and Information (TAMI) companies, retail/consumer brands and other professional services tenants continued to diversity Lower Manhattan's office tenancy in 2019. Globally recognized industry leaders such as Uber, L Brands, New York Media and Moët Hennessy increasingly view Lower Manhattan as a neighborhood of choice for innovative firms of all stripes. As other Manhattan submarkets have become increasingly expensive. Lower Manhattan continues to offer tenants quality, modern space at competitive prices along with unparalleled transit access.

While both the World Trade Center campus and Brookfield Place had brisk leasing activity in 2019, several large deals were also signed along the Water Street corridor. This major commercial corridor along Lower Manhattan's east side had a banner year. Substantial office building repositionings and renovations were announced at 50 Water Street and 111 Wall Street, while some of the largest deals of the year landed at 1 New York Plaza, 55 Water Street and 199 Water Street.

Crosswinds Ahead as Large Blocks of Available Space Persist Despite Substantial Rent Differentials

Despite strong leasing and Lower Manhattan's continuing to offer substantial pricing advantage compared to other Manhattan submarkets, large blocks of available office space still persist. Two of the largest blocks of available space were both on Wall Street, following the relocations of full-building tenants. Other buildings with large blocks of available space remain largely concentrated in the World Trade Center campus. Brookfield Place and the Water Street corridor. These existing availabilities don't include the future Two World Trade Center, which has yet to begin construction. While Class A rents in Lower Manhattan have remained near their highest levels in the submarket's history, many tech and creative tenants that are looking to expand have





taken note of the district's modern office stock and sizable rent differential. Whether this relocation dynamic remains a potent market force is an open question.

Stars Aligning to Make Lower Manhattan a Dining and Entertainment Destination

Lower Manhattan continues to gain footing as a major destination in New York's culinary landscape. Over the past few years, a number of chef-driven restaurants have populated the neighborhood. The 2019 Michelin Green Guide named Lower Manhattan a three-star destination, the guide's highest honor, largely as a result of the neighborhood's growing food scene. This year, Lower Manhattan welcomed Jean-Georges Vongerichten's *The Fulton*, chef James Kent and Jeff Katz's first restaurant together, *Crown Shy* and David Chang's *Bar Wayō*. Crown Shy became Lower Manhattan's second Michelin-starred eatery.

Even more major openings are expected in the coming year. 2020 will see the opening of several new entertainment destinations in the neighborhood, including Manhattan's first Alamo Drafthouse movie theater, a new venue from the team behind the popular Sleep No More immersive theater experience and the J&R Music Lounge by

City Winery on Park Row. The Ronald O. Perelman Center for Performing Arts at the World Trade Center continues construction, and is anticipated to open for the 2022 season.

Lower Manhattan's 14.6 million annual tourists will have an even wider set of hotel options available in 2020. Lower Manhattan welcomed unique hotel brands to the market last year, including two hotel startups that are new to the industry. The neighborhood's inventory has grown to 7,945 rooms, representing an incredible breadth of options for both the business and leisure travelers. Lower Manhattan hotels run the gamut from budget-friendly to five-star, with many offering new kinds of amenities to draw guests like destination cocktail lounges and apartment-style living.

Residential Growth Continues Lower Manhattan's Transformation Into a 24-Hour Neighborhood

Residential building openings in 2019 slowed down compared to the prior year when over 1,300 units opened in six large buildings. Lower Manhattan's residential population has now grown to 64,000, a 156% increase since 2001. There are nearly 2,800 units in 17 buildings under construction or planned for development, including over 600 units anticipated to become available in 2020.

COMMERCIAL LEASING

Lower Manhattan Sets Record for Highest Year-End Leasing Totals

For new leasing activity, 2019 was the best year in Lower Manhattan since 2000 with a year-end total of 7.3 million sq. ft., bolstered by a strong fourth quarter of leasing with 1.69 million sq. ft. of new activity. Strong renewal activity further drove overall leasing activity to a year-end total of 9.7 million sq. ft., up 47% from last year and the highest annual total recorded. The end of 2019 caps off three strong years of above-average leasing activity; 2018 and 2017 both had approximately 5.5 million sq. ft. of year-end activity.

Best Year Of New Leasing Activity Since 2000

7.3 MILLION SQ. FT.

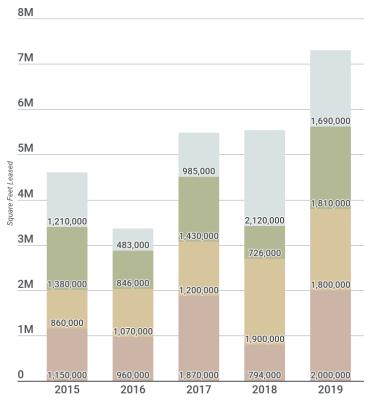
Leasing activity in Midtown Manhattan was 44% above the five-year quarterly average — the strongest quarter since Q4 2001 — as a result of strong tech leasing in the Hudson Yards area. While annual leasing for Midtown fell short of 2017 and 2018 totals, leasing activity was still incredibly robust. Recent quarterly leasing activity in Midtown South slowed slightly, however the submarket still set an all-time high for annual leasing activity. The strength across all Manhattan submarkets yielded a banner year for Manhattan overall, with year-end new leasing activity topping 31.63 million sq. ft., 10% above the five-year average, but down slightly from 2018 levels.

Private-Sector Employment Exceeds Levels Not Seen Since 2001

Eighteen years after September 11, 2001, private-sector employment in Lower Manhattan has rebounded beyond immediate pre-September 11 levels, fulfilling the promise to rebuild the neighborhood and reanimate its role as a vibrant and essential commercial district for the city, the state and the nation. According to data from the New York State Department of Labor, Lower Manhattan has reached its highest level of private-sector employment since before September 11. Strong leasing across industry sectors helped push private-sector employment to 250,815, a figure not seen since the third quarter of 2001. In addition to records in private-sector employment, the public sector employs over 56,000 people in Lower Manhattan.

Lower Manhattan Annual New Leasing Activity, 2015-2019





Relocations Into Lower Manhattan a Major Driver of Demand

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Relocations into Lower Manhattan continued to drive robust leasing. Throughout 2019, according to CBRE, 40 tenants moved from outside the market into Lower Manhattan, representing 2.2 million sq. ft. of leasing activity (30% of yearly total). TAMI (Technology, Advertising, Media and Information) companies, retail/consumer brands and other professional services tenants were the most prominent to move into the neighborhood. More than half of relocations were from Midtown South, a result of record-setting rents and lack of quality, modern space. Six of the 13 deals over 100,000 sq. ft. in 2019 were relocations. **Uber** signed the largest relocation deal of the year after committing in the third quarter to 307,970 sq. ft. at 3 World Trade Center. The ride-share company will consolidate from several locations in New York. The second

largest relocation in 2019 was **Justworks**. The human resources technology company signed for 270,400 sq. ft. in 55 Water Street, relocating and expanding from 99,000 sq. ft. in West Chelsea's Starrett-Lehigh Building. Also relocating to 55 Water Street was **L Brands**, the parent company of Victoria's Secret and Bath & Body Works, which inked a 219,564-sq.-ft. move from Columbus Circle. Other large 100,000-sq.-ft. plus relocation deals included fintech company **Refinitiv** to 108,917 sq. ft. at 28 Liberty Street, law firm **Kelly Drye & Warren** to 103,082 sq. ft. at 3 World Trade Center and engineering firm **Thorton Tomasetti** to 102,440 sq. ft. at 120 Broadway.

Mid-size relocation deals between 25,000 and 99,999 sq. ft. drove a significant amount of leasing, accounting for 43% of new leasing activity. These deals also continued to diversify the Lower Manhattan office market beyond its traditional industries of finance and government.

- Architecture firm Skidmore, Owings & Merrill (SOM) announced it was relocating from 14 Wall Street to 76,568 sq. ft. at 7 World Trade Center. In turn, Superstructures Engineers and Architects moved 33,561 sq. ft. of SOM's newly vacated space at 14 Wall Street. Ennead Architects signed a 47,252-sq.-ft. deal to relocate from the Meatpacking District to One World Trade Center.
- New York Media, parent company of New York Magazine, Vulture, the Cut and Grub Street, announced it will move from Hudson Square to 55,470 sq. ft. at 250 Vesey Street. DotDash, a digital media company, signed a 68,230-sq.-ft. deal to relocate to 28 Liberty Street from Times Square. Television production agency Jax Media signed a deal for 26,100 sq. ft. to move from Soho to 120 Wall Street.
- Among consumer goods, Moda Operandi, an
 e-commerce luxury fashion company, signed a
 83,685-sq.-ft. deal to relocate from Hudson Square to
 195 Broadway. Moët Hennessy inked a 83,486-sq.-ft.
 relocation deal, moving from Chelsea to 7 World Trade
 Center joining another spirits company, Diageo, that
 signed a similar-size lease at 3 World Trade Center
 in 2018. Maesa Group, a cosmetics and fragrance
 manufacturer, signed a 34,119-sq.-ft. deal to relocate
 from Tribeca to 225 Liberty Street.

