

# New York Power Developers Talk Luxury Real Estate News Pt. 1

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## REDEFINING THE CITY: JEFF BLAU

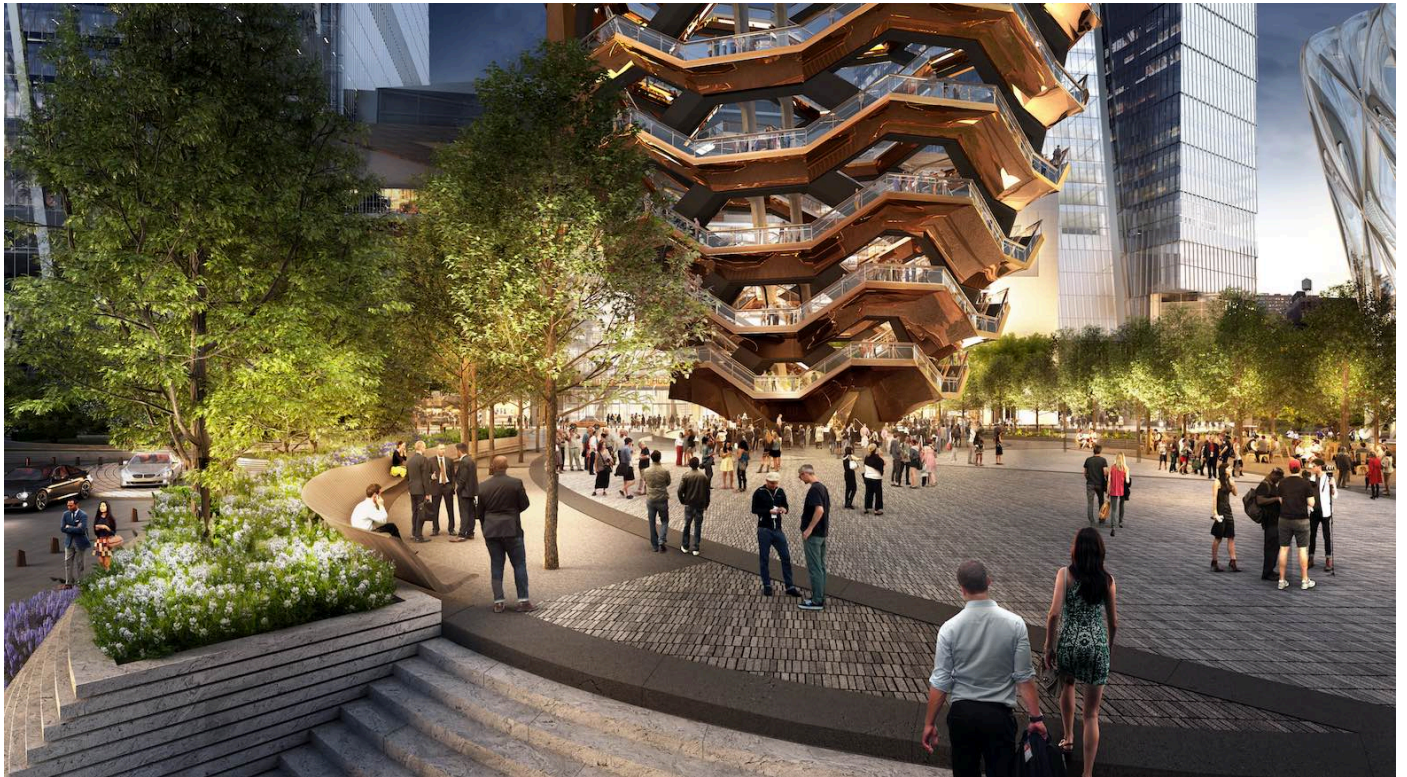


Photo Credit: VisualHouse-NelsonByrd

[Jeff Blau](#) is chief executive officer and a partner at Related Companies, one of the country's largest private real estate development firms. He has overseen more than \$20 billion of new developments in virtually every sector of the industry.

