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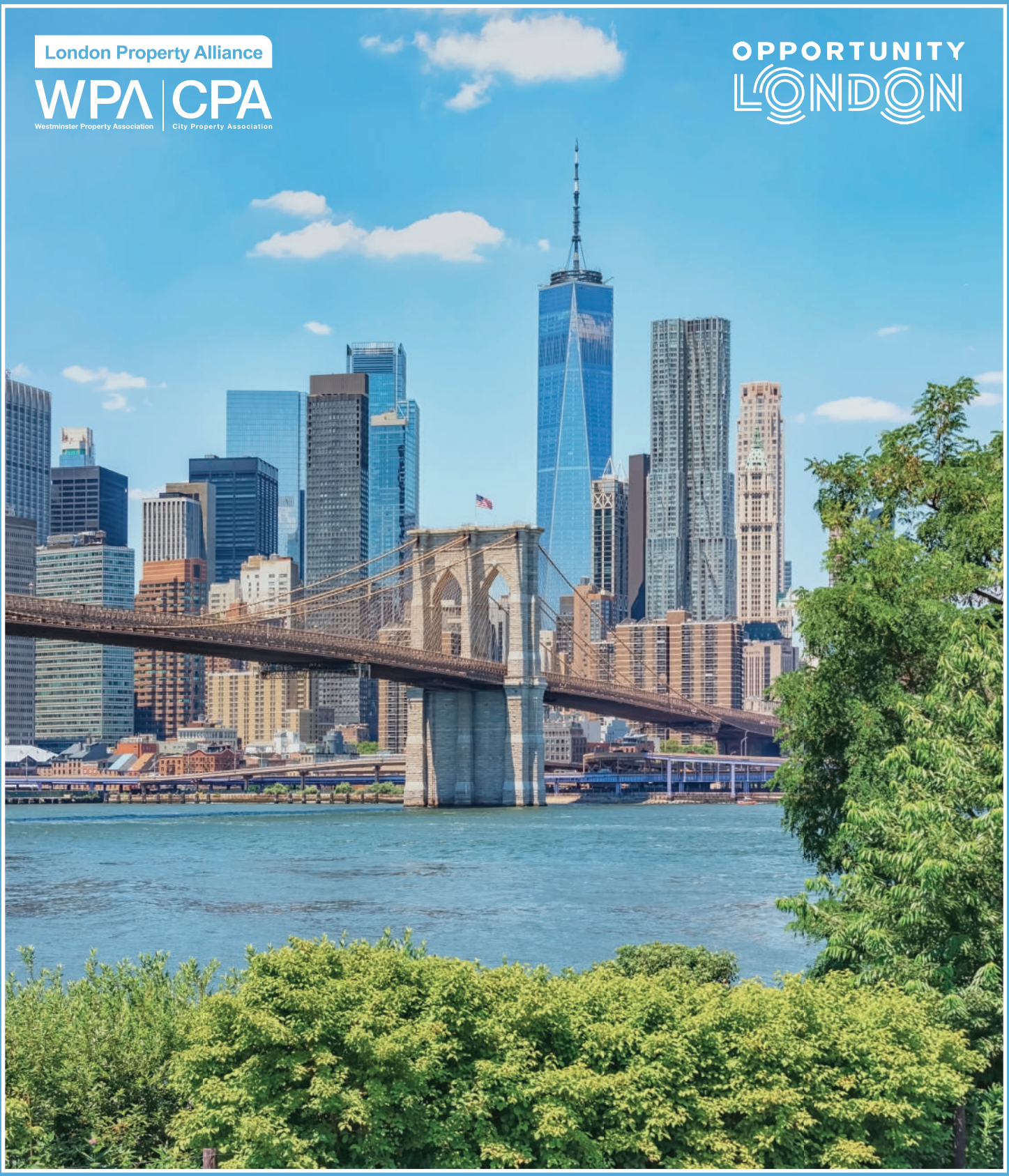

Authored by Professor Tony Travers and Alexander Jan

Global Cities

A Focus on New York

OCTOBER 2023

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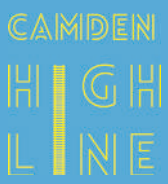


Introduction

Since January 2022, London Property Alliance has been tracking the UK capital's performance against its key global city peer cities of New York, Paris, Berlin and Hong Kong. Using data and analysis from Centre for London, the findings have been set out in our **Global Cities Surveys.**

To support our ongoing work, we have produced this focused briefing, exploring how London's closest partner city (and friendly rival) New York fares in terms of its economy, real estate market, transport and wider infrastructure network, planning system and keynote placemaking and development projects.