Lower Manhattan Top Leases, 2019

Source: Downtown Alliance, CBRE, JLL, Colliers International, CoStar

	Tenant Name Location	SF Leased Transaction	Sector
1	Morgan Stanley 1 New York Plaza	1,342,288 Renewal + Expansion	FIRE
2	NYC Health + Hospitals 50 Water Street	526,552 Expansion + Moving with LM	Healthcare
3	New York State Commissioner of General Services 60 Broad Street	523,000 Renewal + Expansion	Government
4	EmblemHealth 55 Water Street	439,080 Renewal	FIRE
5	Uber 3 World Trade Center	307,970 Relocation	TAMI, Technology
6	Justworks 55 Water Street	270,400 Relocation	TAMI, Technology
7	L Brands, Inc. 55 Water Street	219,564 Relocation	Other, Retail Trade
8	FINRA 200 Liberty Street	208,022 Renewal	FIRE
9	WeWork 199 Water Street	201,231 New LM Location	Professional Services, Flex Office Space
10	District Council 37 55 Water Street	130,449 Moving Within LM	Nonprofit
11	Refinitiv 28 Liberty Street	108,917 Relocation	TAMI, Information
12	Kelly Drye & Warren 3 World Trade Center	103,082 Relocation	Professional Services, Law
13	Thorton Tomasetti 120 Broadway	102,440 Relocation	Professional Services, Engineering
14	Northwestern Mutal 200 Liberty Street	93,000 Relocation	FIRE
15	Country-Wide Insurance Co. 40 Wall Street	91,529 Renewal	FIRE

- Two popular meal delivery kit companies, Blue Apron and Hello Fresh, signed deals moving from Flatiron to 25,907 sq. ft. and 43,000 sq. ft., respectively, at 28 Liberty Street.
- Northwestern Mutual signed a 92,139 sq. ft. lease at 200 Liberty Street, relocating Union Square and more than doubling its office space.

Leasing Activity Energizes Water Street

Several large deals were also signed along the Water Street corridor, accounting for 26% of leasing activity. Substantial office building repositionings and renovations were announced, while some of the largest deals of the year landed along Water Street

Morgan Stanley committed to a 1.3 million-sq.-ft. renewal and expansion at 1 New York Plaza. This was the largest deal of the year in Lower Manhattan and the largest since they renewed their same footprint in 2012. Additionally, the Morgan Stanley renewal was the second largest deal in Manhattan in 2019. Also at 1 New York Plaza, Fidelity Information Services signed a 36,242-sq.-ft. lease.

The **New York Health + Hospitals Corporation** (HHC), the city's operator for public hospitals and health care facilities, finalized plans in early 2019 to move into 526,552 sq. ft. at 50 Water Street (formerly 7 Hanover Square). The deal constituted the second largest deal of the year in Lower Manhattan and the fifth largest in Manhattan. HHC will be relocating and consolidating 2,600 employees from throughout Manhattan (locations at 160 Water Street, 199 Water Street and 33 Maiden Lane), Brooklyn and Queens at this new location. HHC will also continue to occupy space directly across the street at 55 Water Street. In addition, the **New York Legal Assistance Group** renewed its 36,242 sq. ft. lease

Water Street Streetscape Project

In spring 2020, the New York City Economic
Development Corporation will begin work on a longawaited streetscape and public realm enhancement
project along the Water Street corridor. The project will
transform two temporary public plazas at Coenties Slip
and Whitehall Street into permanent public spaces
featuring new landscaping, seating and concessions.
The project will also plant street trees, rebuild sidewalks
and enhance pedestrian safety from Whitehall Street to
Old Slip. The \$22.8-million project is expected to take
around 24 months to complete.

Lower Manhattan Top Relocations, 2019

Source: Downtown Alliance, CBRE, JLL, Colliers International, CoStar

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55 Water Street, the largest office building in New York City at 3.6 million sq. ft., saw over 1.2 million sq. ft. in deals in 2019. In addition to 490,000 sq. ft. in relocations from **Justworks** and **L Brands**, **EmblemHeath** signed a 439,184-sq.-ft. renewal. **District Council 37**, New York City's largest public employee union, inked a 130,449-sq.-ft. sublease while it renovates its headquarters at 125 Barclay Street. Three leases with the New York City government, totaling over 178,000 sq. ft., rounded out the flurry of deals at 55 Water Street.

199 Water Street signed over 475,000 sq. ft. of deals, bringing the building to full occupancy within a year of Aon's relocation to One Liberty Plaza. The largest deals at 199 Water Street included: **WeWork**'s 201,231 sq. ft. lease, **Med Review**'s 72,430-sq.-ft. lease, **W20 Group**'s 58,852-sq.-ft. lease and a 35,454-sq.-ft. lease by **Frank Recruitment Group**.

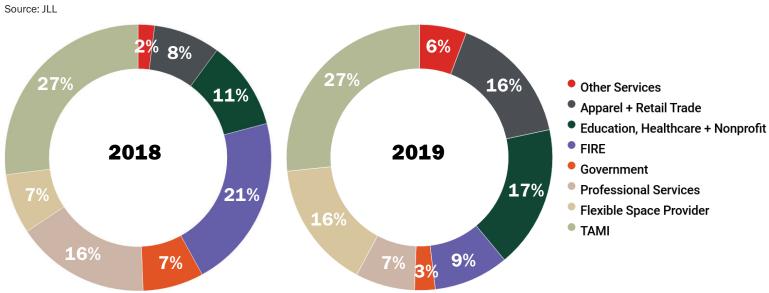
Flexible Space Providers Take a Pause After Rapid Growth

Flexible space and coworking providers were large drivers in leasing activity in 2019; however, sector activity dropped off significantly after WeWork's financial and restructuring struggles this past fall. WeWork's failed IPO led operators, investors and landlords to take a more cautious approach. Despite this, demand for flexible office space appears solid, particularly among tenants requiring smaller footprints,

and providers haven't significantly shrunk their existing footprints. According to CBRE, more than 790,000 sq. ft were leased this year by a variety of flexible space providers in Lower Manhattan. Those include:

- WeWork signed six deals totaling nearly 420,000 sq. ft., including a 201,231-sq.-ft. lease at 199 Water Street. There are now 14 WeWork locations across 1.3 million sq. ft. in Lower Manhattan— amounting to 1.5% of the total Downtown office market. Lower Manhattan is home to the fewest WeWork locations among the Manhattan submarkets. WeWork has over 3.4 million sq. ft. across 32 locations in Midtown and 2.8 million sq. ft. across 43 locations in Midtown South.
- **Knotel** signed six leases in 2019, including a 83,732-sq.-ft. lease at 195 Broadway, an 80,650-sq.-ft. expansion at 110 William Street (for a total of 117,498 sq. ft.) and a 60,323-sq.-ft. lease at 61 Broadway. They now have over 500,000 sq. ft. across 10 locations in Lower Manhattan.
- Convene opened a new 73,000-sq.-ft. flagship location at 225 Liberty Street, filling the former Saks Fifth Avenue women's department store at Brookfield Place. They now occupy over 278,000 sq. ft. across four locations in Lower Manhattan.

