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<http://www.constructiondive.com/news/related-partnering-with-former-ny-gov-spitzer-on-hudson-yards-development/435426/>

Related partnering with former NY Gov. Spitzer on Hudson Yards development



By Kim Slowey

Dive Brief:

- Former New York Gov. Eliot Spitzer and the Related companies are planning a 1.4 million-square-foot mixed-use development a block away from Related's Hudson Yards project, according to Crain's New York.
- The first phase of the project is a 415,000-square-foot building with 75,000 square feet of retail and office space, topped by 400 apartments. Plans for a 950,000-square-foot office high-rise are in the works for the second phase.
- The project sits in the special Hudson Yards district, which requires the commercial portion of large mixed-use projects to be built first, but Spitzer and Related have asked the city for permission to build out the residential portion first in order to meet the demand for housing in the area.

Dive Insight:

Existing zoning allows construction of only 100,000 square feet of residential space in advance of the commercial component in a project like the two developers are proposing — a rule that harkens back to a time when the area lacked commercial development. Spitzer and Related want to build more than 340,000 square feet of residential in the first phase, arguing that, because there is plenty of commercial activity in the area now, they want to respond to needs in the residential market.

The Hudson Yards development is helping drive Manhattan's building boom, which includes both commercial and residential projects. An [Appleseed study last year](#) found that the Hudson Yards project will contribute \$19 billion to New York City's economy by the time the development is complete.

The New York Building Congress predicts that [construction spending will hit \\$127.5 billion](#) by the end of 2018 and \$42.1 billion in 2017 alone. Unlike previous booms, the NYBC reported, private developers rather than government spending are driving the activity. Office space alone is projected to increase by 11 million square feet between 2016 and 2018, thanks to projects like the \$25 billion Hudson Yards and the [\\$3 billion One Vanderbilt](#) project next to Grand Central Station.