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REAL ESTATE AND DEVELOPMENT

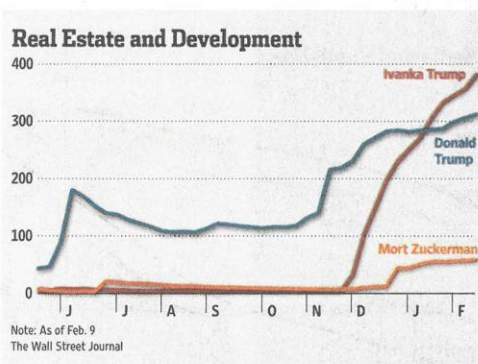
On the Rise With High Rises

New York is by some measures not much to look at: It doesn't have mountains or many trees and its bodies of water can be called neither blue nor sparkling. Instead, its greatest natural resource is its buildings, an eccentric hodgepodge mostly from the 20th century that's rapidly being re-made for this one.

As a consequence, the city's developers enjoy unlikely celebrity status. Indeed, as the real-estate market lurches back from the recession, some old stars are plotting comebacks even as new ones emerge.

Harry Macklowe, one of the developers hit hardest by the downturn, is helping to develop a 1,395-foot-high tower at 432 Park Ave., in what could be the most ambitious project of his career. But he'll compete for attention with a relative newcomer, Extell Development Co.'s Gary Barnett, whose One57 has made headlines with a penthouse now in contract for more than \$90 million.

Indeed, not since Robert Moses has real estate played a more prominent role in city politics. More than a third of the city has been rezoned under Mayor Michael Bloomberg, as his planners create new



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neighborhoods that serve as blank canvases for developers.

Downtown, Larry Silverstein has been a relentless cheerleader for rebuilding the neighborhood decimated on Sept. 11, 2001—even when the prospect of filling millions of square feet of new office space in a down market has seemed dim. Now, he could be close to doing his

first big private-sector lease on the site, with GroupM at 3 World Trade Center.

Meanwhile, at downtown's rival office neighborhood, Hudson Yards, on the Far West Side, the first building broke ground in December, at a ceremony where developer Stephen Ross beamed, flanked by the city's heavyweights in business

and politics. This year, as construction gets fully under way, he will continue to sell his vision for the neighborhood to prospective office tenants.

Not all of the city's transformation has been as ambitious as some might have hoped. The Brooklyn skyline is taking shape, but with nearly identical glass towers that lack an architectural daring that might better represent the hip borough. Arguably, only one Brooklyn developer enjoys celebrity status: Two Trees Management, which created a neighborhood in Dumbo and wants to do so again soon at the Domino Sugar factory in Williamsburg.

It hasn't been just new projects that are making headlines: In November, even the Empire State Building got a makeover, when the owners installed a new LED light system whose millions of colors can ripple, cross-fade, strobe and burst in time to the tunes of Alicia Keys or a special New Year's show.

This can be seen to represent the allure of real estate in a city composed almost entirely of brick and concrete and stainless steel that is nonetheless constantly in motion.

—Laura Kusisto