Lower Manhattan New and Direct Leasing Activity by Industry, 2018 and 2019



Lower Manhattan's 30 Largest Private Sector Tenants in 2019

Source: Downtown Alliance, CBRE

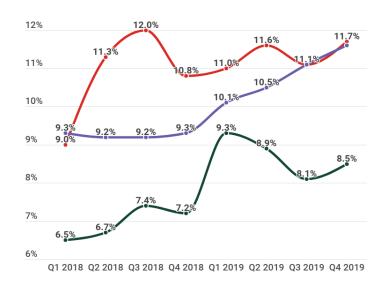
Source: Downtown Alliance, CBRE				
	Tenant Name	SF Occupied	Sector	
1	Goldman Sachs	2,100,000	FIRE	
2	Deutsche Bank	1,530,000	FIRE	
3	WeWork*	1,370,129	Prof. Services, Flex Office Space	
4	Morgan Stanley	1,342,288	FIRE	
5	American Express	1,168,101	FIRE	
6	Bank of America	1,130,993	FIRE	
7	Condé Nast*	1,122,365	TAMI, Media	
8	American International Group (AIG)	1,100,555	FIRE	
9	Bank of New York Mellon	969,100	FIRE	
10	JPMorgan Chase & Co.	836,431	FIRE	
11	Moody's Corporation	790,314	FIRE	
12	S&P Global	785,724	FIRE	
13	Sullivan & Cromwell	774,789	Prof. Services, Law	
14	Meredith Corp.* (new owner of Time Inc.)	713,184	TAMI, Media	
15	GroupM*	702,843	TAMI, Advertising	
16	Spotify*	567,505	TAMI, Technology	
17	Verizon	561,164	TAMI, Technology	
18	Knotel*	554,548	Prof. Services, Flex Office Space	
19	Cleary Gottlieb	501,413	Prof. Services, Law	
20	EmblemHealth	474,832	FIRE	
21	Holtzbrinck Publishing	436,957	TAMI, Media	
22	Royal Bank of Canada	405,947	FIRE	
23	Fried, Frank, Harris, Shriver & Jacobson	378,960	Prof. Services, Law	
24	United Federation of Teachers	365,203	Other	
25	Pace University	347,721	Education	
26	Omnicom Group	335,956	TAMI, Advertising	
27	Jones Day	330,210	Prof. Services, Law	
28	J.Crew*	324,658	Other, Retail Trade	
29	Brown Brothers Harriman & Co.	316,317	FIRE	
30	Uber*	307,970	TAMI, Technology	

^{*}New to Lower Manhattan in Past Five Years



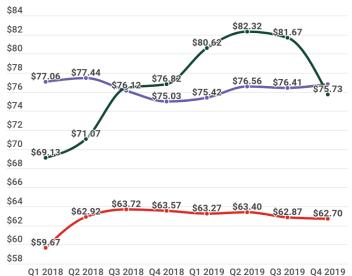
Overall Vacancy Rates by Submarket

Source: Cushman & Wakefield



Overall Asking Rents by Submarket

Source: Cushman & Wakefield



🕨 Lower Manhattan 🌑 Midtown 🌑 Midtown South

Office Vacancy Rates

According to Cushman & Wakefield, Lower Manhattan's vacancy rate stood at 11.7% in the fourth quarter, up 6 basis points from last quarter. Strong leasing kept the vacancy rate largely stable despite substantial availabilities, including over 3.4 million sq. ft. in large blocks of Class A office space, in the market. Across office class types in Lower Manhattan, Class A vacancy rose to 12.1% from 10.9% from the third quarter as two large blocks were added. Class B and C office vacancy decreased to 12% and 7.7%, respectively. Meanwhile, Midtown's overall vacancy rate increased to 11.6% as six large blocks over 100,000 sq. ft. each became available. Midtown South's vacancy increased slightly to 8.5%, but remains a very tight submarket.

Office Asking Rents

According to Cushman & Wakefield, Lower Manhattan's overall average asking rent remained steady at \$62.70 per sq. ft. Class A asking rents now stand at \$65.90 per sq. ft., dropping slightly as higher-priced space was leased at 3 World Trade Center and lower-priced sublease space entered the market at 225 Liberty Street and One Liberty Plaza. The average Class B asking rent set a new record at \$59.12 per sq. ft., growing 6.9% over the past year — a result of higher-priced, 200,000-sq.-ft. blocks entering the market at One Broadway.

In Midtown, overall average asking rents were \$76.80 per sq. ft., roughly consistent from last quarter. Class A average asking rents were \$83.12. Rents in Midtown South set records in 2019 as overall asking rents soared to over \$82. Midtown South's overall asking rents fell by 7.3% to \$75.73 per sq. ft. as higher-priced space was leased at boutique new construction office development in Chelsea. This is the first quarter since the third quarter of 2018 when overall asking rents in Midtown South returned to parity with those in Midtown.

Lower Manhattan continues to maintain a substantial pricing advantage compared to other Manhattan submarkets, most notably to Midtown South. Lower Manhattan's average asking rents are \$28 per sq. ft. below Midtown South's average for Class A office space and \$13 below for overall office space. The difference between direct Class A office space (not subleased) is even larger, as Lower Manhattan space is nearly \$36 per sq. ft. (on average) cheaper than Midtown South. The expansion of the technology sector in Midtown South has left that market with limited availabilities and record-setting pricing. While Class A rents in Lower Manhattan have remained near their highest levels in the submarket's history, many tech tenants in Midtown South that are looking to expand have taken note of the district's modern office stock and sizable rent differential.

Largest Available Blocks

By the end of 2019, the two largest blocks of available space were both on Wall Street, following the relocations of full-building tenants Citigroup and Deutsche Bank (2021). Other buildings with large blocks of available space remain largely concentrated in the World Trade Center campus, Brookfield Place, 28 Liberty Street and the Water Street corridor.

According to Cushman & Wakefield, the buildings with the largest amount of available space are as follows:

- 60 Wall Street will have nearly 1.588 million sq. ft. available when longtime anchor tenant Deutsche Bank moves to Time Warner Center in 2021. Owners GIC of Singapore and the Paramount Group intend to oversee extensive renovations and upgrades to the building's infrastructure and public spaces.
- 111 Wall Street has over 975,000 sq. ft. available following Citigroup's relocation to 388 Greenwich Street in December 2019. The 24-story, 1.1 millionsq.-ft. building will undergo a \$150-million renovation, including upgrades to the lobby and building systems and installation of amenities.
- 3 World Trade Center has nearly 637,670 sq. ft. of space remaining across four contiguous blocks. The tower, which opened in June 2018 had nearly 624,000 sq. ft. of leasing activity in 2019 and is currently 80% leased.
- One World Trade Center has just under 335,000 sq.
 ft. of space available across two contiguous blocks, as
 well as nearly 189,000 sq. ft. in sublease availability
 from Condé Nast. The tower is 87% percent leased.
- 225 Liberty Street has over 412,000 sq. ft. in availability, including 221,400 sq. ft. available for sublease from Meredith Corporation (formerly known as Time Inc.), as well as nearly 191,000 sq. ft. in sublease space from Hudson's Bay Company.
- 28 Liberty Street has nearly 226,000 sq. ft. of space available, including part of the space vacated by Milbank Tweed Hadley & McCloy. 28 Liberty has become 88% leased after recording 379,130 sq. ft. of deals in 2019.
- One Liberty Plaza has 330,350 sq. ft. available in one contiguous, seven-floor block of space.

- 250 Broadway has approximately 314,000 sq. ft. available following the departure of the New York City Housing Authority (NYCHA), which moved to 90 Church Street.
- **50 Water Street** (formerly known as 7 Hanover Square) has nearly 278,500 sq. ft. available following Guardian Life Insurance's move to Hudson Yards. At the beginning of 2019, NYC Health + Hospitals Corp. leased approximately 527,000 sq. ft. in the building. The office tower is undergoing an extensive renovation and repositioning.
- 80 Pine Street has approximately 252,700 sq.
 ft. available in one contiguous block following the departure of law firm Cahill Gordon & Reindel to 32 Old Slip. The tower is being upgraded with a new entrance and lobby and the addition of outdoor terraces.

2019 Property Sales

Overall total property sales volume was down 31% in Lower Manhattan from 2018 levels (\$2.57 billion) with a total of \$1.77 billion in closed sales across all sectors in 2019. Lower Manhattan recorded 13 properties sold in 2019, a decrease from 2018 metrics where 36 properties were traded.

Office Sales

- 195 Broadway: JPMorgan's asset management arm sold its 95% stake in 195 Broadway to a partnership between Korea Investment & Securities, Samsung and L&L Holdings. L&L already owned a 5% stake. The deal was broken in two, between a fee position for \$275 million and a leasehold for \$475 million. The 29-story, 973,000-sq.-ft. office building has Gucci, HarperCollins Publishers, Omnicom and Nobu as tenants. The property has undergone a \$100-million renovation in recent years. L&L bought the building in 2005 for \$266 million.
- 111 Wall Street: In early 2020, Nightingale Group and Kuwait's sovereign wealth fund Wafra Capital Partners acquired the leasehold interest of 111 Wall Street for approximately \$175 million from Omnispective Management Corp. and Zurich Insurance Group. The 24-story, 1.1 million-sq.-ft. office tower will undergo a full \$150-million renovation, including upgrades to the lobby and building systems and installation of amenities. Citigroup vacated the entire property and



moved all remaining employees at 111 Wall to its headquarters at 388 Greenwich Street in December 2019.