It uses data from the Global Cities Survey; insight and analysis by the esteemed academic **Professor Tony Travers** (LSE London) and economist **Alexander Jan** (the Alliance's Chief Economic Advisor); and the itinerary and observations of a study trip to New York in June 2023 (organised by the Alliance and Opportunity London for a delegation of London property industry and local government leaders).

The private sector and BID partners of this study trip delegation helped fund this paper.

We hope the report provides interesting and insightful analysis which inspires central London's real estate industry to better understand how we can learn lessons from our transatlantic neighbour.

Foreword

London and New York are global cities with many similarities. They have virtually the same population set within a city region of much the same size, with remarkably similar economies. Even their skylines are looking more alike than they once did. There are few places in the world better to compare and contrast economic development, evolving neighbourhoods and governance. The two cities are, inevitably, collaborative and competitive.

The United States has had a significant influence on London, as Britain has on New York. For example, on transport, several deep Tube lines (e.g. the Northern and Bakerloo) were built by Philadelphia-born Charles Tyson Yerkes who had previously built railways in Chicago. American technology and design were imported as the Underground developed in the early 20th century. Bob Kiley was London's first transport commissioner having previously run the Metropolitan Transportation Authority in New York. More recently, Andy Byford ran the New York Subway and then Transport for London.

Professor Tony Travers
LSE London – Director

New York City's original system of government was influenced by the City of London Corporation's long-evolved arrangements. Many street names to be found in Lower Manhattan (established before the grid system was established further north) attest to British/English history. For example, the names of Warren Street near City Hall in Manhattan and Warren Street in Fitzrovia have the same origins.

New York's much-loved Flatiron building (Fifth Avenue at 21st/22nd Street) shared the same architect (Daniel Burnham) as Selfridges in Oxford Street. Several modern New York buildings were designed by London architects, notably Norman Foster, Richard Rogers, David Adjaye and David Chipperfield. Thomas Heatherwick recently developed The Vessel, an art structure at Hudson Yards.

On a personal note, in 1996 I authored a City of London Corporation-sponsored study on Business Improvement Districts in New York which helped pave the way for BIDs in London and other parts of the country.

London and New York, along with many other cities, were profoundly affected by Covid lockdowns and knock-on consequences such as a fall-off in public transport use and a longer-term rise in working from home. Planners in both places are now attempting to manage changing demand for commercial, retail and residential property in a way that makes sense in delivering longer-term economic success for the central/downtown area.

While the Mayor of London has extended the Ultra-Low Emission Zone (ULEZ) to the GLA boundary, New York City has witnessed delay upon delay in introducing a system of 'congestion pricing' in Manhattan. New Jersey is opposing congestion pricing in much the way four outer London boroughs and Surrey County Council fought ULEZ.

Considering our shared history and current common challenges, conversations between London and New York are more important than ever. We must both adapt to the impact of new working patterns on our once-reliably vibrant commercial districts; the predicted transformation of job markets and public services from the AI revolution; and an urgent need to de-carbonise our economies, whilst preparing for the potentially devastating effects of climate change. The best way for our cities to innovate and grow stronger is by learning and working together.

1. London and New York: a briefing

This chapter considers a number of economic, government and planning issues for comparing London and New York. It looks at UK / US trade, the economies of the two cities and New York's rapidly growing tech sector.

Trade

The UK-US trade relationship is worth £279 billion a year, and the amount invested in the two economies by each country has now surpassed £1 trillion. The US is by far the UK's biggest individual trading partner, though the EU as a whole is substantially more important.

