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COMMERCIAL REALESTATE

Rooms with a view

Downtown hotel boom serves growing tourism

By LOIS WEISS

THE resurgence in residents and businesses has Lower Manhattan teeming with upcoming hotel developments.

Some of the conversions underway from office buildings were previously under consideration for residences. Other sites simply make sense for smaller, boutique hotels.

Another reason, says Mark Gordon of Sonnenblick Goldman is simply that it costs less to buy either land or a building than in Midtown.

"There is a lot of hotel supply in pre-development in Lower Manhattan," Gordon said. "A percentage of that will get built. It is under hotel."

About 2,200 rooms currently serve downtown and that is expected to double over the next two years. At the same time, there is a growth in tourism and tremendous projected leaps in tourist visits as the World Trade Center Memorial and Museum come on line.

"It adds a new dynamic to the residential population downtown because they go to dinner every night," said Eric Deutsch, President of the Alliance for Downtown New York.

Similarly, Daniel Lesser Senior Managing Director CB Richard Ellis, says along with downtown, he is convinced that "right now, south of 125th Street and river to river is a great hotel site."

Hotels are exploring downtown, says Deutsch, "Because there is no room at the inn. We are filled up."

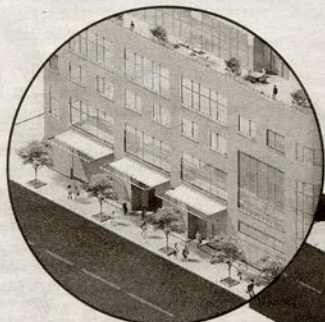
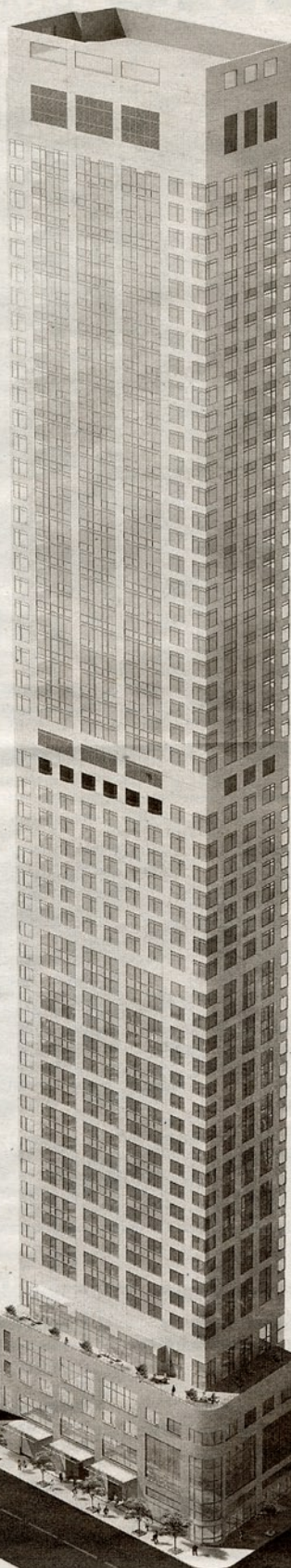
While there have been an influx of residents and workers, the overall supply of rooms hasn't changed dramatically.

"There are development sites available and all are too small for commercial offices," explained Deutsch. "But if you build as a hotel you get more density: the projects become a larger 15 FAR [floor area ratio] instead of a 10."

Additionally, Deutsch noted, "room rates have gone through the roof and downtown occupancy rates are higher than 89 percent."

Deutsch says there are about 14 hotels planned just below Chambers Street by a variety of developers including Sam Chang's McSam and Joseph Moinian, who sources say is planning a 56-story W at 123 Washington Street. Sources say it will have 217 rooms, 64 suites and 158 residences. The project has already been induced for Liberty Bond financing.

"What's also good is that there is a whole range of hotels [under consideration] to serve the business and economy sectors all the way to the three and four stars," said Deutsch. "We've heard W. We've heard bigger names like Westin, Intercontinental, and midrange hotels such as the Doubletree and Sheraton."



The proposed W hotel at 123 Washington Street will include suites and residences.

DOWNTOWN HOTEL PRODUCTION

UNDER CONSTRUCTION

Hilton Garden Inn
Address: 6 York Street
Room Count: 150
Year to Open: 2007
McSam Hotel;
Orient Construction Group

Four Points SoHo Village
Address: 66 Charlton Street
Room Count: 152
Year to Open: 2007
SoHo Village Hotel; Hung Luk

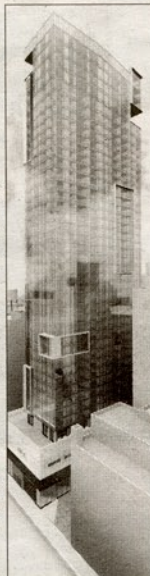
The Downtown Hotel
Address: 377 Greenwich St
Room Count: 91
Year to Open: 2007
Robert De Niro; BD Hotels

IN PLANNING

W Hotel
Address: 123 Washington St.
Room Count: 232
Year to Open: 2008
Moinian Group

Proposed
Address: 85 West Broadway
Room Count: 100
Year to Open: 2008
Tribeca Associates

Hampton Inn
Address: Wall Street/ SoHo
Developer: Room Count: 160
Year to Open: 2008
The Lam's Group



Trump SoHo

Wyndham Garden Hotel
Address: 20 Maiden Lane
Room Count: 115
Year to Open: 2009
McSam Hotel

Trump SoHo
Address: Spring & Varick Streets
Room Count: 411
Year to Open: 2009
The Trump Org./Sapir

PRELIMINARY PLANS

The Broadway
Address: 465 Broadway
Room Count: 165
Year to Open: 2008
Broadway Management

Proposed Hotel
Address: 231 Grand Street
Room Count: 241
Year to Open: 2009
Wok & Roll Restaurant Group;
Hanbee Realty

Proposed Hotel
Address: 54 Canal Street
Room Count: 158
Year to Open: 2009
Raber Enterprise

Gold Hotel Plaza
Address: Financial District
Room Count: 650
Year to Open: 2009
The Lam's Group

Source: CB Richard Ellis

Offices you don't want to leave

Today's designs are sleek and environmentally aware

TODAY'S office designers are trying not to be trendy but to be modern, timeless, minimalist and organic.

They are now designing spaces "you never want to leave" that are lifestyle environments. Among recent projects by Manhattan design firm Spacesmith are the Bloomberg and Ralph Lauren Polo offices.

It is now far easier to design using "green" materials. There are more aesthetics to these sustainable materials and material costs are more reasonable.

The availability and variety of such green building products has increased in the past several years, so that designing interior environments for sustainability is easier and becoming more prevalent in interior space design.

Office designers are utilizing more natural light and daylight "harvesting" by using materials and angles to let the light shine through. There is also an increased emphasis on using more transparent materials.

Designs are more modern and high tech. Technology trends include trying to obtain green certification called LEED (Leadership in Energy and Environmental Design) including wireless connectivity and improved indoor air quality.

Consumers want better energy



Spacesmith just completed this contemporary office for an international not for profit firm. Chris Goodney/Mikiko Kikuyama

efficiency, too. For instance, LED and low consumption lighting fixtures are being specified more often.

Furniture trends include more ergonomic and biometrically designed seating. There are now greater choices, including LEED certified furniture created from recycled materials.

There is now a bevy of interesting, unusual finish products made with acrylics, polymers, glass and glazing.

Offices tend to be open, for collaborative design. There are more teaming spaces, creative work spaces, relaxation spaces and flex spaces to allow the ability to work from home.

Lois Weiss