 The sale of 7 Hanover Square from Guardian Life Insurance Company to GFP Real Estate, the Northwind Group and TPG Real Estate Partners officially closed. The deal was announced in January 2019. The 846,415-sq.-ft. office building was purchased for \$308 million. Guardian Life, which has been a tenant in the property since 1998, is relocating to Hudson Yards.

The building is now undergoing a \$250 million modernization and renovation. The new owners are turning the building into two separate portions with addresses at 50 Water Street (building's base) and 100 Pearl Street (top floors). In addition, plans are also in the works to add new retail at the base, including a planned food hall.

The owners have already leased nearly 527,000 sq. ft. of office space at 50 Water Street to NYC Health + Hospitals, the second largest deal of 2019.

- Rudin Management Company sold One Whitehall Street to the Chetrit Group for \$182 million. The 21-story, 366,000-sq.-ft. office building is 100% occupied, with notable tenants including US Post Office, Duane Reade and the Regional Plan Association.
- 175 Water Street: According to published reports, Metro Loft is in contract to buy AIG's 31-story, 684,000-sq.-ft. office tower for \$270 million. Metro Loft has converted more than 3 million sq. ft. across 10 Lower Manhattan office buildings to residential rentals, including most recently 20 Broad Street and 180 Water Street.
- 14 Vesey Street: New York County Law Association announced it will sell its four-story, 89-year-old landmarked building to JTRE Holdings (which is still in negotiations with the owners of 23 Wall Street). The pending sale is estimated in the low \$20 million range. NYCLA signed a 20,000-sq.-ft. lease to move to 28 Liberty Street in 2020.

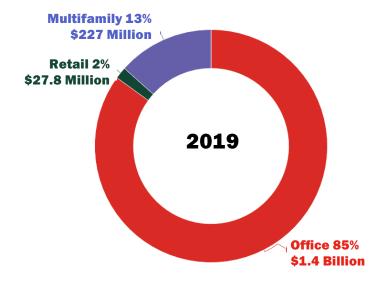
- George Comfort & Sons, Inc. is in contract to acquire
 44 Wall Street from real estate investment firm EQ
 Office. The sale price is unknown, but local brokers expect the 354,208-sq.-ft. property could sell between
 \$212 million to \$266 million.
- Normandy Realty announced it will sell the 545,000-sq.-ft. office building at 80-90 Maiden Lane to Columbia Property Trust. The transaction is still pending.

Retail Condo Sales

 Dr. Michel Cohen, co-founder of Tribeca Pediatrics, purchased 107 South Street from an unnamed seller for \$6 million. The four-and-a-half-story building was constructed in 1900 and totals 8,283 sq. ft. with 3,823 sq. ft. of additional air rights. Plans call for the building to be restored and turned into the headquarters for the New York-based medical practice.

Lower Manhattan Closed Sales Volume by **Property Type**, 2019

Source: Newmark Knight Frank



Multi-Family Residential Sales

- A 75,000-sq.-ft., 15-story residential building at 106
 Fulton Street with 81 rental units was sold to Thurcon Properties by DSA Property Group for \$77.5 million.

 DSA purchased the former dormitory from Pace University in October 2016 for \$51.1 million.
 The ground-floor retail space is occupied by Burger King.
- A 102,000-sq.-ft., 17-floor, 499-bed (225 unit) student housing building at 55 John Street was sold by Tessler Developments to Education Housing Services (EHS) for \$101 million. EHS, which typically manages student housing on behalf of landlords, had been the sublandlord at the building prior to buying it outright.
- A three-story, 30,000-sq.-ft. apartment building at 72 Nassau Street was purchased by Hidrock Properties from the estate of David Baldwin for \$36 million. The building will be demolished. While plans are currently unclear, a 120,000-sq.-ft. building can be constructed on the lot as of right.
- A six-floor, five-unit multi-family residential building at 75 Warren Street was sold by Treacy and Todd Gaffney to 75 Warren Street Holding LLC for \$13 million.
- A 9,075-sq.-ft., five-floor, five-unit mixed-use building at 6 Stone Street was sold by 6 Stone Street LLC to Conway Capital and Davean Holdings for \$6.65 million. The retail space is occupied by Murphy's Tavern.
- 245 Water Street, a five-story, 13,000-square-foot building in the Seaport was sold for \$12.3 million to Trinity Church by owner Joshua Levine. Trinity Church intends to add two units to the building (for a total of four units) and focus on restoration of the building's historic character, while also adhering to the environmental 'passive house' standard.



Strong Leasing Continues at World Trade Center

The World Trade Center (World Trade Center) campus continues to drive Lower Manhattan's leasing success. The new Class A office complex is particularly attractive to growing companies that are priced out of other submarkets and/or in need of modern infrastructure. Over 1.2 million sq. ft. in deals were signed at the campus during 2019 where over 60% of the sq. ft. leased were relocation deals from Midtown or Midtown South.

3 World Trade Center, which opened in June 2018, is close to being 80% leased. The tower experienced positive momentum in 2019 with approximately 624,000 sq. ft. of deals inked. Of note, leasing has occurred at a faster clip at 3 World Trade Center than at 4 World Trade Center since those respective towers opened, signaling a shift in sentiment with Lower Manhattan now being viewed as a location of choice. The largest deal in the building since GroupM's commitment to anchor the tower was signed by **Uber** for 307,970 sq. ft. Two Midtown law firms **Kelly Drye & Warren** and **Cozen O'Connor** signed 103,082- and 77,187-sq.-ft. leases, respectively. Rapidly growing fintech firm **Better.com** signed for 88,968 sq. ft, moving from Soho to 7 World Trade Center to 3 World Trade Center in the past couple years. Other companies signing leases at the tower this year included: tech firm **Asana**, accounting agency **Dixon Hughes Goodman** and **Harper + Scott**, a marketing agency specializing in promotional/premium goods.

At **7 World Trade Center**, 255,000 sq. ft. of deals were completed. Architecture firm **Skidmore**, **Owings & Merrill** (SOM) announced it was relocating to a 76,568-sq.-ft. space from its longtime home at 14 Wall Street. **Moët Hennessy** signed a 83,486-sq.-ft. relocation deal, joining another spirits company, Diageo, that signed a similar-sized lease at 3 World Trade Center in 2018. The **New York Academy of Sciences**, the first tenant to sign at 7 World Trade Center in 2005, renewed its 40,889-sq.-ft. lease. **Zola**, the wedding planning company, announced a deal to move within Lower Manhattan to 40,442 sq. ft. **AccuWeather** also announced a 13,341-sq.-ft. move to 7 World Trade Center. The tower is fully occupied.

One World Trade Center saw 273,000 sq. ft. of deals signed in 2019. **Ambac Financial Group** and **Ennead Architects** both took around 47,000 sq. ft. in sublease deals from Condé Nast. Other mid-sized deals were by tech companies **ASAPP, Olo** and **Carta**. According to Crain's, One World Trade Center is now home to more tech companies than any other single office building in New York. The tower is now 87% leased.

Spotify expanded by 85,666 sq. ft. at **4 World Trade Center**, subletting space from the Port Authority. Spotify now occupies nearly 567,000 sq. ft. and has exceeded in size the space occupied by the Port Authority of New York and New Jersey. The tower is fully occupied.