US firms have recently committed more than £14 billion of new investment in the UK. Such companies include £9 billion from investment management company BlackRock - taking its total UK investment to £500 billion; £2.4 billion invested by Blackstone; £2 billion invested by KKR and £521m invested by CD&R.

There are nearly 1.5 million British citizens working for American companies and more than 1.2 million Americans working for British companies. In February 2023, a new deal was reached to provide architects more access to US markets[1].

The London and New York economies

London and New York have much in common; language, culture, history and strong political, economic and defence alliances. But they are also rivals as global centres of finance, education, professional and health services, the creative industries, art and fashion.

The cities have very large property sectors and investment portfolios, and share similar underlying economic and demographic characteristics. They have similar populations of around 8.5-9 million people and lie at the heart of wider city-regions with populations of 23-24 million.

Before Covid, unemployment rates were not hugely dissimilar at about 4% and both had enjoyed sustained periods of economic and employment growth. The pandemic delivered major economic shocks to both cities. As the following table and the charts in Appendix A show, both cities have demonstrated a high degree of economic recovery albeit with some challenges remaining.

[1]https://www.architectsjournal.co.uk/news/arb-unveils-landmark-uk-us-mutual-recognition-agreement

	London	New York City	Analysis
Population	8.8 million (2021)[2]	8.5 million (2021)[3]	London higher
Population change over 10 years	10%[4] (to 2021)	7.7% (to 2020)[5]	London higher
GDP ($ billions)	$725 (2021)[6]	$1,022 (2020)	New York higher
Unemployment rate (Q2 2023)*	5.1%	5.6%	London lower
Employment as a percentage of pre-Covid level (Q2 2023)	101.7%	100.5%	London higher
Prime office rents (percentage change year on year) (Q2 2023)*	10.6% (West End) 6.9% (City)	1.41% (Midtown)	London higher
Office vacancy rate (Q2 2023)*	7.5% (Central London)	22.4% (Manhattan)	London lower
New homes completed (2021)*	40,361	28,203	London higher
Public transport usage (percentage of pre-pandemic baseline) (Q2 2023)*	84% (London Underground)	70% (NYC Subway)	London higher
Area airport passengers (% of equivalent month in 2019, June 2023)*	93%	99%	New York higher

Source: London Property Alliance October 2023[7] and other official sources

[2]https://trustforlondon.org.uk/data/geography-population/#:~:text=Data%20source%3A%20Mid%2Dyear%20population,of%20England's%20growth%20of%205.9%25.

[3]https://www.newyorkfed.org/medialibrary/media/research/regional_economy/charts/Regional_NYC

[4]https://trustforlondon.org.uk/data/geography-population/#:~:text=Data%20source%3A%20Mid%2Dyear%20population,of%20England's%20growth%20of%205.9%25.

[5]https://www.newyorkfed.org/medialibrary/media/research/regional_economy/charts/Regional_NYC

[6]https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/regionaleconomicactivitybygrossdomesticproductuk/latest. Using average exchange rate for the year

*London Property Alliance, Global Cities Survey – see appendix A for further details

[7] https://www.londonpropertyalliance.com/global-cities-survey-june-2023/

London and New York are magnets for tourist and business travellers, attracting tens of millions of international visitors. In 2022[8], there were 16.1 inbound visits to London compared to 21 million in 2019[8]. New York saw 8.9 million international visitors in 2022 (56.4 million visitors in total 47.4 million of which were domestic)[9]. They are both highly dependent on public transport. New York subway ridership was around 1 billion passengers in 2022 compared to 1.7 billion passengers in 2019. London Underground numbers were just over 1 billion (2022/23) compared to 1.5 billion in 2019.

New York City's economy is bigger than that of London's at around $1 trillion (2020) vs $725 billion for London (2021). This is in part explained by the very high salaries (and scale) of New York's financial services industry, though it is also because the US GDP per head is higher than that of the UK.

New York City has about double the population density of London but, given the cities' similar populations, covers less than half the land area. Approximately three times more people live within a short walk or cycle of the centre of New York (Downtown Manhattan) compared to London's Central Activities Zone.

