

# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

Q2 2013

## COMMERCIAL OFFICE MARKET

### Leasing Activity

With leasing momentum from a range of industries, Lower Manhattan logged above-average leasing activity for the ninth consecutive quarter, with total year-to-date leasing up 16% over the ten-year average. Year-to-date leasing activity totaled 2.46 million square feet, up 22% year-over-year, driven by a particularly strong first quarter as well as continued relocations and commitments from a diverse set of tenants.

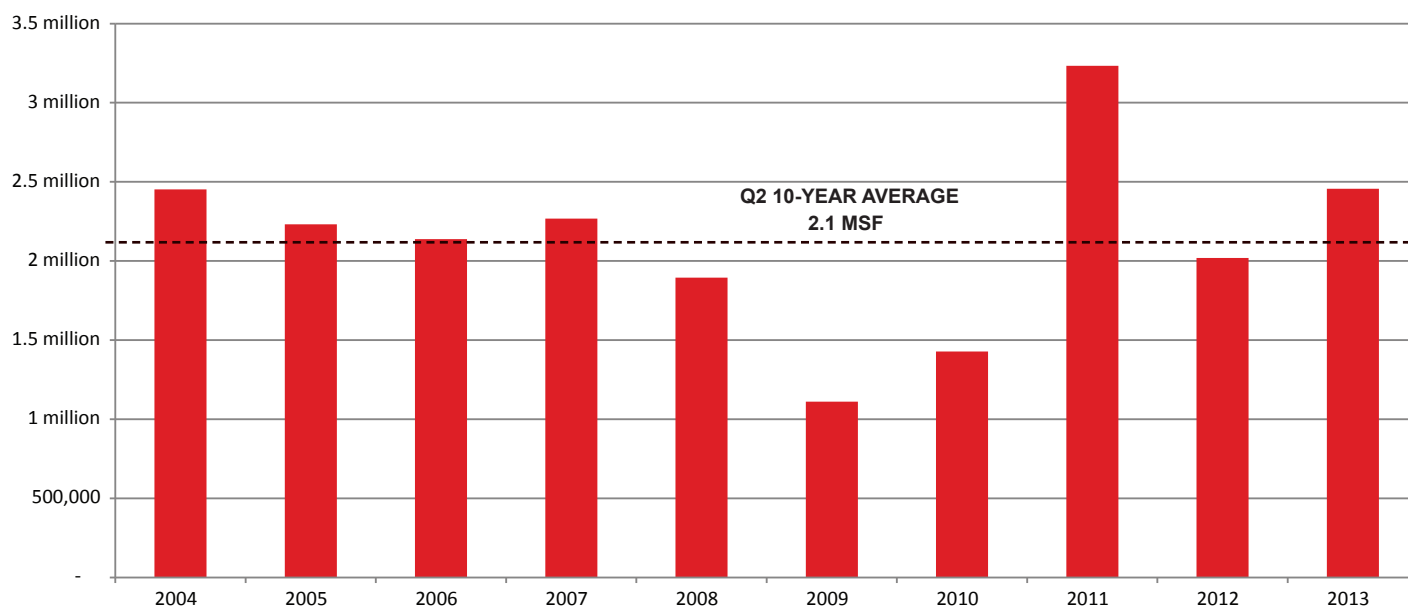
Lower Manhattan's top ten deals reflect the district's broad appeal. An education institution, Nyack College, topped Lower Manhattan's list of largest commercial leases this quarter, taking 166,000 square feet at 17 Battery Place North. The private, liberal arts college will be relocating from

361 Broadway and consolidating operations from outside New York City. HAKS Engineering, a construction and engineering firm, signed the second largest lease, expanding and renewing at 40 Wall Street for a total 69,916 square feet. YMCA Retirement Fund, a nonprofit, signed 52,124 square feet in 120 Broadway, relocating from 140 Broadway. SHoP Architects, an architecture and design firm, took 30,500 square feet at the Woolworth building, moving from 11 Park Place.

Interest from technology, media, and creative tenants continued this quarter, with 50% of this quarter's 22 relocations moving from Midtown South. The WeissComm Group, a public relations firm, will be moving to 199 Water Street from Midtown South. Two technology companies will

## LOWER MANHATTAN Q2 YEAR-TO-DATE LEASING ACTIVITY, (sf)

Source: CBRE



# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

be moving to Lower Manhattan as well: Paperless Post, an online communications design company and Take the HELM winner, will be moving to 115 Broadway, and Artspace Marketplace, an art e-commerce company, will be relocating to 75 Broad Street.

The attraction of tenants in the creative services and technology sectors is important for the absorption of significant availabilities in the market. One such tenant, Group M, the media buying and planning division of WPP, and the world's largest advertising company, completed a

term sheet for 500,000 square feet for 20 years in 3 World Trade Center in early July. Silverstein Properties reached milestones in its negotiations with Group M in the second quarter and they expect to finalize a lease in the coming months. Group M plans to consolidate operations from its three Midtown locations.