RETAIL

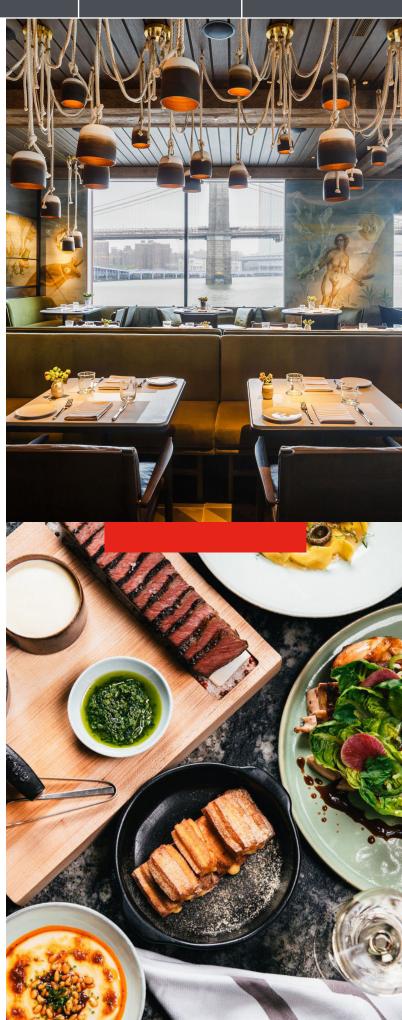
Growing Diversity of Restaurants Reflect Changing Tastes in Lower Manhattan

At the end of 2019, Lower Manhattan has 1,150 stores and restaurants. A total of 105 new stores and restaurants opened in Lower Manhattan throughout the year. In total, over 50 restaurants and eateries opened in 2019, including:

- Gnoccheria Wall Street, an Italian restaurant specializing in handmade gnocchi and Neapolitan-style pizza, at 100 Broad Street;
- Chikarashi Isso, a Japanese restaurant, at 38 Rector Street;
- Coco Bistro, a French restaurant and wine bar, opened at 233 Front Street;
- Wall Street Grill, a kosher steakhouse, at 128
 Pearl Street; and
- Lekka Burger, a vegan burger spot, at 81 Warren Street.

Lower Manhattan continues to gain footing as a major destination in New York's culinary landscape. Over the past few years, a number of chef-driven restaurants have populated the neighborhood. The 2019 Michelin Green Guide named Lower Manhattan a three-star destination, the guide's highest honor, largely as a result of the neighborhood's growing food scene. **Crown Shy**, chef James Kent and Jeff Katz's first restaurant, opened this year at 70 Pine Street. The neighborhood seasonal restaurant was awarded one Michelin star earlier this year (L'Appart, in Brookfield Place's Le District, earned Lower Manhattan's first Michelin star in 2017). The team will also open **Saga**, a penthouse bar and restaurant, on the top floors of 70 Pine Street later in 2020.

A new wave of fast-casual eateries appealing to workers and residents alike swept the neighborhood. They include: 787 Coffee Co., Casa Taqueria, &Pizza, Cava, Joe's Pizza, Los Tacos No. 1, Maestro Pasta, Springbone Kitchen, Playa Bowls, Taco Bell Cantina and Dill & Parsley.



Several new restaurants and entertainment venues are slated to open in 2020. Lower Manhattan will welcome **Tacombi**, a Mexican cantina, at 74 Broad Street, **Mezcali** at 83 Maiden Lane, **Anassa Taverna**, a Greek restaurant, at 102 North End Avenue, and **Nero Lab**, an Italian bistro, cafe and wine bar at 40 Wall Street. A restaurant and wine bar from the team behind **New York Vinters** is planned at 63 Barclay Street. New entertainment destinations are also expected to open in 2020, including **J&R Music Lounge by City Winery** at 15 Park Row and a new venue from the team behind the popular **Sleep No More** immersive theater experience at 20 Exchange Place.

Boutique fitness concepts continue to expand into Lower Manhattan. In addition to **Gloveworx** at Westfield, other openings included: **Rumble** at 142 West Street, **Five Iron Golf** at 22 Stone Street and **SquashRx** at 160 Broadway. Anticipated 2020 openings include: **OrangeTheory Fitness** at 100 William Street, **Solidcore** at 20 Pine Street and **Sweat 440** at 80 John Street.

Retail Anchors March Onward

In the **Seaport District**, three highly-regarded restaurants opened on Pier 17: Jean-Georges Vongerichten's seafood restaurant **The Fulton**, David Chang's **Bar Wayō** and **Malibu Farm**, a California-based farm-to-table eatery. **Fellow Barber** and **McNally Jackson Books** opened along on Fulton Street. In 2020, Andrew Carmellini will open both an Italian chophouse, as well as his popular burger and ice cream eatery, **Mister Dips**, on Pier 17. Also in 2020, David Chang will open a Korean barbecue and karaoke spot above Bar Wayō. Jean-Georges plans to open his long-awaited food hall and market in the historic Tin Building by 2021.

Westfield World Trade Center welcomed new retailers to the complex, including Korean beauty brand Innisfree, Sweetcatch Poke, boxing gym Gloveworx, floral shop Venus ET Fleur, vintage jewelry store Brooklyn Bleu and Italian shoe store Michele Lopriore. Over 10 more retailers are on the horizon, including more food options like Starbucks, Pescatore Sushi & Noodles, Devon & Blakely, Godiva Cafe, Doughnut Plant, Taco Dumbo and Proper Hall, a modern beer hall.

At **Brookfield Place**, new retail openings included **AmazonGo**, **Monica+Andy**, a children's clothing shop, **M.M.LaFleur**, a women's boutique, and **Pink**, a men's shirt store. **SuitSupply** also expanded its footprint.

Retail Rents Rise

According to the Real Estate Board of New York's fall retail report, average asking rents for ground-floor retail along Broadway (Battery Place to Chambers Street) were \$413 per sq. ft., up around 3% from spring 2019 and 22% from fall 2018, setting a record for Lower Manhattan. Average ground-floor retail rents have decreased in most corridors across Manhattan.

Convene opened a 73,000 sq. ft. flagship meeting and events space in early November, **For Five Cafe** also opened within the space. In 2020, Brookfield Place will welcome chic Italian restaurant **Sant Ambroeus**, **Clean Market**, a wellness-oriented store and cafe and **Shakespeare & Co.**, an independent bookstore.

The retail repositioning continues at Fosun's 28 Liberty Street. Alamo Drafthouse will open its second New York City movie theater in the lower levels of the tower in summer 2020. The 40,000-sq.-ft. dine-in multiplex will have 14 screens and a separate bar. Legends Hospitality will operate a 35,000-sq.-ft. food market and restaurant on the ground floor. Scheduled to open in late 2020, the space will feature a food hall, music performance space and a separate, upscale restaurant.

Construction continues at Macklowe Properties' **One Wall Street** residential conversion, where **Whole Foods** will open a 44,000-sq.-ft. grocery store. The grocer expects to open in early 2021. Additionally, **Lifetime Fitness** will open a 74,000-sq.-ft. fitness center in 2021.

"THE WHOLE OPERATION RADIATES CONFIDENCE FROM START TO FINISH"

Pete Wells, New York Times food critic on Crown Shy



HOTELS + **TOURISM**

Record Year for Tourism

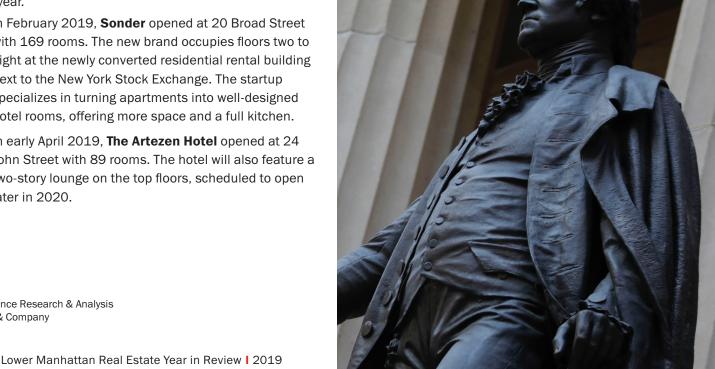
Lower Manhattan continues to be a growing destination for tourists. In 2019, approximately 14 million tourists visited Lower Manhattan, down 4% from 2018.1 As a whole, New York City welcomed an estimated 66.9 million tourists in 2019, a 2.6% increase over 2018.2 This is the tenth straight year that the city's tourism numbers have gone up. Citywide tourism is expected to grow to 68.9 million visitors in 2020.

A new 26,000-sq.-ft. museum on Liberty Island opened to the public in May 2019. It is the new home for the Statue of Liberty's original torch and other artifacts which had previously been in a smaller museum space inside the statue's pedestal. The museum contains three main gallery spaces, a theater and a rooftop terrace.

Hotels Check Into to Lower Manhattan

At the end of the fourth quarter, there were 7,945 rooms in 37 hotels throughout Lower Manhattan. Over 2,000 rooms across 15 hotels are currently in the development pipeline. In 2019, hotel-room inventory in Lower Manhattan grew by 3% year over year. Two hotels with 258 rooms opened this past year.