During the Covid-19 Pandemic, both places inevitably suffered, though to varying degrees. New York recorded around 34,000 deaths whilst London's losses were around half of that total. In economic terms, London's economy shrank by some 10% in 2020; New York's by just under 6%. London's economy is now bigger than before the pandemic, while most of the rest of the UK's GDP is still smaller than in 2019. New York's GDP has just reached its pre-pandemic level. Unemployment rose to just under 7% in London and a much higher 12.4% in New York. Meanwhile mass transit ridership slumped. Ridership in 2020 was down by around four-fifths in London and two thirds in New York. New York's transport system was treated with a degree of generosity by its (federal) government. An $8 billion (£5.8 bn) package of support was provided in 2020 with a further $6 billion (£4.4 bn) earmarked in 2021. In contrast TfL has been drip-fed funding. It is yet to see a lasting package of help put in place. London's public transport ridership has, as of September 2023, recovered more than New York's.

As the chart in Appendix A shows, Manhattan office vacancy rates hit 22% in Q1 2023 compared to around 8% for central London. Crucially, New York went into Covid with a much higher vacancy level of 11% whilst central London's was under 6%.

New York saw a big growth in outside dining facilities because of the pandemic, although not on the scale of central London. One estimate suggested the number of places in Manhattan was around a tenth of that for the West End.

Three years on and both London and New York have shown sustained signs of recovery. But questions for both cities remain. Perhaps the biggest conundrum is where hybrid working patterns will settle and what the long-term impact on real estate and the wider downtown economy will be.

Real estate in New York has been hit by a 'perfect storm' of weaker aggregate demand, rising interest rates, mid-tier bank instability (much of it exposed to the real estate sector) and an excess of non-prime quality.

London and New York have much to learn from each other and with the right set of policies in place, both should be able to prosper going forward. In Manhattan, lessons are being learned from the London experience of congesting charging. In the 2000s, Business Improvement Districts (BIDs) were introduced in London following an analysis of the experience in New York. For London, a key question remains as to whether UK central Government will give London local government the powers and resources, and indeed political support, it needs to not only recover but to play its full role in supporting the national economy's return to growth and prosperity. New York City has a similar relationship with New York State and, to a lesser degree (apart from infrastructure funding) the Federal Government.

[8]Visit Britain, "Regional Quarterly Inbound Update & Full Year 2022", based on the International Passenger Survey conducted by the ONS, published 26 May 2023

[9]https://business.nycgo.com/press-and-media/press-releases/articles/post/nyc-company-announces-new-york-city-tourism-to-reach-546-million-visitors-in-2022/

New York's rapidly growing tech sector: a case study

The tech ecosystem in the New York city region has for years been second to the (San Francisco) Bay Area, where a larger and richer world of technology companies, investors and engineers has been flourishing for decades longer, making it unlikely New York could catch up.

In fact, the two metropolitan areas are now running closer to neck and neck than ever before, according to several recent data points and more anecdotal information from both places. They point to New York's mix of industries and quality of life as reasons for its clear momentum in the rankings.

There were roughly 50,000 jobs at venture-backed tech companies advertised in each region in the 14 months from January 2022 to March 2023, according to an analysis by Palo Alto Venture Partners and NGP Capital (California-based venture capital firms). The next four U.S. cities: Los Angeles; Boston; Austin, Texas; and Chicago, each had around 30,000 fewer listings than either of the two front-runners. Together, the Bay Area and New York City accounted for half of all listings during the period studied.

"The fact that New York is on parity with the West Coast is something where I definitely did a double take," said Upal Basu, partner at NGP Capital, who created the report as a way for the firm to identify promising sectors and geographies for its investments.

NGP's work on job openings is far from the only recent data point reflecting New York's strength going into the next several years. Last year 20.6% of all U.S. venture capital deals occurred in the Bay Area, according to Pitchbook's most recent Venture Monitor, while 14.7% were in New York. That is the closest the two lines have come since at least 2012, although the Big Apple's share of the total did drop from an all-time high of 15% in 2021.

London is, by some distance, Europe's biggest tech hub. Tech is a good example of a sector where the two cities (and their respective countries) are both collaborative and competitive.

