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Diamond District Tower Begins Its Rise

By Eliot Brown



Back in December, Extell Development vowed it would move forward with its long-planned International Gem Tower, taking the unusual step of starting construction before securing a construction loan. Now, after months of inactivity at the site, it seems the real-estate firm is staying true to its word.

Workers could be seen Wednesday erecting steel to form the 34-story tower's base, the first step that kicks off so-called vertical construction. That makes the property on 47th Street—in the Diamond District between Fifth and Sixth Avenues— one of just two sites in the city home to large office building construction. The other is the World Trade Center, where two towers are going up.

Raizy Haas, senior vice president at Extell, said the tower, which is aimed at the diamond industry, should be ready for delivery by the end of 2012.

The start of construction comes as Haas said the firm had signed more than 40,000 square feet of new commitments. Those taking the new space include Antwerp-based diamond firm Eurostar and the Gemological Institute of America, which bought a new floor in addition to the one it owned, according to Extell.

That means Extell still has roughly three quarters of the tower left to fill. The firm is selling it in phases, and are now marketing units in the base. And the company lacks a construction loan amid a tough lending environment.

Still, Haas voiced optimism for the project. "The real-estate market is improving, the jewelry market is improving," she said.