## TOP TEN LOWER MANHATTAN LEASES, Q2 2013

Source: CBRE, CoStar, Alliance for Downtown New York

	Tenant Name	Building Address	SF Leased	Transaction Type	Sector
1	Nyack College	17 Battery Place North	166,385	Relocation	Education
2	HAKS	40 Wall Street	69,916	Expansion and Renewal	Professional Services, Other
3	YMCA Retirement Fund	120 Broadway	52,124	Direct	Nonprofit
4	Hunter Roberts Construction Group	225 Liberty Street	42,032	Renewal/Expansion	Professional Services, Other
5	NYCHSRO/MedReview	199 Water Street	36,985	Renewal	Nonprofit
6	National Futures Association	1 New York Plaza	35,881	Direct	Nonprofit
7	The WeissComm Group	199 Water Street	35,454	Relocation	Professional Services, Other
8	SHoP Architects	233 Broadway	30,508	Direct	Creative Services, Other
9	Loeb Partners Corporation	125 Broad Street	22,928	Direct	FIRE
10	SS+K	88 Pine Street	22,234	Renewal	Creative Services, Advertising

## TOP 15 RELOCATIONS, Q2 2013

Source: CBRE, CoStar, Alliance for Downtown New York

Tenant Name	Building Address	SF Leased	Previous	Sector
Nyack College	17 Battery Place	166,385	Midtown South	Education
The WeissComm Group	199 Water Street	35,454	Midtown South	Professional Services, Other
DKMS Americas	100 Broadway	18,375	Midtown South	Nonprofit
Swanke Hayden Connell	100 Broadway	16,103	Midtown South	Creative Services, Other
Redi Technologies	80 Pine Street	13,427	Jersey City, NJ	FIRE
Paperless Post	115 Broadway	12,530	Midtown South	Technology, Other
Guideposts Magazine	110 William Street	10,800	Midtown South	Nonprofit
Barker DZP	30 Broad Street	9,800	Midtown South	Creative Services, Advertising
Behavioral Ideas Lab	80 Broad Street	9,155	Midtown	Nonprofit
Mobotix	80 Broad Street	7,840	Midtown	Technology, Software Publishing
Artspace	75 Broad Street	6,100	Midtown South	Technology, Other
Carl Fischer Music	48 Wall Street	5,930	Midtown South	Creative Services, Media
Paulson Investment Company	40 Wall Street	5,488	Midtown	FIRE
Dom & Tom	55 Broadway	5,289	Midtown South	Technology, Computer Systems

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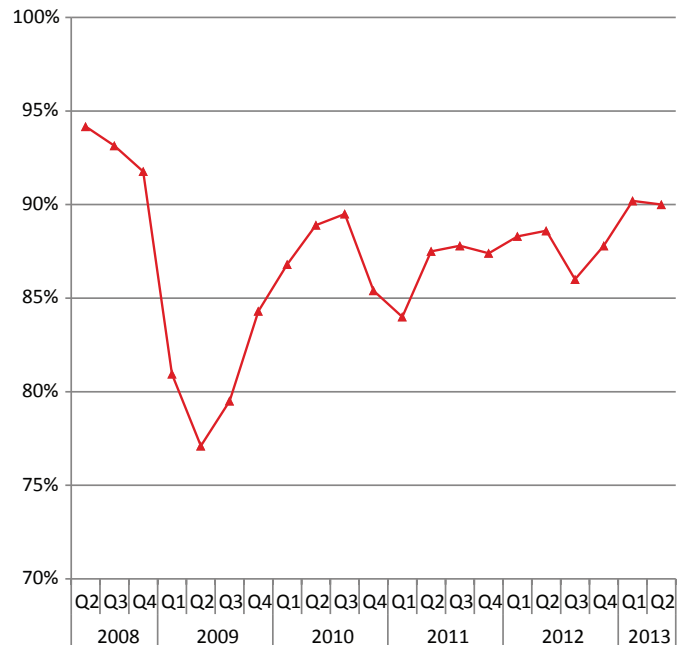
## Rents

Commercial rents increased citywide this quarter, with particularly strong rent growth in Midtown South driving leasing activity to Lower Manhattan. Manhattan-wide overall average asking rents increased 4% over last quarter to \$61.81 largely due to Midtown South's 14% jump over last quarter to an overall average asking rent and 10-year high of \$59.46. In addition, the asking rent for Class A space in Midtown South has now surpassed Class A rents in Midtown, with a 25% quarterly increase to \$75.63, surpassing Class A rents in Midtown.

With these price changes, the Lower Manhattan market maintained its competitive advantage over other markets, with average asking rents \$22 per square foot less than Midtown and \$14 per square foot less than Midtown South. Lower Manhattan's average asking rent did increase 14% over last quarter to an average of \$45.94 per square foot due to the addition of Class A space. Taking rents held steady from last quarter at 90% of asking rents, showing that landlords did not have to enhance concessions to sign deals.