Google campuses in New York and London

City government in London and New York

London and New York City have deceptively similar-sounding systems of government, in that each has a directly-elected mayor and city council/assembly and separately-elected boroughs. In reality, the New York mayor (overseen by a 'city council') has virtually all the powers of city government, running everything from health and schools to street cleaning.

Eric Adams, a Democrat and former police officer, took office in January 2022. New York City has five boroughs (Manhattan, Brooklyn, Queens, The Bronx and Staten Island), though their directly-elected borough presidents have few service-delivery powers. There are 59 'community boards' which have an important advisory role in dealing with land use and zoning matters, the City budget, municipal service delivery and many other matters relating to their communities' welfare.

London, by contrast, has a Mayor with relatively modest powers (certainly compared to the Mayor of New York), while the 33 boroughs and the City of London Corporation are significantly more powerful than their New York counterparts. Having said this, the Mayor of London has responsibility for public transport which the Mayor of New York does not. A New York State agency, the Metropolitan Transportation Authority (MTA) runs the Subway and buses. A separate bi-State agency, the Port Authority of New York and New Jersey, also runs railways and owns the city's airports. Bridges and tunnels - important in New York folklore - are run by the City, the MTA and the Port Authority. New York State (based in up-state Albany) has a 'supervisory' role in relation to New York City, not unlike that of central Government in London. Both cities have an extensive network of BIDs.

The five boroughs of New York City

Zoning vs Planning: a major difference between the two cities

Key features of a zoning-based system

There are three zoning district types in New York City – residential, commercial and manufacturing. Zoning regulations are designed to "establish an orderly pattern of development across neighborhoods and the city by identifying what may be built on a piece of property"[10].There are also Special Purpose Districts which permit greater density development (such as Hudson Yards) or protect lower density development such as in the Clinton District (along West 41st—59th streets, west of Eighth Avenue).

Under the New York system, 'as of right' development means that a property owner whose proposed building complies with the requirements of New York's zoning resolutions can go directly to the city's Department of Buildings, without requiring approval from either the City Planning Commission or the City Council. The system is driven by floor area ratios. This means in some parts of city, there is in theory no planning limit on building height.

Some 80% of new housing produced between 2010 and 2018 was built "as of right" (an average of just over 17,000 homes per annum).[11] It is worth highlighting that New York City's building code is very extensive and runs to hundred if not thousands of pages.[12]

Neighbourhood re-zoning often takes place in New York City. It can increase, for example, the allowable residential density in "transit rich" areas to reduce car dependency. Neighbourhood rezoning policies are often accompanied by significant capital investment in parks, schools, streets and other areas. Since 2016, new housing that results from these up-zonings must provide a minimum of 20% permanently affordable housing. This is the core of "MIH" (Mandatory Inclusionary Housing), which is enshrined in New York's zoning resolutions.[13] In 2019, larger residential buildings (with 50 or more homes) accounted for just under 72% of total new stock that was permitted.[14] Crucially, rezoning which allows additional development will increase the city's tax take. The High Line was, in part, paid for by re-zoning parts of West Chelsea in such a way that local taxation increased.

In contrast, London (within the English planning system) has a much more discretionary based (i.e. case-by-case, and to some extent, political) planning approach which means that deviations from the plan can be made as long as relevant considerations are demonstrated, weighed up against other planning policy requirements. Moreover, London local government does not benefit from any growth in the tax base that occurs as the result of planning decisions because business rates are a national tax, while council tax increases are 'equalised' away. This is clearly different from the New York zoning system, where deviations from the code must go through a more onerous 'site plan review' process.

Certain 'permitted development rights' are allowed in London/England by central Government through secondary legislation. Such rights cover a number of different types of development, and recent changes (for example the right to convert office buildings to residential use) mean that development that would have otherwise been permitted, or refused, by the local planning authority are no longer the subject of local decision-making.

In some ways permitted development is similar to 'as-of-right' development under a zoning system, albeit cruder and often driven by central Government rather than locally developed. There are other elements of the UK planning system which have similarities with a zonal system, particularly where there are defined geographical areas with deliberately simplified planning requirements for defined uses. Examples of this are permissions-in-principle, Local Development Orders, development rights enjoyed within Enterprise Zones and permitted development rights in some instances.