**Tell us about your latest project and what makes it unique in the hyper-competitive New York market.**

Hudson Yards is unlike any other development in the country. Spread across 28 acres on the West Side of Manhattan, it presented us with a unique opportunity to build a whole new neighborhood from the ground up. And because we are building from scratch, we've been able to bring to market a residential offering that can't be found anywhere else in the world. We know that people want to live and work in a true mixed-use community that has something for everyone. They want all elements of their lifestyle right at their doorstep. That is exactly what you will find at Hudson Yards. So whether you want to shop in the city's first Neiman Marcus, eat in a different restaurant every week, work out, hit the spa, or spend time outdoors, Hudson Yards will have something for you.

**There's been a softening of very high-end residential sales this**

**year. Will this continue or do you predict an uptick?**

There will always be cycles in the residential market. That's why, as a developer, it is so important to have a diverse mix of residences on the market at any point in time. People go through a lot of stages in their lives—they upsize, downsize, own, rent, and then own again—and we want to have properties on the market that fit whatever life scenario they may be experiencing. That's why 15 Hudson Yards was built with such a diverse array of floor plans and price points. For example, we have two-bedroom layouts that range from 1,400 to 2,400 square feet.



**Foreign money has fueled the New York real estate market for the last five or so years. Do you think this will continue? Any untapped foreign markets you're looking into?**

As we continue to develop large-scale, mixed-use projects, we'll have to look to a variety of funding sources to make it happen. When all is said and done, Hudson Yards will be a \$25 billion development. The real question is, what market are we not looking at for capital!

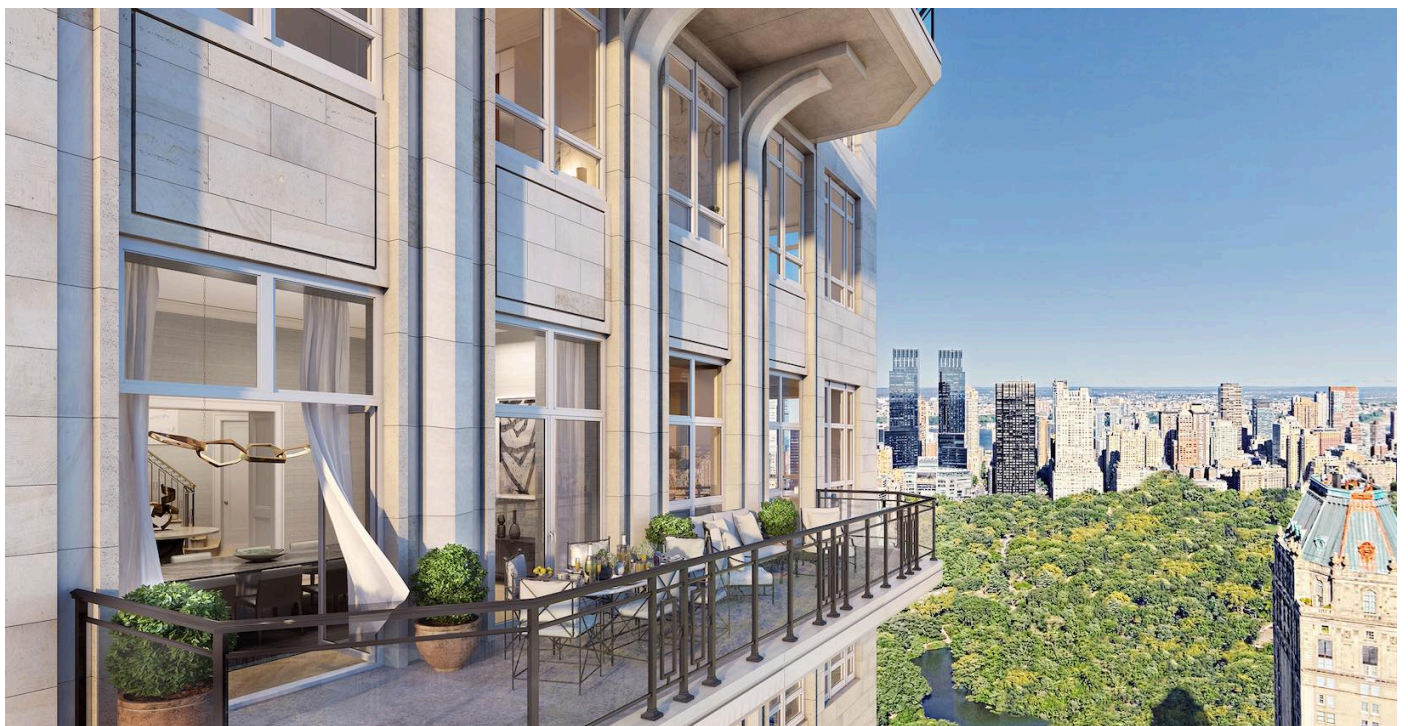
**What do you predict will be the next hot area in residential real estate, even if it's a long-established neighborhood that becomes newly popular?**

