

July 13, 2016 – **DOUGLASTON DEVELOPMENT IN THE NEWS** – By Zachary Kussin

Giant, 1,000-Apartment Buildings Are Taking Over NYC



761 rentals! A skybridge connects the two towers of the massive American Copper Buildings, rising on First Avenue and East 36th Street. The project is slated to open this fall.

Bigger is better — even when it comes to New York City’s residential buildings.

Since 2008, the twin tops of the 1,359-unit Silver Towers rental have punctuated the sky above Midtown. In Queens, jumbo-sized Linc LIC leased out all of its 709 apartments two years ago.

But now, the city has reached a tipping point. More than 10 colossal rentals with 500-plus units — several housing more than 900 apartments — either just opened or are in the development pipeline.

Here are just a few.

The fall-opening American Copper Buildings at 626 First Ave. in Murray Hill, a pair of swooping structures connected by a skybridge, have 761 units. (One of its architects, from the prominent firm SHoP, once likened the design to Beyoncé and Jay Z dancing.)

In Long Island City’s Court Square, The Hayden, which will house 974 apartments in a glassy high-rise at 43-25 Hunter St., has topped out. Rockrose Development reportedly aims for completion next year.

Then there’s Douglaston Development’s 2 N. Sixth Place in Williamsburg. The waterfront tower’s 550 pads will go up for rent next March, with studios anticipated to start from \$2,400/month.

The activity comes in response to high demand for rentals from both landlords and tenants. For developers, it’s a safer investment. Apartments rent faster than they can sell, and that means steady income for their builders. Hordes of tenants also get a sweet deal: new buildings packed with amenities — and no financial commitment.

“The younger generation is more mobile, more comfortable renting and not aspiring to homeownership the same way past generations [have],” says Doug Steiner, who’s developing The Hub, a 750-unit building on the rise in Boerum Hill. “Empty nesters, too, are returning to the city.”



Swim a few laps inside the American Copper Buildings.



The Hub in Boerum Hill will offer 750 units.

It's those fresh-off-the-boat urbanites — from recent grads to retirees — who are growing the city's population. Experts say NYC has added between 50,000 to 60,000 inhabitants annually over the past several years. And they need somewhere to live.

"The population of New York City has expanded in connection with its job growth," says Jeff Levine, of Douglaston Development, which is behind 2 N. Sixth Place, and that's one main reason he notes for developers rushing into the rental scene.

But mega-buildings wielding hundreds of apartments also pack an urban-planning punch. There's a chance these huge rentals will decrease density in their immediate vicinity — if they're higher-income folks with smaller households or younger people without families, says Patrick Lamson-Hall, a research scholar at NYU's Marron Institute of Urban Management. Still, he adds that nearby resources, like public transportation, could feel increased pressure from masses of residents.

Impacts aside, the market is still hot. Need proof? In Manhattan, Brooklyn and Queens, both rents and listing inventory have risen as developers continue to rise to the occasion, the latest Douglas Elliman numbers show.

"Rental apartments have become ever more desirable — there's less stigma [to not buying a place], and more effort in the design and amenities," says Urby CEO David Barry, who is developing the 900-unit Urby Staten Island. Studios begin at \$1,760, one-beds at \$2,255 and two-bed spreads at \$2,925.

The expansive project will include 35,000 square feet of retail, an on-site farm with farmer in residence and a communal kitchen with a resident chef.

Urby Staten Island is far from alone in its over-the-top perks. American Copper's three-story skybridge fits a 75-foot pool, hot tub, a bar and lounge for residents and private terraces atop. Meanwhile, 70 Pine St. in the Financial District, which has 612 rental units priced from the \$3,000s for a studio to over \$9,000 for a three-bedroom, has a 23,000-square-foot La Palestra gym and a restaurant and lounge from acclaimed chef April Bloomfield planned for its pinnacle.