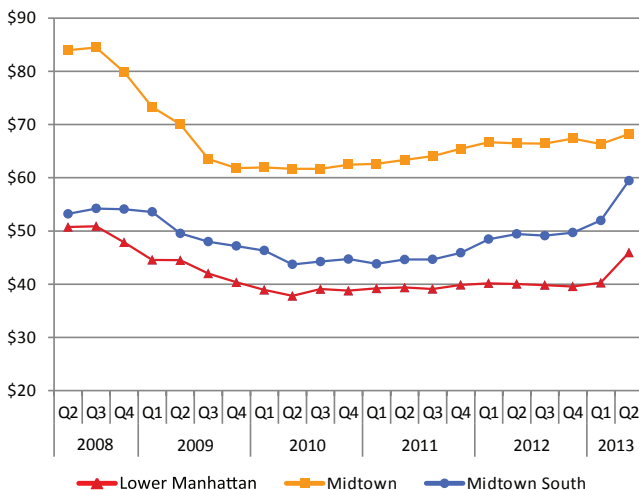
## LOWER MANHATTAN TAKING RENT INDEX

Source: CBRE



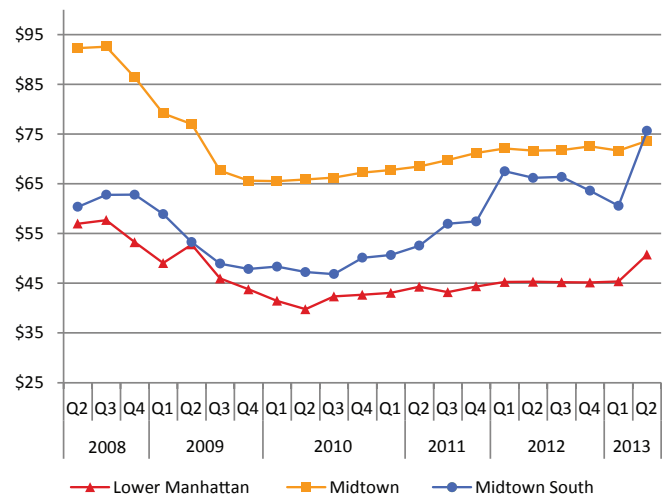
## OVERALL AVERAGE ASKING RENTS

Source: Cushman & Wakefield



## CLASS A RENTS

Source: Cushman & Wakefield



# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

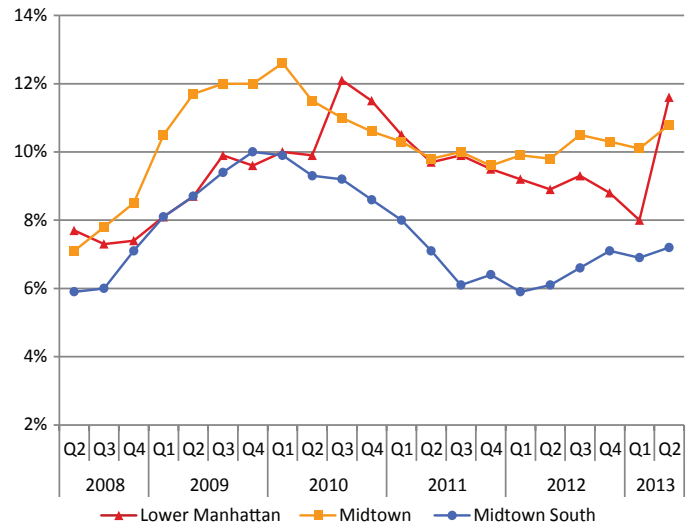
## Vacancy

Despite strong leasing this quarter, the vacancy rate rose to 11.6%, up from 8% last quarter and from 8.9% last year. This increase is largely due to 2.9 million square feet of expiring leases in Class A buildings that will become available within the next six months. As a result, Lower Manhattan's vacancy rate among Class A properties increased to 13.9% from 7.6% last quarter, while the vacancy rates for Class B and C properties remained stable.

Midtown South continues to hold the lowest vacancy rate in the nation at 7.2%, up slightly from 6.9% last quarter and up from 6.1% in the second quarter of 2012. Midtown's vacancy rate was 10.8%, stable over last quarter and up from 9.8% last year.

## TOTAL VACANCY

Source: Cushman & Wakefield



## PROPERTY SALES

Five transactions totaling \$54.9 million took place in the first quarter, with the majority of transfers in retail condominium sales.<sup>1</sup>

### Retail Condominiums

The Howard Hughes Corporation purchased a 4,400 square-foot retail condominium on the ground floor of 117 Beekman Street for \$3.65 million or \$829 per square foot. 117 Beekman Street is a 27-unit residential condominium building and the retail condominium is currently vacant.

A 2,864 square-foot retail condominium at 119-123 Chambers Street sold for \$2.5 million or \$873 per square foot. The retail condominium is currently occupied by Housing Works.

The Klein Group, a New Jersey-based retail investor, purchased a 32,760 square-foot retail condominium at the base of 20 Pine Street for \$19.4 million or \$592 per square foot. The condominium is divided into four spaces, and two are currently occupied by Bright Horizons, a preschool and daycare center, and Manpower, a staffing agency.

A 4,700 square-foot retail condominium was purchased at 41 Murray Street for \$2.45 million or \$521 per square foot.

### Residential

Applied Development Company, a Hoboken, NJ based developer, purchased 87 Chambers Street from CB Developers for \$23.2 million or \$407.20 per square foot. The last approved plan for the development site with approximately 57,000 buildable square feet included 24 condominium units, but the new owners have not released any official plans.

<sup>1</sup> Source of NYC commercial transaction information: Massey Knakal

# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

## RESIDENTIAL

### *Inventory and Development*

Today, Lower Manhattan has an estimated 60,000 residents, and 30,198 residential units in 320 mixed use and residential buildings.<sup>2</sup> The most recent addition to this inventory came in the second quarter with the June opening of 67 Liberty Street, which added 12 condominium units.