If you had asked me ten years ago to name the most popular neighborhood, I would have said the Upper East Side. But today, we are seeing a huge migration in Manhattan to the west and south. People want to live and work in thriving around-the-clock neighborhoods, and that is why we are investing so heavily in the West Side of Manhattan, particularly in the Hudson Yards and Chelsea neighborhoods.

**What types of high-end properties do you feel will see the greatest appreciation in the next several years, and where will they be located?**

Any property that is in a true 24/7 neighborhood with a lot of amenities and open, green spaces will see the greatest appreciation over the next few years. Our cities are no longer places where people just come to work, or places where only young single people want to be. Over the last decade, we have experienced an influx of families and older adults moving into our residential buildings. People want to stay in the city.

**A NEW STANDARD OF LUXURY: WILLIAM AND ARTHUR ZECKENDORF**



Brothers Arthur and William Zeckendorf, principals of Zeckendorf Development LLC, have developed more than \$4 billion worth of property, including 15 Central Park West, which has been called the most powerful address in the world. They, along with partners Global Holdings and Park Sixty LLC, bring their special form of modern luxury to [520 Park Avenue](#), which is expected to be completed in 2018 and is already setting sales records in the city.

**Tell us about your latest project and what makes it unique in the hyper-competitive New York market.**

“520 Park Avenue is defined by three simple components—location, privacy, and exclusivity,” say Arthur and William Zeckendorf. “After we built 15 Central Park West, we wanted to create a similar iconic limestone residence for the Upper East Side. The successful collaboration between Zeckendorf Development and Robert A. M. Stern continues to definitively raise the expectation of luxury. (Stern Architects is designing both the exterior and interiors of the 800-foot-tall building, which will have 54 floors.) The balconies complement what are already the best floorplans in the market, allowing residents to be right on the doorstep of Central Park. They add another human element to the fully residential tower and again raise the level of luxury living in the 21st-century.”



Photo Credit: Jessica Nash

### **On the New York market:**

At *Haute Living's* Real Estate Summit, William Zeckendorf said he believed that “85 percent of the market is New York driven, coming from the tristate area, and 15 percent from overseas. That’s been the number I’ve seen for as long as I can remember.” As to why people choose New York, Zeckendorf added, “There’s maybe no other city in the United States or the world that has such an infrastructure of hospitals, museums, cultural institutions, universities.”

**MARKET MAKER: ZIEL FELDMAN**



The penthouse at 505 West 19th Street, a project designed by Thomas Juul-Hansen.

[Ziel Feldman](#) is chairman and founder of HFZ Capital Group, a Manhattan-based real estate investment and development company noted for such high-profile residential buildings as The Marquand, One Madison, and The Astor, as well as for top commercial and hospitality projects.