[10]https://www.nyc.gov/site/planning/zoning/about-zoning.page#:~:text=New%20York%20City's%20Zoning%20Resolution,walkability%20and%20climate%20change%20resiliency.

[11]https://www.nyc.gov/assets/planning/download/pdf/planning-level/housing-economy/how-much-housing-is-built%20as-of-right.pdf

[12]See for example: https://www.nyc.gov/site/buildings/codes/2022-construction-codes.page

[13]https://council.nyc.gov/land-use/plans/mih-zqa/mih/#:~:text=Mandatory%20Inclusionary%20Housing%20(MIH)%20is,allow%20for%20more%20housing%20development.

[14]https://furmancenter.org/thestoop/entry/2019-data-on-new-york-citys-housing-stock

Updating the zoning system to facilitate the delivery of jobs

New York's City Planning Department is keenly focused on updating New York City's 1960s era zoning for manufacturing districts outside of Manhattan that have good public transport links. New York's Garment District is often cited as an example of successful zoning reform. Manufacturing zoning was put in place in 1961 when the area was a hub for garment industry jobs. There was an attempt in the 1980s to deploy zoning to try and retain jobs in the city by requiring that for every square foot of space converted to a non-manufacturing use, such as office space, an equivalent amount of space had to be permanently dedicated to manufacturing. Rather than keeping manufacturing jobs in the garment centre, the condition served to keep space empty. In 2018, the City successfully rezoned the garment centre to allow a full range of office, retail and manufacturing uses. The risk is that overly prescriptive zoning can thwart job creation in a changing economy.

Adoption of more flexible zoning or indeed rezoning neighbourhoods can arguably provide flexibility required to allow the City's economy to grow and prosper. It is however, not without its critics. With some arguing that it is the gateway to gentrification of less well-off areas that then prices out less well-off residents and lower value-added economic activities.[15]

Zoning for housing

Downtown Brooklyn

[15]https://www.brookings.edu/blog/how-we-rise/2021/07/15/the-double-edged-sword-of-upzoning

Borough of Queens

Queens and downtown Brooklyn have been cited as good examples of how well-planned rezoning has helped New York to evolve over time. These areas were re-zoned more than 20 years ago, laying the groundwork for new 'live-work-play' neighbourhoods. Inevitably, the evolution of a rezoned neighbourhood can happen in a different sequence to that originally envisaged by city planners. Back in the early 2000s, the expectation was that back-office jobs would move from Manhattan to lower cost locations, but as the economy has evolved, many back-office jobs have disappeared due to automation and globalisation. Neighbourhoods have instead found themselves at the forefront of high-tech and creative sectors, and this is occurring in part because zoning was flexible enough to accommodate them along with housing.

Up-zoning (which as noted earlier, changes zoning to allow for often higher value-added use, for example from industrial to residential use) has been deployed extensively in New York City. One example is the area around Grand Central station (see page 21 for more information). Re-zoning here has allowed property owners to redevelop out-of-date office buildings, which are on average 70 years old. Conditions associated with allowing redevelopment stipulate that sites on top of the area's numerous subway stations can only take advantage of re-zoning if they provide pre-determined upgrades to the subway stations at the landowners' expense. East Midtown zoning went further, it allowed so-called landmark (listed) buildings to sell their unused development rights to the owners of outdated office buildings who want to take advantage of the more liberal zoning. A portion of the sale proceeds must go to improvements to the pavements, streets, green spaces and subway stations in the neighbourhood.

Do 'planning' and 'zoning' result in a different urban landscape?

A key question in considering New York's different development approach is whether it results in a more optimal urban landscape outcome. And if so, would a zonal system be appropriate for London? Could zoning have delivered King's Cross for example – where there was a need to reassess and reinvent it as different phases of development came forward. Might Battersea/Nine Elms have benefited from a zoning policy? While the zoning system has arguably served New York City well, it is less clear whether this is a result of the city's specific characteristics – for example, its position as a dynamic, wealthy mega-city, its grid-based street layout and large areas with similar building typologies (e.g. brownstone housing).