The pipeline of residential development in Lower Manhattan includes 2,355 units in eight buildings currently under construction, 376 of those are scheduled for completion in 2013. These soon-to-be completed buildings include The Lara, a 168-unit rental building at 113 Nassau Street, and Warren Lofts, a 12-unit condo building at 37 Warren Street.

Construction also continued at 180 Broadway, which will house 600 students as a Pace University dormitory in fall 2013.

<sup>2</sup> Population estimate includes part-time residents.

Work continues on the interior demolition of 70 Pine Street where the conversion of the former AIG headquarters building will add another 612 rental units by 2014. Fisher Brothers also continues with demolition of the existing building at 22 Thames Street in preparation for the construction of a new 428-unit rental building designed by Rafael Vinoly. Trinity Church has decided to demolish its parish office building at 68-74 Trinity Place and will build a 25-story, mixed-use tower, with an anticipated groundbreaking set for fall 2014 and completion in 2017.

With these developments, the residential population will climb to an estimated 61,000 residents in 2013 and 62,000 in 2014 as development projects increase the total inventory.

## HIGHLIGHTS OF RESIDENTIAL DEVELOPMENT

Source: Alliance for Downtown New York

Address/Building Name	Lease Type	Building Type	Units	Date Open	Status
136 Church Street/Warren Lofts	Condo	Conversion	12	2013	Construction
2 John Street/180 Broadway	Dorm	New Construction	196	2013	Construction
113 Nassau/The Lara	Rental	New Construction	168	2013	Construction
70 Pine/AIG	Rental	Conversion	612	2014	Construction
19 Park Place/Tribeca Royale	Condo	New Construction	24	2014	Construction
33 Beekman	Dorm	New Construction	760	2015	Construction
22 Thames	Rental	New Construction	428	TBD	Construction
87 Chambers Street	Condo	New Construction	17	2014	Construction
233 Broadway/Woolworth Building	Condo	Conversion	40	2015	Planned
12 Warren Street	Condo	New Construction	24	2015	Planned
161 Maiden Lane	Condo	New Construction	80	TBD	Planned
30 Park Place	Hotel/Condo	New Construction	143	TBD	Planned
5 Beekman Street	Hotel/Condo	Conversion	85	TBD	Planned
101 Murray Street	Condo	New Construction	200	TBD	Planned
114-120 Fulton Street	Condo	New Construction	463	TBD	Planned
68-74 Trinity Place	Condo	New Construction	TBD	TBD	Planned

# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

## Sales Market (Combined Condos and Co-ops)<sup>3</sup>

The Manhattan-wide market is experiencing an uptick in demand resulting in record sales pace and rising sales volume, even as inventory levels are reaching historic lows. Similarly, the Lower Manhattan market is very active and the robust demand resulted in Lower Manhattan apartments selling in an average of 150 days, faster than the Manhattan wide average of 178 days.

Lower Manhattan's sales volume jumped 35% over last quarter, reaching a total of 190 sales transacted south of Chambers Street, its highest level in more than a year.

While demand jumped up, the Lower Manhattan market was tempered by modest price increases, trending similarly to Manhattan. The price per square foot averaged \$1,093, increasing 6% from last quarter. The median sales price increased 4% over last quarter to \$905,000, but still above Manhattan's median sales price of \$865,000.

<sup>3</sup> Source of sales market data: Miller Samuel/Douglas Elliman

## Rental Market<sup>4</sup>

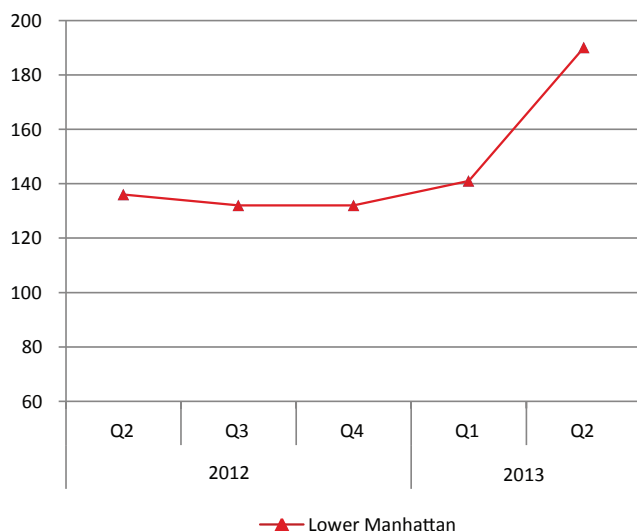
Lower Manhattan's rental market demonstrated steady demand. The vacancy rate dropped to 1.7% even as the number of new listings more than doubled over last quarter to 1,057 rentals, due to the re-introduction of units post-Sandy. The market quickly absorbed as units spent an average of 31 days on the market, only 8 days longer than this time last year and shorter than the Manhattan-wide average of 52 days.

Increases in inventory did not erode pricing as rent remained stable year-over-year. The median rental price was \$3,350, down just 2% year-over-year. Lower Manhattan still maintained a 5% price premium over Manhattan's median rental price of \$3,195 but it narrowed for the second consecutive quarter. Similarly, the average price per square foot was down as well by about 2% year-over-year to \$58.19, but remained above the Manhattan average of \$51.04.

