



Downtown's Return as One of New York's Hottest Submarkets

Panelists at Commercial Observer's 3rd Annual Downtown

Forum discuss flexible workspaces and the forecast for 2020



“Lower Manhattan has re-emerged as a dynamic, thriving market as 24/7 live-work communities show their strength and desirability and property owners, landlords and builders work to enhance its appeal,” observed Jaimee Nardiello, Partner at Zetlin & De Chiara LLP, at Commercial Observer’s “3rd Annual Downtown Forum” on September 24th.



Jaimee L. Nardiello

Nardiello led a panel on the revitalization and evolution of Downtown, the ways in which these changes have affected its population and how the market is positioning itself against competition. Presenters at the capacity-filled event included Joseph Moinian, Founder & CEO at The Moinian Group; Bruce Mosler, Chairman, Global Brokerage at Cushman & Wakefield; Paul Pariser, Co-CEO at Taconic Investment Partners; and Edward Shenderovich, Co-founder and Executive Chairman at Knotel.

Kicking off the discussion, Nardiello asked the panelists to share the key elements they believe have led to Lower Manhattan’s success. To Moinian, the diverse tenant mixture - from office

and residential to educational facilitates and cultural institutions – is responsible for the submarket’s rise to becoming the third largest in the country. Mosler found that accessibility is another key driver, noting that continued investment in new buildings will keep tenants interested long term. Pariser added that where building from scratch is not possible, reinvestment in older properties can also attract tenants.

Mosler dissuaded the crowd from focusing on geography, remarking that what is truly important is the product being delivered. For Shenderovich, this was a sticking point. While he agreed that the product must meet the desires of the client – citing large floor plates and access to transportation as examples – he noted that neighborhood desirability is key to attracting talent.

There was some contention on the difference between coworking and flexible spaces, but the panelists largely agreed that flexible space is here to stay – in the downtown submarket and beyond. Mosler noted that coworking is “an increasing part of what corporates want to have as part of the arrows in their quiver” and Shenderovich found that he is “seeing a tsunami of demand from large companies who want flexibility.”

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Nardiello next asked the panelists to discuss the creative ideas being implemented to attract tenants to downtown residential properties. For Moinan, it is all about “making life happier, healthier and easier,” citing amenities such as gym, rooftop farming and

top-of-the-line technology as major selling points. Pariser added that new residents want to be part of an interactive community. As spaces have grown smaller over time, the importance of communal amenities has grown, providing tenants with additional spaces to gather outside of their own units. He also added that for residents of Downtown – and the Lower East Side in particular – the neighborhood itself is an amenity.

In wrapping up the panel, Nardiello tasked the panelists with a forward-thinking examination of how the submarket will fare in 2020. Moinian believes that as the live, work, play dynamic of Downtown grows, the future is bright, adding he “will remain in love and bullish with Lower Manhattan.” Pariser agreed, stating that even as rents rise, “as long as there are bright people who love the city, businesses will continue to lease these spaces.”

Shenderovich noted that an increasingly interconnected world means that the advent of the 2020 election and Brexit will certainly have an effect on the submarket. However, “2020 is just another year and ultimately we will pass through it.”

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