**Tell us about your latest projects and what makes them unique in the hyper-competitive New York market?**

We are excited about West Chelsea, where we just finished developing 505 West 19th Street, designed by architect Thomas Juul-Hansen. It has been celebrated in a number of publications and sits prominently on West Chelsea's Architectural Mile with some of the city's most important new buildings. Currently, we are developing 76 Eleventh Avenue, a full square block between the High Line and the Hudson River. It will be a 900,000-square-foot, mixed-use project featuring hotel, residential, retail, and office space designed by Bjarke Ingels, and we don't think there will be anything like it in all of downtown Manhattan.

**There's been a softening of very high-end residential sales this year. Will this continue or do you predict an uptick?**

Well-priced units in unsaturated locations continue to sell well. We anticipate this to continue as turmoil in markets across the globe drives capital into Manhattan. The softening has been exaggerated, as it is specific to certain neighborhoods and product types.



Ziel Feldman, chairman and founder  
of HFZ Capital Group.

**Foreign money has fueled the New York real estate market for the last five or so years. Will it going forward?**

Yes, as the U.S. continues to be considered the most stable and secure country in the world, the money will continue to come here. With the uncertainty created by Brexit, we are expecting capital to flow in from Asia, England, and other parts of Europe to the U.S.

**What do you predict will be the next hot area in residential real estate, even if it's an established neighborhood that becomes newly popular?**

We believe in West Chelsea. It's already the nexus of art, culture, technology, and cuisine, but as the High Line is completed and the piers are redeveloped, more development will take place. It's only going to get better.

**What types of high-end properties do you feel will see the greatest appreciation in the next several years, and where will they be located?**

Anything that falls into the "attainable luxury" category of between \$2,000 and \$4,000 per square foot.

## ON TOP OF THE WORLD: KENNETH S. HORN



The indoor pool at the Woolworth Tower Residences

Photo Credit: Williams New York

Kenneth Horn is president of Alchemy Properties. Since starting Alchemy, Horn has been directly responsible for the strategic development, construction, and conversion of more than 3,000 apartments in the New York area. His trophy properties include the Woolworth Tower Residences, 35XV, and the NOMA.

**Tell us about your latest project and what makes it unique in the hyper-competitive New York market.**

The Woolworth Tower Residences sit atop the iconic Woolworth Building, a New York City landmark and once the tallest building in the world. This is a one-of-a-kind opportunity to own a piece of history. Residential floors begin at 400 feet in the air and go up to over 790 feet, so theoretically every residence is a penthouse with phenomenal views.

**There's been a softening of very high-end residential sales this year. Will this continue or do you predict an uptick?**

Residences that are priced at \$5,000 per square foot and above will likely continue to remain soft in the market. To the best of my knowledge, approximately 200 of these units are along the 57th Street corridor. Homes that are priced in the \$2,000- to \$3,000-per-square-foot range, however, should continue to remain strong, since the ability to develop condominiums in 2016, 2017, and 2018 will (likely) recede as equity sources and debt become harder to secure.



Kenneth Horn, president of Alchemy Properties

**What do you predict will be the next hot area in residential real estate, even if it's a long-established neighborhood that becomes newly popular?**

The northwest portion of the NoMAD neighborhood is changing dramatically with the development of our new condominium building, the NOMA, located at 50 West 30th Street. Five years ago it was a very different area, but now retail is thriving and new restaurants are opening on a weekly basis. The highly anticipated Virgin Hotel is also set to open on Broadway between 29th and 30th streets.

**What types of high-end properties do you feel will see the greatest**

**appreciation in the next several years, and where will they be located?**

In areas where there is a scarcity of product such as the Upper West Side, the potential for sales prices and desirability for that product tends to escalate. We are developing a new condominium on West 81st Street between West End Avenue and Broadway that will come to market in 2017. We believe that this neighborhood will continue to appreciate due to the ongoing demand.