<sup>4</sup> Source of data on rents, market share of rentals, active listings, and days on market : Miller Samuel/Douglas Elliman. Source of vacancy: Citi Habitats

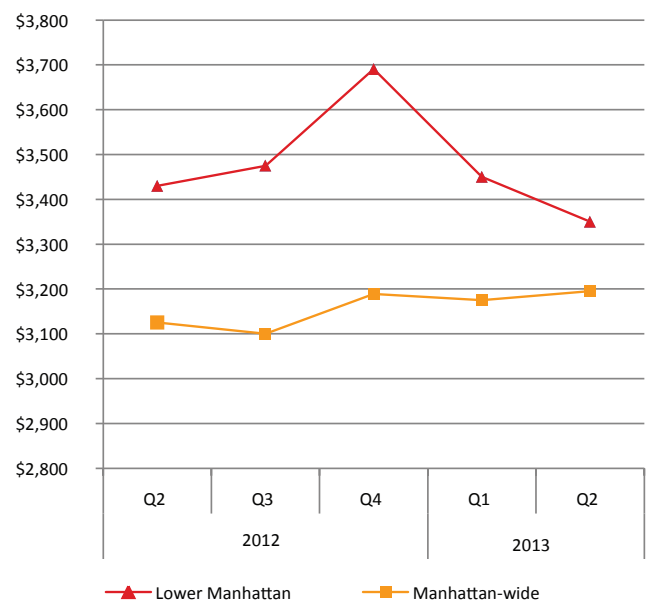
## NUMBER OF SALES IN LOWER MANHATTAN

Source: Miller Samuel/Douglas Elliman



## MEDIAN RENTAL PRICE

Source: Miller Samuel/Douglas Elliman



# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

## HOSPITALITY

### Inventory and Development

Today Lower Manhattan has 4,092 rooms in 18 hotels.

The district's hotel development pipeline remained active this quarter, as construction continued on 10 hotels with a total of 1,994 rooms. One of these, a 65-room Hampton Inn at 32 Pearl Street, is slated to be complete in 2013. An additional 1,597 hotel rooms are scheduled to be complete in 2014, including the world's tallest Holiday Inn at 99 Washington Street and the 113-room Aloft Hotel at 49 Ann Street. Work began this quarter on the conversion of 5 Beekman Street to a 285-room Thompson Hotel. These additions will bring the inventory to 6,495 rooms in 30 hotels in 2015.

Beyond that, three additional hotels are in the planning stages this quarter. McSam Hotel Group announced plans for a 249-room hotel at 6 Water Street with work expected to begin before the end of the year. Silverstein Properties secured financing to develop a 190-room Four Seasons at 30 Park Place, and a 67-room boutique hotel is in the planning stages at the Battery Maritime Building.

### FOUR SEASONS AT 30 PARK PLACE



## HIGHLIGHTS OF HOTEL DEVELOPMENT

Source: Alliance for Downtown New York

Hotel	Location	Floors	Rooms	Year Open	Owner/Developer	Status
Hampton Inn	32 Pearl Street	8	80	2013	Hersha Hospitality Trust	Under Construction
Holiday Inn	99 Washington Street	44	350	2014	McSam Hotel Group	Under Construction
Independent hotel	24-26 John Street	21	95	2014	Duc Construction Corp	Under Construction
Aloft Hotel	49 Ann Street	18	113	2014	107 West Broadway Realty Corp	Under Construction
Fairfield Marriott	161 Front Street	32	200	2014	Lam Group	Under Construction
Marriott Residence Inn	170 Broadway	18	243	2014	Highgate, Crown, Carlyle Group	Under Construction
Four Points by Sheraton	217 Pearl Street/ 6 Platt Street	30	264	2014	Lam Group	Under Construction
Boutique	100 Greenwich Street	26	200	2014	Jiten Hotel Management	Under Construction
TBD	70 Pine Street		132	2014	Rose Associates	Under Construction
Courtyard by Marriott	133 Greenwich Street	27	317	2015	Hidrock Realty	Under Construction
Hilton	6 Water Street	29	249	2015	McSam Hotel Group	Planned
Thompson Hotels	5 Beekman Street/115 Nassau Street	9/46	160	2015	GB Lodging Group	Planned
Boutique	Battery Maritime Building		67	TBD	The Dermot Group	Planned
Four Seasons	30 Park Place	20 (of 60)	190	TBD	Silverstein Properties	Planned



# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

## Occupancy and Room Rates

Lower Manhattan's summer tourism season got off to a robust start showing strong quarterly increases that reached last year's peak and mirrored citywide trends.