- In February 2019, **Sonder** opened at 20 Broad Street with 169 rooms. The new brand occupies floors two to eight at the newly converted residential rental building next to the New York Stock Exchange. The startup specializes in turning apartments into well-designed hotel rooms, offering more space and a full kitchen.
- In early April 2019, The Artezen Hotel opened at 24 John Street with 89 rooms. The hotel will also feature a two-story lounge on the top floors, scheduled to open later in 2020.



¹ Audience Research & Analysis

² NYC & Company



 In addition to two hotel openings, two additional properties underwent a rebrand. The Q&A Residential Hotel at 70 Pine Street was converted to a Lyric, offering creative suites for long-term business travelers. The Radisson Wall Street opened at 52 William Street in the former Club Quarters, Wall Street.

The hotel inventory in Lower Manhattan is expected to grow to 8,758 rooms in 2020 with the addition of 813 rooms across six hotels in 2020:

- Residence Inn at 215 Pearl Street (upper floors), 120 rooms;
- Courtyard by Marriott at 215 Pearl Street (lower floors), 200 rooms;
- The Fidi Hotel at 11 Stone Street, 143 rooms;
- Hotel Indigo at 120 Water Street, 128 rooms;
- The Wall Street Hotel at 88 Wall Street, 181 rooms; and
- Casa Cipriani at the Battery Maritime Building, 41
 rooms. On the lower levels in the great hall, Cipriani
 also opened its third Lower Manhattan event space at
 this location in the fall of 2019. The venue can fit 800
 people.

During 2019, planning and development announcements were made for four proposed hotels, including:

- 112 Liberty Street, 230 rooms by Hidrock Realty, across from 4 World Trade Center;
- 140-142 Fulton Street, TBD rooms by Hidrock Realty, next to Fulton Center;
- 86 Warren Street, 70 rooms by Solil Management and operated by Firmdale Hotels; and
- 21 Park Place, 11 rooms by Tom Grainger at the site of the Pearl Street Diner.

7,945
Hotel Rooms in 37 Hotels

2,000

Possible Hotel Rooms in 15 Hotels
Under Construction or in Development

Lower Manhattan Hotel Pipeline

Source: Downtown Alliance

	Hotel / Address	Owner/ Developer	Rooms	Open Date
1	Residence Inn 215 Pearl Street	Lam Group	120 (upper floors)	2020
2	Courtyard by Marriott 215 Pearl Street	Lam Group	200 (lower floors)	2020
3	The Fidi Hotel 11 Stone Street	Premier Emerald LLC	143	2020
4	Hotel Indigo 120 Water Street	Atlas Hospitality	128	2020
5	Casa Cipriani Battery Maritime Building	Centaur Properties/ Cipriani	41	2020
6	The Wall Street Hotel 88 Wall Street	Actium Development	181	2020
7	Aloft Hotel 50 Trinity Place	Fit Investment Group	173	2021
8	AC Hotel 112 Liberty Street	Hidrock Realty	230	2021
9	TBD Hotel 86 Warren Street	Solil Management	70	2021
10	Hotel Indigo 8-12 Maiden Lane	10-12 MLane Inc.	190	TBD
11	TBD Hotel 265 Broadway	Roe Corporation	80	TBD
12	TBD Hotel American Stock Exchange Building	Clarion Partners/ GHC Dev.	174	TBD
13	TBD Hotel 212 Pearl Street	Chaon LLC	48	TBD
14	TBD Hotel 140-142 Fulton Street	Hidrock Realty	296	TBD
15	TBD Hotel 21 Park Place	Tom Grainger	14	TBD
	Total Hotels in the Pip	eline	15	
	Total Hotel Rooms in t	the Pipeline	2,085	

RESIDENTIAL

Growing Inventory and Development

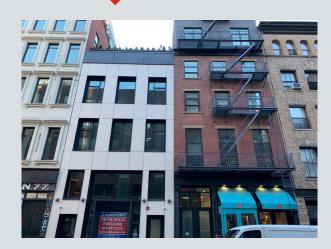
Lower Manhattan has 33,247 units in 337 mixed-use and residential buildings. The estimated population increased year-over-year by approximately 3% to 64,000 as several large rental buildings became fully leased. The population is expected to continue to grow as new residential buildings open over the next few years. There are nearly 2,800 units in 17 buildings under construction or planned for development, with about one-third currently planned as rental units and two-thirds as condos.

Residential building openings in 2019 slowed down compared to 2018 when over 1,300 units opened in six large buildings. Residential developments that opened this year also include 40 units across three small buildings. Among them:

- 79-81 Warren Street: a small conversion development that joined two buildings with 12 condo units, opened in the second quarter.
- 108 Chambers Street: a small new construction development by Greystone Development with eight full-floor condo units, opened in the third quarter.
- 156 Beekman Street: Silvera Properties converted a long vacant property in the Seaport District to 20 rental units, opened in the third quarter.

In 2020, construction is expected to wrap up on 628 condo units across seven buildings:

- 30 Warren Street: Cape Advisors' 12-story, 23-unit boutique condo building;
- 33 Park Row: Urban Muse's 25-story, 31-unit condo tower adjacent to City Hall Park;
- 25 Park Row: The collection of buildings along Park
 Row, once occupied by J&R Music and Computer
 World, will be a new 54-story, 110-unit condo tower.
 Developed by L&M Development, the building will also
 include 52,000 sq. ft. of commercial space at its base;
- **161 Maiden Lane:** Fortis Property Group's 57-story 80-unit condo building in the Seaport;



79-81 Warren Street: a small conversion development that joined two buildings with 12 condo units, opened in the second quarter of 2019.



108 Chambers Street: a small new construction development by Greystone Development with eight full-floor condo units, opened in the third quarter of 2019.



156 Beekman Street: Silvera Properties converted a long vacant property in the Seaport District to 20 rental units.



- 45 Park Place: a 43-story, 50-unit condominium tower developed by Soho Properties. Also under construction are a courtyard and 16,000-sq.-ft. Islamic cultural center that will be completed at a later date;
- 77 Greenwich Street: Trinity Place Holdings' 42-story, 90-unit condo tower. The first eight floors of the building will contain a public pre-kindergarten through fifth grade elementary school. The project also includes the adaptive reuse of the landmarked Robert and Anne Dickey House, as well as 6,500 sq. ft. of retail space and construction of a new R/W subway entrance on Trinity Place;
- 130 William Street: a 66-story, 244-unit condo tower developed by Lightstone. The site includes a landscaped plaza on William Street and nearly 21,000 sq. ft. of retail space.

Beyond 2020, residential development activity is anticipated to increase throughout the next couple years, as plans for 10 projects comprising over 2,100 units come to fruition. Among them:

- One Wall Street: Macklowe Properties continues construction on the conversion of the landmarked office tower into 566 condominiums. The building will offer 157,000 sq. ft. of retail, including a 44,000-sq.-ft. Whole Foods and 74,000-sq.-ft. Lifetime Fitness. The tower was purchased for \$585 million in 2014 and completion is anticipated in 2021;
- 2 Washington Street: Moinian is undergoing a partial residential conversion of 15 floors of an office tower (also known as 17 Battery Place North) into 345 rental units and is expected to be complete in 2021. Nyack College owns the commercial office condo portion of the building for its New York City campus;
- **185 Broadway**: SL Green began foundation work to build a 32-story, mixed-use tower with nearly 45,000 sq. ft. of office and retail space and 209 rental units (30% of which will be affordable). The developer demolished three buildings at 183 and 187 Broadway and 5-7 Dey Street. Completion is anticipated for late 2021.

