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## Manhattan office construction to hit 25-year high by 2015

*Developers expected to build 9 million square feet over the next two years*

By Tom DiChristopher



*From left: Manhattan West, Hudson Yards and One World Trade Center*

Manhattan will see office space increase by 9 million square feet in the three years between 2013 and 2015, according to a new report from the New York Building Congress. That would be the fastest pace of development since 1990.

Roughly two-thirds of that construction is slated for downtown, with the World Trade Center leading the way. In the following three years, the Building Congress expects developers to create another 10 million square feet. Between 2016 and 2018, 30 Hudson Yards, 1 Manhattan West, 2 and 3 World Trade Center will contribute significantly to the build-out.

The pace of construction will help drive growth in office space over the decade ending in 2019 to 24.4 million square feet. That compares with [19.4 million square feet in the preceding decade](#) and 10.7 million square feet back in the 1990s.

But the office market does face some headwinds, Richard Anderson, Building Congress president, told Crain's. While total office employment has hit a record 1.8 million jobs, more people are leaving offices than moving in. Industries that traditionally demand more space, such as finance, insurance and communications, are not adding as many jobs as those with smaller footprints.

Construction financing is also [flowing less freely than it was during the boom years](#), a trend which favors experienced developers with greater equity and non-union builders. New York City will need to continue adding about 20,000 jobs per year in order to maintain demand and prevent vacancy rates from creeping higher, according to the report. [\[Crain's\]](#)