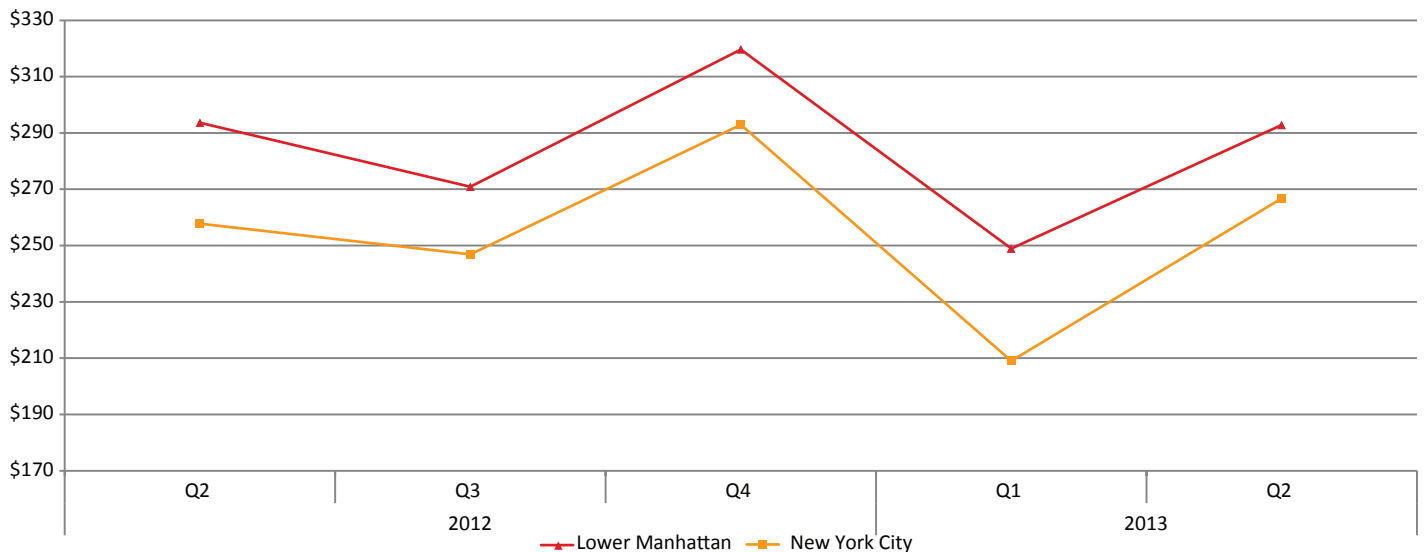
Lower Manhattan's average daily room rate (ADR) was \$293, an 18% jump from last quarter and stable over last year. That ADR was significantly higher than the citywide

average of \$267, which jumped 28% over last quarter and increased 4% over last year.

Lower Manhattan's occupancy rate was a strong 86%, up 18% over last quarter, and down just 1% from this time last year. Notably, Lower Manhattan's occupancy rate was on par with the citywide average of 87%, after two quarters of an uncharacteristic spread between the two, largely the result of Hurricane Sandy.

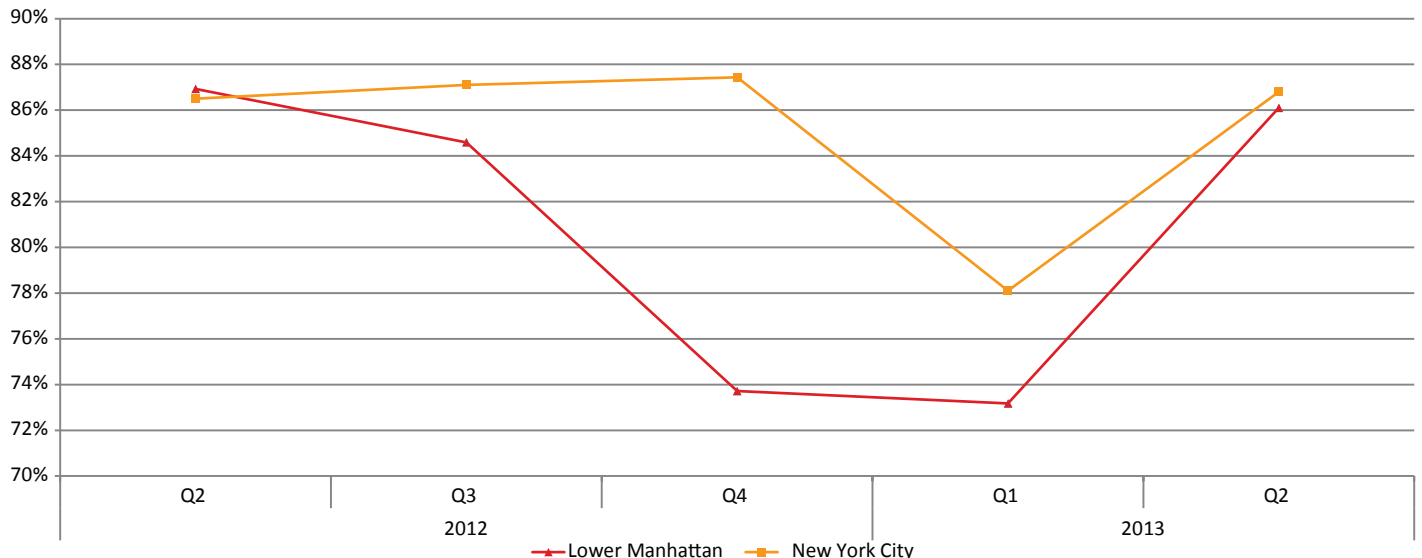
## AVERAGE DAILY ROOM RATE (ADR), Q2 2013

Source: Alliance for Downtown New York



## AVERAGE OCCUPANCY RATE, Q2 2013

Source: Alliance for Downtown New York





## LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

## RETAIL

## Development

Lower Manhattan retail will take a huge step forward in 2014 and 2015 as major capital improvement projects are unveiled. An upgrade and expansion of 200,000 square feet of retail at Brookfield Place (formerly the World Financial Center) is scheduled for completion in 2014. Another 65,000 square feet of commercial space is being developed at Fulton Center for completion in 2014. In 2015, Westfield World Trade will open 350,000 square feet of new retail, dining and entertainment space.

