

## Real estate giant the Related Companies breaks ground on first residential tower at Hudson Yards

Real estate giant the Related Companies is getting started on the first of its skyline-altering residential towers at Hudson Yards, even as rumblings about a potential glut in the high-end condo market reach fever pitch.

The company has broken ground on a slimline 70-story skyscraper at 15 Hudson Yards, the Daily News has learned.

It will be the first of several residential towers at the \$20 billion megaproject, which will comprise 16 skyscrapers at the site of the West Side rail yard in the West 30s. Construction on the new urban metropolis began two years ago, today.

Related's is certainly not the first residential tower to go up in the neighborhood around Hudson Yards. A slew of developers has already ridden on the coat tails of the company's efforts, bringing thousands of new condo units to the once industrial neighborhood.

But Related vice president Michael Samuelian says the company's tower is going to be bigger — and better — than those of its competitors.

Jeff Bachner / for New York Daily News

"If you go back 100 years, no one ever imagined that Park Ave. would be what it is today," he said. "This is the next Park Ave."

The new cylindrical-shaped 960,000-square-foot building, designed by Diller Scofidio + Renfro and Rockwell Group, will stand 910 feet tall and have approximately 385 homes, some rental and some condo. It will be directly adjacent to the High Line and connect to the Culture Shed, the new performance venue slated to host New York City's Fashion Week.

The property is slated for completion in 2018.

Related is also firing on all cylinders on its new office towers two years in, despite

mixed views on the future of office leasing in Manhattan.

Jeff Bachner / for New York Daily News

Experts have cautioned that, with more than 14 million square feet of office space slated to hit the Manhattan market before 2020, and flagging demand from tenants, landlords could have a lot of empty space on their hands.

"There's no office space glut in New York City," Samuelian said, definitively. "In fact, the supply of office space in New York is actually shrinking as lots of office buildings get converted to condominiums."

Stil, Related appears to be taking a more cautious approach to development than some of its peers, such as World Trade Center developer Larry Silverstein. It's waiting until tenants have committed to moving into its towers before it starts building them.

"Our first building was 85% committed before we put a shovel in the ground," Samuelian said. "We're not of the mindset of 'If we build it, they will come.' We're building it when they're already there."

Hudson Yards' first office tower, 10 Hudson Yards, has reached a third of its final height and is expected to top out next summer, a spokesperson for Related said. It will ultimately be 52 stories tall.

The building is co-owned by fashion retailer Coach, which plans to move its offices to the tower once it's completed. A portion of the retail space will be home to Neiman Marcus' first New York City department store.

The entire Hudson Yards project is expected to be completed by 2024.