

# MANSSION GLOBAL

## ‘Cities Within Cities’ Attract Top Talent, Say Developers

Live-work-shop developments are becoming more popular

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Some New York City developers think they have a solution to the fickle nature of millennial employees, who flit from job to job much to the consternation of companies.

Their answer is to build amenity-packed “cities within cities,” developers said during a conference at The Pierre Hotel in Manhattan on Thursday, hosted by New York University’s Schack Institute of Real Estate.

Young talent don’t just want a job in the big city, they want a community—a place where they can live, play and eventually settle, all within minutes of work. That’s at least the pitch to CEOs from developers like Related Companies, who are behind the microcity Hudson Yards in West Chelsea, and LeFrak, which built the Newport riverfront community in Jersey City.

“The No. 1 concern for CEOs unanimously across the board is how do they attract and retain talent,” said Jeff Blau, CEO of Related. “We suddenly realized that real estate could really be used for that purpose.”

“Real estate can anchor talent retention,” Mr. Blau said.

Hudson Yards sits on 28 acres of land at the western edge of Manhattan and includes 1 million square feet of retail, including 100 shops and 16 restaurants. It will have a park and plaza, office towers and around 4,000 residences. Work has started or completed on more than two-dozen buildings, with the project about 50% done and slated to be finished by 2025, according to the development’s website.

A number of work-play-shop hubs have also opened in Brooklyn in recent years, including Industry City in Sunset Park, which hosts the Brooklyn Nets’ official practice courts, offices for Time Inc., a gym and a 40,000-square-foot food court, to scratch the surface. There’s also Brooklyn Navy Yard, a industrial park of 330 businesses sitting right beside trendy Williamsburg.

The World Trade Center complex, which includes a recently opened shopping space and a massive transit hub, doesn't include residential, but has nevertheless helped fuel the work-live neighborhood growing rapidly in downtown Manhattan.

"When you look at where all the millennials and all the 24-35-years-olds—and that's sort of the richest pool of where these employers want to get their staff from—you see the growing neighborhoods of the waterfront of New Jersey, the waterfront of Brooklyn and downtown from Chelsea to the tip of Manhattan," said Marty Burger, CEO of Silverstein Properties, which has led construction of the World Trade Center.

The LeFrak Organization used the work-live concept to attract major fintech companies and their employees across the river to Jersey City's Newport community, a mixed-use, 1.5-mile stretch along the Hudson Riverfront that includes residential, office, retail and hospitality.



"We have a lot of fintech," said Richard LeFrak, chairman and CEO of LeFrak. "That's about talent, that's about human resources and will your employees be attracted to that location? If you create a big enough core of activities, then it makes it a little bit easier."

As a result, Newport now has a greater percentage of college graduates than Princeton, New Jersey, Mr. LeFrak said. Census data shows that 84% of people living in Newport's zip code have a bachelor's degree or higher, while zip codes in Princeton range from the low to high 70s.

The median household income in Newport is now over \$152,000, while the national average is closer to \$52,000. By comparison, Manhattan's median annual household income is roughly \$65,000, and \$72,600 in the state of New Jersey.

And the evolution of these developments into family neighborhoods offers some evidence that residents are settling in for the long haul. While it's too soon to tell for Hudson Yards, the World Trade Center neighborhood and Newport have seen an explosion of children, developers said.

"Now when I go out there, there's like a phalanx of baby carriages," said Mr. LeFrak, whose company is preparing to build its second school in the Newport development, which is home to 1,500 school-age children.