The Howard Hughes Corporation is initiating a major redevelopment initiative to transform the Seaport. The first phase will commence this October with the closure of Pier 17 to clear way for the development of 365,000 square feet of retail, dining, entertainment, and open space. Later developments will include a remodel and reuse of the existing Link and Tin Buildings to incorporate a specialty food market.

Across the street from Pier 17, on the historic cobblestone section of the Seaport, the Howard Hughes Corporation launched SEE/CHANGE in May, an interim summer program designed to promote activity in the Seaport during post-Sandy recovery and upcoming construction at Pier 17. Programming features an outdoor film series and retail, culinary, and cultural offerings. Smorgasbar, a spin-off of Brooklyn Flea, opened along Front Street to include a collection of local food and beverage purveyors. Pop-up retailers include Pinkberry, Magnolia Bakery, and Pain D'Avignon.

### **Retail Market**

Retail momentum continued this quarter with 23 new retailers, 30% more than this time last year. These openings include 19 bars and restaurants and 4 new stores and storefront services. Several more are expected to open soon.

Several Manhattan restaurants and quick-service eateries opened in Lower Manhattan including:

- Mulberry & Vine, a quick-service restaurant serving locally-sourced and organic fare, opened its first restaurant at 73 Warren Street;
- Clarke's Standard, a hamburger quick service restaurant, opened its first in Lower Manhattan, located at 101 Maiden Lane;
- Shorty's Cheesesteaks opened its first Lower Manhattan location at 62 Pearl Street, serving the famous Philadelphia sandwiches;
- Morton's Steakhouse finalized work during the second quarter to open in July in the Club Quarters Hotel at 136 Washington Street;


## PIER 17




## SEE/CHANGE AT THE SOUTH STREET SEAPORT

**STH/ST/SEARP/NYC**

# SEE/CHANGE ONE FILM AT A TIME FRONT/ROW CINEMA



<b>WEEKLY ALL SUMMER</b> <b>SHOWTIME:</b> SUNSET / 8PM		Saturday JUNE ☺ <b>BABE</b>	Saturday JUNE ☺ <b>CASABLANCA</b>	Saturday JULY ☺ <b>BREAKING AWAY</b>	Wednesday JULY ☺ <b>ICE AGE</b>
Saturday JULY ☺ <b>HEAVEN CAN WAIT</b>	Wednesday JULY ☺ <b>GHOST - BUSTERS</b>	Saturday JULY ☺ <b>BUTCH CASSIDY AND THE SUN - DANCE KID</b>	Wednesday JULY ☺ <b>FINDING NEMO</b>	Saturday JULY ☺ <b>WORKING GIRL</b>	Wednesday JULY ☺ <b>STAR TREK (2009)</b>
Saturday AUGUST ☺ <b>THE MUPPETS</b>	Wednesday AUGUST ☺ <b>YOUNG FRANKENSTEIN</b>	Saturday AUGUST ☺ <b>HUGO</b>	Wednesday AUGUST ☺ <b>THE AM AZING SPIDER-MAN</b>	Saturday AUGUST ☺ <b>CHICAGO</b>	Wednesday AUGUST ☺ <b>BACK TO THE FUTURE</b>
Saturday AUGUST ☺ <b>GI GI</b>	Wednesday AUGUST ☺ <b>THE AVIATOR</b>	Saturday AUGUST ☺ <b>CLOSE ENCOUNTERS OF THE THIRD KIND</b>	Wednesday SEPTEMBER ☺ <b>LIFE OF PI</b>	Saturday SEPTEMBER ☺ <b>UP</b>	 <a href="#">#SEECHANGENY</a>

# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

- Bill's Bar and Burger, a sit-down hamburger restaurant, finalized work during the second quarter to open in July in the New York Marriott Downtown at 85 West Street. This is BR Guest Hospitality Founder and CEO Stephen Hanson's entry into the Lower Manhattan restaurant scene; and
- Watermark Bar and Lounge, Lower Manhattan's newest restaurant and cocktail bar, opened at 78 South Street on the brand new Pier 15. The bar offers indoor and outdoor seating with expansive views of the East River, South Street Seaport, and the Brooklyn Bridge, and serves burgers, hot dogs, and lobster rolls.

Several major re-openings post-Sandy were announced in the Seaport Area. Abercrombie & Fitch, Superdry, and Local Charm reopened in early July at 199 Water Street. In addition, the Durst Organization announced that retailers on Historic Front Street could return to their spaces in early July. Eleven of the original 12 tenants including Jack's Coffee Shop, Aphrodite Cleaners, Il Brigante, Dr. Bobby Buka Dermatology, and Stella Manhattan Bistro will be re-opening.

The coming months will bring even more new retailers to the Lower Manhattan market. Retailers and restaurants coming soon include:

- Planet Fitness planning to open its seventh Manhattan location and first Lower Manhattan location at 25 Broadway by the first week of September;
- Open Kitchen, a gourmet coffee shop and market, will open at 15 William Street;
- Urban Outfitters, plans to open its first Lower Manhattan location this fall, at 180 Broadway; and
- Brookfield has announced that the following retailers have signed leases for the Brookfield Place retail redevelopment opening in 2014: Hermes, Michael Kors, Burberry, Calypso St. Barth, Equinox gym, and a major culinary market operated by restaurateur Peter Poulakakos.