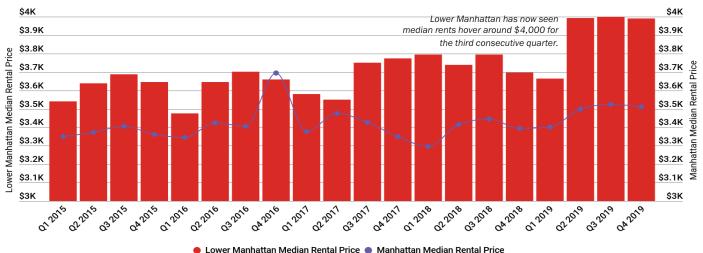
Lower Manhattan Residential Pipeline

Source: Downtown Alliance

	Address	Lease / Building Type	Units	Open Date
Condo + Rental Units Under Construction		Total	2,045	
1	33 Park Row	Condo New Construction	31	2019
2	30 Warren Street	Condo New Construction	23	2019
3	25 Park Row	Condo New Construction	110	2019
4	161 Maiden Lane	Condo New Construction	80	2020
5	45 Park Place	Condo New Construction	50	2020
6	77 Greenwich Street	Condo New Construction	90	2020
7	130 William Street	Condo New Construction	244	2020
8	69 West Broadway	Condo New Construction	24	2021
9	One Wall Street	Condo New Construction	566	2021
10	125 Greenwich Street	Condo New Construction	273	2021
11	185 Broadway	Rental New Construction	209	2021
12	2 Washington Street	Rental Conversion	345	2021
Con In D	do + Rental Units evelopment	Total	741	
1	45 Broad Street	Condo New Construction	206	2022
2	265 Broadway	Hotel/Condo New Construction	37	2022
3	75-83 Nassau Street	Rental/Condo New Construction	229	TBD
4	3 Platt Street	Rental New Construction	250	TBD
5	1 Park Row	Condo New Construction	19	TBD
TOTAL UNITS IN THE PIPELINE 2,786				

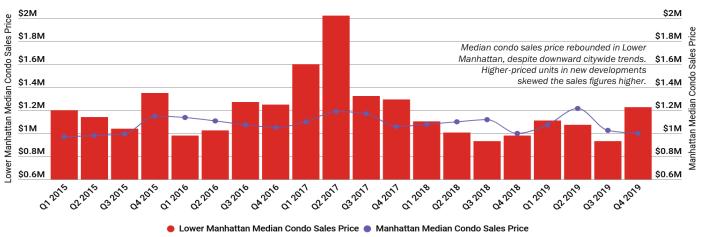
Lower Manhattan Median Residential Rent, Q1 2015 - Q4 2019

Source: Miller Samuel/Douglas Elliman

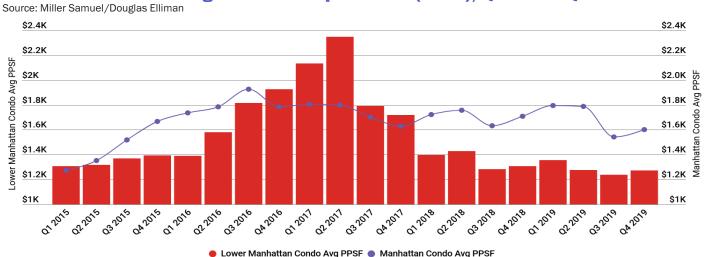


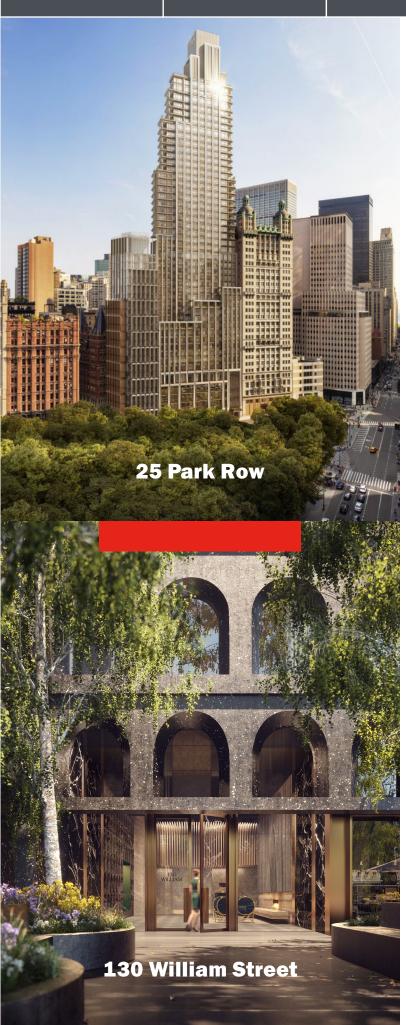
Lower Manhattan Median Condo Sales Price, Q1 2015 - Q4 2019

Source: Miller Samuel/Douglas Elliman



Lower Manhattan Average Price Per Square Foot (PPSF), Q1 2015 - Q4 2019





Residential Rental Market

According to residential statistics published by Miller Samuel/Douglas Elliman, the median rent in Lower Manhattan was \$3,990 in the fourth quarter. This is slightly down from the third quarter's record-setting high of \$4,000, but still up from nearly 8% in late 2018. This was the third consecutive quarter where median rents hovered around \$4,000. Lower Manhattan's high rents can be attributed in part to an increase in new, amenity-rich, luxury rental buildings, which have been constructed over the past few years. Manhattan's overall median rent trended up 3.4% year over year to \$3,510. The increase in median rents seen across Manhattan was due to a weaker sales market as would-be home buyers are staying in the rental market.

Residential Sales Market

The median sales price for co-ops and condos rebounded dramatically to \$1,225,000, up over 31% from the previous quarter and 25% year over year. Lower Manhattan's average price per sq. ft. of \$1,272 saw an increase of 2.7% over the past quarter, although it fell year over year by 2.8%. Lower Manhattan's relative size makes it uniquely sensitive to fluctuations in the local market. While sales volume has slowed down significantly in Lower Manhattan, new developments skewed the figures higher during the fourth quarter. Contrary to trends seen across New York City (despite a strong economy and low unemployment in the neighborhood and across the city), the Manhattan condo market is weathering market corrections as new mansion taxes went into effect in New York City and federal tax laws have reduced the state and local tax deductibility.

64,000Estimated Residents Living in Lower Manhattan

2,800 UNITS
in 17 Buildings Are Under Construction
or in Development

MAJOR PROJECTS UPDATE

World Trade Center

The Ronald O. Perelman Performing Arts Center (The Perelman Center)

Construction continues on the Ronald O. Perelman Center for Performing Arts at the World Trade Center, known as The Perelman Center. The Board of Directors appointed Leslie Koch as its next president. Koch succeeds Maggie Boepple, who worked on the project since 2012 and will continue to serve as an advisor. Koch is best known for her tenure as president and CEO of the Trust for Governors Island from 2006 to 2016.

The approximately 110,000-sq.-ft. cube-shaped building will feature three theaters of varying sizes which can be combined in different seating configurations and formats for an array of unique performance environments. The Perelman Center will be located at the site of the now demolished PATH entrance at Greenwich and Vesey streets, which closed when the World Trade Center Transportation Hub opened in summer 2016. The project is anticipated to open for the 2022 season.

3 World Trade Center Transit Lobby

The 3 World Trade Center transit lobby opened in September, providing employees of the office tower and the public another access point for PATH, subways and the Westfield shopping complex.

St. Nicholas Greek Orthodox Church and National Shrine

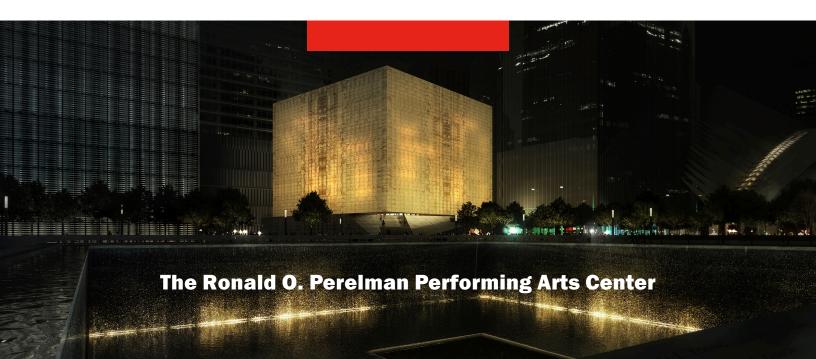
In early 2020, Governor Cuomo announced that construction of the Santiago Calatrava-designed St. Nicholas Greek Orthodox Church and National Shrine will resume. The church, located atop Liberty Park, broke ground in 2014, but stalled in late 2017 after funding issues. The \$80 million project anticipates being complete by September 2021.

Site 5

The Port Authority of New York and New Jersey and the Lower Manhattan Development Corporation (LMDC) released an RFP for 5 World Trade Center (also known as Site 5 or Albany Plaza). Site 5 can accommodate a 900-foot-tall tower with over 1.3 million sq. ft. of space. The Port Authority has not specified when it will choose a winner for the property.

74 Trinity Place

Trinity Real Estate's 74 Trinity Place, a new 26-story, 310,000-sq.-ft. office building, is slated to open in late spring/early summer 2020. The bottom five floors will be for community use, called Trinity Commons, floors six through eight will be used for Trinity Church's offices, and the remaining 17 floors will be rentable office space. The existing pedestrian bridge across Trinity Place will eventually reconnect to Trinity Church.