Luis Ortiz, a broker star of "Million Dollar Listing New York" who revealed he's leaving real estate in last week's season finale, moved into the massive 1,175-unit Sky rental at 605 W. 42nd St. — the largest single-tower residence in the US — in January. He doesn't notice any crowding and attributes that to the building's flow. For one, different elevator banks lead to various parts of the 71-story tower, so there's never a backlog.

"You don't feel the size of the building," he says.

But he does notice that renters turn out to take advantage of the building's amenity spaces. He especially enjoys the Carmelo Anthony-designed basketball court — where Anthony is frequently spotted — as well as the indoor and outdoor pools.



900 rentals! The huge communal kitchen and resident chef at Urby Staten Island.



1,175 rentals! “Million Dollar Listing New York” star Luis Ortiz is in the lobby of his building, Sky, which opened this year on 42nd Street.

“I think the reason this building is getting leased so quickly is entirely because of the experience,” Ortiz says. “When [prospective renters] are touring the pool and they see tenants in bikinis and bathing suits, and there’s a DJ there, that’s an experience.”

Some note it’s only possible to offer such luxurious add-ons in a large building.

“The scale of a 500-plus-unit job allows you to create a highly amenitized property in an economically efficient way,” says Jeremy Shell of TF Cornerstone. His company is hard at work at 606 W. 57th St.: a 1,028-unit rental near the Hudson River that will reportedly have over 37,000 square feet of retail, parking and a basketball court. (TF Cornerstone has not released official information on the property.) A smaller building, earning less rental revenue, couldn’t afford to devote that much space to non-income-generating activities.

Fancy extras also satisfy the needs of increasingly discerning tenants. “Residents have a certain expectation, within the higher rent brackets, that a certain level of amenities be included within the building,” says Martin Piazzola of AvalonBay Communities, Inc.

AvalonBay is behind the development of the 500-unit AVA DoBro and the 326-unit Avalon Willoughby Square rentals, which are both housed in the same 58-story Downtown Brooklyn building. They share a pet spa, roof lounge, parking and 24-hour gym. Pricing begins in the \$2,500s and the \$2,600s for a studio, respectively.

But these features aren’t just for the well-heeled. In many of these mammoth buildings, a percentage of their apartments is earmarked for affordable housing, which is lotteried off to renters who fit income caps. They’ll pay a fraction of market rent. Along Queens’ southern waterfront, Hunter’s Point South Crossing and Hunter’s Point South Commons together house 925 permanently affordable and moderately priced rent-stabilized units. Completed in 2015 and fully leased, their amenities include a farm, gyms and kids’ playrooms.

Developers are also targeting areas that had little new development before. Take Gowanus, whose infamous canal banks are now home to Lightstone’s 430-unit development at 365 Bond St. (A second construction phase will provide an additional 270 units.) Studios begin in the mid-\$2,000s, while townhouse units on the upper end start in the mid-\$7,000s. Leasing launched in May; renters claimed over 100 units in less than two months.

“It was natural for people want to live there,” explains Lightstone’s Mitchell Hochberg. “Because of the proximity to Manhattan and the fact the neighborhood sits in between ... more mature neighborhoods [like Boerum Hill and Carroll Gardens].”

The Bjarke Ingels-designed, Durst-developed Via 57 West is similarly tapping into a formerly industrial area. At 625 W. 57th St., near the West Side Highway, it holds 709 spiffy homes. Here, a one-bedroom with private outdoor space and custom cabinets asks \$4,520. Meanwhile, an 18th-floor three-bedroom with two terraces and river views is listed for \$12,200.

“We knew that the Far West Side was ripe for a series of large residential buildings that could cultivate community,” says Jonathan Drescher, SVP of project development at Durst.

But living large does have its challenges. “Our main concern is scalability,” says Eran Chen of ODA, the architectural firm designing an 800- to 900-unit complex on the site of the former Rheingold Brewery in Bushwick. “How do you bring about a project that is massive and not make it [an overwhelming presence]?”

In short, you broaden its reach to affect the neighborhood as a whole — not just residents.

“We came up with the idea ... to overlay an old European city that consists of little streets and courtyards,” he adds, “[to] create a totally new scale that would be an addition to the community.”