## WATERMARK BAR & LOUNGE, PIER 15



## JACK'S COFFEE





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## REBUILDING AND MAJOR CAPITAL IMPROVEMENT PROGRESS

### ***World Trade Center***

One World Trade Center is now in the final stages of exterior completion. The final roof steel, parapet, and the spire were finished in May 2013 and façade installation is done except where the exterior hoist is installed. Construction will be complete in early 2014 when tenant fit-out will begin. The building is currently 55% leased by Conde Nast, Beijing Vantone China Center, and the US General Service Administration. In addition, Legends Hospitality will operate the 120,000-square-foot observation facility on floors 100, 101 and 102, which will include food and dining operations, a viewing deck, as well as a video area on the construction and history of the World Trade Center.

In July 2013, Silverstein Properties reached a leasing milestone at Three World Trade Center, signing a term sheet with Group M, a division of branding and communications giant WPP, which plans to take 500,000 square feet—or about 35% of the building—for 20 years. Group M plans to move over 3,000 employees from two Midtown locations to 3 WTC in 2017. Once final, the deal would more than satisfy pre-leasing requirements that trigger public and private financing to allow construction of the office space to commence.

Meanwhile, Four World Trade Center nears completion. The building topped out in 2012 at a final height of 72 stories, and curtain wall installation was finished in May 2013. The building is scheduled for completion in October 2013. The Port Authority will take approximately 50% of the building.

The 9/11 Memorial Museum resumed construction in the fall and is scheduled to open in spring 2014. The 110,000-square-foot museum will have its primary exhibition space within the original footprints of the Twin Towers. Meanwhile, the 9/11 Memorial has welcomed more than 9 million visitors since it opened in September 2011.

The steel frame that will encompass the monumental entrance to the World Trade Center Transportation Hub and retail concourse is now completely visible from the street, reminding passersby of the scale of the hub that will serve as a centerpiece of the World Trade Center site and a major

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### **FOUR WORLD TRADE CENTER**



Source: Joe Woolhead courtesy of Silverstein Properties Incorporated

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### **WORLD TRADE CENTER TRANSPORTATION HUB**



# LOWER MANHATTAN REAL ESTATE MARKET OVERVIEW

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infrastructure addition to New York City. The Transportation Hub will house the PATH station and connect underground to the Fulton Center on the east, Brookfield Place on the west, and to retail in and around the hub. Completion is slated for 2015.

## **Fulton Center**

The MTA's Fulton Center is nearing completion with significant progress visible above and below ground. Glass installation on the main building is complete and the construction of a new entrance at 150 William Street is scheduled to be complete in July 2013. The exterior and interior restoration of the 19th Century Corbin Building is now complete and street-level entrances and escalators are scheduled to open soon. The entire project is on track for completion in June 2014.

## **Pier 17 Redevelopment**

The Howard Hughes Corporation will begin redevelopment of Pier 17 on October 1st with existing tenants occupying their space until September 9th. Plans include 365,000 square feet of retail, dining, and entertainment space, as well as a new food market in the Pier 17 building and another 10,000-square-foot food market in a future development of the Link and Tin Buildings, both of which will be open seven days a week and highlight regional purveyors.

## **East River Waterfront Esplanade**

Phase II of the East River Waterfront Esplanade was completed in March 2013. This phase extended from the Battery Maritime Building at Broad Street to Old Slip, near

Pier 11. This portion of the project included a widening of the Esplanade to have a separate bikeway and walkway, in addition to planters and seating. The Maiden Lane Pavilion, scheduled to open in late 2013 will include a full-service Merchants Hospitality restaurant, while the John Street Service Building will include public restrooms and a small retail space. This completes work south of Fulton Street while the next phase of the project will extend north of Pike Street to Pier 35, schedule to be completed fall 2013.

## **Fulton Street Reconstruction**

The reconstruction of Fulton Street, which began in 2009, is nearing completion. The project replaced all underground utilities, including water mains, sewers, electric, and gas. The effort also included construction of new streets, curbs, and sidewalks, as well as installation of new signage and lighting. The last section, from Pearl to Water Street, will be under construction through late 2013.

## **Broadway Reconstruction**

The NYC Department of Design and Construction (DDC) has launched a \$42 million capital reconstruction of Broadway, from Ann Street to Rector Street. This project will replace all underground infrastructure, including water mains, sewers, electric, gas, and other utilities, as well as construct new streets and curbs. Work is expected to begin on Phase One from August 2013 to December 2013 between Rector and Pine Street, with crews focusing on two blocks at a time, moving northward on the west side, then southward on the east side. The full project is scheduled to be finished in 2017.

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Visit [WWW.DOWNTOWNNY.COM/RESEARCH](http://WWW.DOWNTOWNNY.COM/RESEARCH) for additional publications on the Lower Manhattan real estate market and economy. Documents include a complete list of residential and hotel developments, available retail spaces, a summary of leasing incentives, and *Back to Business: The State of Lower Manhattan Four Months After Hurricane Sandy*, a report on the impact of Hurricane Sandy on Lower Manhattan and the district's swift and remarkable progress toward recovery.

If you have questions or require additional information, please contact [RESEARCH@DOWNTOWNNY.COM](mailto:RESEARCH@DOWNTOWNNY.COM).

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