Infrastructure

PATH Train Improvements and Extension to Newark Liberty International Airport

The Port Authority announced a plan to spend \$1 billion on improvements to the PATH. The project is expected to dramatically expand capacity as ridership continues to rapidly grow. By 2022, the Port will install a new signal system and will move the World Trade Center line from an eight-car to a nine-car train, while also making modifications to PATH stations. The effort is expected to increase capacity by 40% on the Newark-World Trade Center line and by 20% on the system's three other lines.

The proposed 2.4-mile extension of the PATH from Newark Penn Station to Newark Liberty International Airport remains in the Port Authority's budget. The project will improve access to the airport from Lower Manhattan, Jersey City and Hoboken, delivering a 36-minute ride from the World Trade Center to Newark Airport. Environmental and planning work is well underway.

Robert R. Douglass Pedestrian Bridge

The Robert R. Douglass pedestrian bridge (formerly known as the West Thames Street pedestrian bridge), which began construction in 2017, opened to the public in the fall of 2019. Spanning West Street, the 230-foot bridge connects Battery Park City to a new, privately-owned public plaza at 50 West Street. The structure replaces the Rector Street pedestrian bridge, which is currently being deconstructed.

Warren, John and Front Streets Reconstruction

The New York City Department of Transportation completed the reconstruction of Warren Street (from Broadway to West Street) and John Street (from Broadway to William Street) this past fall. A similar reconstruction project is scheduled to begin on Front Street between Old Slip and John Street. These projects will replace all underground infrastructure, including water mains, sewers, electric, gas and other utilities, as well as construct new streets and curbs.



The **3 World Trade Center Transit Lobby** opened in September 2019, providing employees of the office tower and the public another access point for trains and the Westfield shopping complex.



The **St. Nicholas Greek Orthodox Church and National Shrine** resumed construction in early 2020 after being stalled for several years. The \$80 million project anticipates being complete by September 2021.



The **Robert R. Douglass Pedestrian Bridge** opened this past fall. Spanning West Street, the bridge connects Battery Park City to to a new plaza at 50 West Street.

Downtown Alliance and Battery Park City Authority Expand Free WiFi

The Downtown Alliance and the Battery Park City Authority (BPCA) have together added 1.5 million sq. ft. of free WiFi coverage in Lower Manhattan. This expansion improves coverage in Nelson A. Rockefeller, Teardrop and Robert F. Wagner, Jr. Parks along the Hudson River and brings Battery Park City into the broader #DwtwnAllianceFreeWiFi network, which now spans six million sq. ft. across Lower Manhattan. The next phase of this partnership, scheduled for 2020, will aim to cover large portions of the Battery Park City Esplanade. This expansion was made possible by support from BPCA, while support for the existing network is provided by WilmerHale, a leading international law firm located at 7 World Trade Center.

NYC Ferry

In 2019, 6.3 million people rode the NYC Ferry, a 32% increase from 2018, of which the Pier 11-Wall Street Ferry Terminal had 1.6 million riders use the NYC Ferry system. The system has have 21 landings across the city and all routes stop at Pier 11-Wall Street.

In January 2019, Mayor de Blasio announced an expansion of the NYC Ferry system. Starting in 2020, the ferry system will begin serving all five boroughs. With these new routes and ferry landings, revised annual ridership forecasts project the system will reach 11 million annual riders by 2023. The expansion includes:

- Modification of the Astoria Route in May 2019, to include a new stop at the Brooklyn Navy Yard.
- Launch of the St. George Route in summer 2020, connecting St. George in Staten Island and running up the Hudson River along Manhattan's west side with stops at Vesey Street in Battery Park City and Pier 79 in Midtown West (West 39th Street).
- Launch of the Coney Island Route in 2021, connecting Coney Island to Bay Ridge and Wall Street.
- Expansion of the Soundview Route in 2021, adding a new landing at Throggs Neck/Ferry Point Park in the Bronx.
- Modification of the South Brooklyn Route in 2021, to start from Sunset Park/Brooklyn Army Terminal instead of Bay Ridge.

Resiliency

In March 2019, Mayor de Blasio announced a long-awaited resiliency plan to protect Lower Manhattan from climate change. The recommendations include developing a plan to extend the Manhattan shoreline into the East River to protect the low-lying and highly constrained Seaport and Financial District area. The shoreline may be extended by a maximum of 500 feet (or two city blocks), creating new land with high points at or above 20 feet from current sea level. Additionally, NYCEDC approved a team of 18 consultants lead by Arcadis, a Netherlands-based design and engineering firm, to develop the Financial District and Seaport Climate Resilience Master Plan. That framework will present locals with options for expanding the shoreline of those neighborhoods as much as 500 feet into the waterway to defend the area against climate change.

In addition, the city will advance \$500 million for four capital projects to reinforce key neighborhoods in Lower Manhattan:

- In the South Street Seaport area, parts of the Financial District and Two Bridges neighborhoods, the Office of Emergency Management (OEM) spent \$3.5 million to deploy a combination of just-in-time Tiger Dams and pre-deployed HESCO barriers for the 2019 hurricane season as temporary measures in advance of a permanent solution;
- In Battery Park City, the Battery Park City Authority (BPCA), with \$134 million in bonds, will reconstruct its esplanade and open space to adapt to new climate conditions. BPCA kicked off design in 2018 and will start construction in 2020;
- In The Battery, the New York City Economic Development Corporation (NYCEDC), in partnership with NYC Parks, BPCA and the Battery Conservancy, will invest \$129 million to elevate the wharf and esplanade and integrate a protective barrier, such as a berm, at the back of the park. This design will preserve the look and feel of the existing park while strengthening the shoreline. Construction will begin in 2021 and last for four years; and
- In the Two Bridges neighborhood, NYCEDC is designing an integrated flood protection system comprised of permanent barriers and deployable or "flip up" protections that will protect view corridors and public access. The Department of Design and Construction (DDC) will manage construction of the \$200-million investment, which will begin in 2021.





Parks, Plazas and Streetscapes Evolve Around Lower Manhattan

Elizabeth H. Berger Plaza

Ground was broken for Elizabeth H. Berger Plaza in early September. Named after the late Downtown Alliance president, the public space will combine two existing, underutilized concrete plazas into a single, large plaza. The 29,000-sq.-ft. park will eliminate an extraneous two-lane exit ramp for the Brooklyn Battery Tunnel and feature a grass lawn, trees, landscaping, seating and paved pathways. Completion of the \$6.6 million project is expected in late 2020.

Peck Slip Park

Construction began on the reimagined Peck Slip Park in early 2020. The former Seaport parking lot will feature new pavers, seating and a variety of trees and plantings. The \$5.6-million park reconstruction anticipates being completed by early 2021.

LMCC's Art Center at Governors Island

The Lower Manhattan Cultural Council (LMCC) has provided artist resources and public programs across Lower Manhattan since 1973. While best recognized for the River to River Festival, the council opened LMCC's Arts Center at Governors Island in September 2019. The center will be the first permanent home for artists and audiences on Governors Island, featuring artist residency programs and a broad range of events to convene artists and the public.

Bowling Green Shared Street

The New York City Department of Transportation announced a pilot pedestrian program to transform State Street (between Morris and Beaver Streets) near Bowling Green park this past fall. The street will be shared by both pedestrians and vehicles and will feature realigned, shorter crosswalks, widened sidewalks, pedestrian protections around the Charging Bull statue and an advisory 5 mph speed limit.

Citing pedestrian safety concerns amid frequent overcrowding in its current location, the city has discussed plans to relocate the famed Charging Bull statue from Bowling Green Park to its original location near the New York Stock Exchange.

Water Street Streetscape Project

In spring 2020, the New York City Economic Development Corporation will begin work on a long-awaited streetscape and public realm enhancement project along the Water Street corridor. The project will transform two temporary public plazas at Coenties Slip and Whitehall Street into permanent public spaces featuring new landscaping, seating and concessions. The project will also plant street trees, rebuild sidewalks and enhance pedestrian safety from Whitehall Street to Old Slip. The \$22.8 million project is expected to take around 24 months to complete.





Alliance for Downtown New York 120 Broadway, Suite 3340 New York, New York 10271

The mission of the Alliance for Downtown New York is to provide service, advocacy, research and information to advance Lower Manhattan as a global model of a 21st century central business district for businesses, residents and visitors.

IMAGE CREDITS:

Stuart Ramson (AP Photography) - Cover, 3, 8, 13, Back

Diane Bondareff (AP Photography) - 8

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