Strengths and weaknesses of the two systems

Evidently, there are strengths and weaknesses to zoning-led and plan-led planning systems, and tensions exist between the two. For example, there is a tension between speed and certainty (provided through zoning), versus the opportunity for flexibility and creativity which might be promoted through the English discretionary system - allowing for greater deviations away from "the plan" and more consideration of aesthetics. Then there is the question of detailed control versus developer discretion on matters such as building materials and detailed design. Is it beneficial for the public sector to have such a high level of control over these decisions, or would it be better to leave it to those bringing forward developments?

As noted earlier, there is a question over the ability of a zoning system to respond to a changing world, given its rigidity and the time taken to amend code or re-zone areas. Examples might include electric vehicles, changing approaches to 'streetscapes' and the anticipated need to accommodate drone technology into urban areas. Finally, there is a tension between focusing on outcomes (what the development will be like complete, as defined in codes) and consideration of construction impact and phasing. The English planning system arguably allows for much more control of construction impacts (alongside other environmental legislation, permitting/consents etc.), as well as the phasing of large developments over time.

Planning gain

With respect to planning gain, there is a fundamental difference in approach between the New York City and London systems. New York City can raise and retain local taxes which is then spent on a wide range of priorities. Around 45% of New York City's tax base is generated from real estate taxes[16] although with commercial valuations falling post-Covid, this proportion may well be under pressure for non-residential developments.

In England, developer obligations (such as S106 payments and infrastructure levies) are the main way of funding and delivering infrastructure and affordable housing. Even where there have been moves towards a tariff-based approach (for example in the form of the Community Infrastructure Levy), they have not been taken forward by all local planning authorities. A more discretionary, negotiation-based system is dominant across the UK. There are however examples in New York City where infrastructure upgrades and the associated costs had been anticipated in advance of development and factored into zoning. This might provide lessons for the UK where infrastructure to offset the impact of growth is arguably (and perhaps understandably) more of a priority than investment aimed at facilitating economic activity ('build it and they will come').

Lessons for London and the UK

The New York style of zoning has the benefit of creating more certainty around some elements of development plans. This arguably allows for a genuine plan-led system and less argument about principles at the application stage. The UK's discretionary system can however have benefits in allowing for more flexibility and creativity and

[16]https://www.avenuelawfirm.com/property-taxes-determined-new-york-city/

allowing consideration of unforeseen challenges and opportunities. To some extent, existing area-defined planning tools – such as Area Action Plan DPDs, Supplementary Planning Documents, design codes, Local Development Orders, permission-in-principle, and Article 4 Directions can be used to bring some of the benefits of zoning within the London system. New York City's zoning regulations are continuously updated to reflect re-zoning decisions and so forth but at the same times, it remains clear to what the regulations refer. This is perhaps in contrast to the UK where both adopted and emerging Local Plans can simultaneously exist with a grey area around the amount of weight given to each.

Whilst New York City's zoning regulations are much more prescriptive than the English system, that level of prescription is almost entirely locally-led; the US Federal Government has next to no planning function and New York State is largely engaged on issues around transport (although as noted previously, there has been a recent push for a greater level of regional planning beyond New York City's boundaries).

In contrast, the British systems are much more centralised (and arguably becoming even more centralised), with planning guidance such as the National Planning Policy Framework and Planning Practice Guidance in England (and similar documents in the other home nations). England also still has a number of centrally-defined classes such as the aforementioned permitted development rights for converting office to residential use – which are often locally unpopular. Would the power to set these development rights sit better at the local scale?

Regional spatial and infrastructure planning

The New York City Planning Department has a regional planning office which has changed how NYC and governments throughout the 31-county region are thinking about interconnectedness and how it has to be factored into long-term planning. Historically, suburbs to the north and east of New York have been affordable alternatives to city-living, but for years jurisdictions have allowed restrictive zoning to curtail their housing delivery. Whilst suburbs in northern New Jersey are producing housing, the area lacks commuting infrastructure that arguably threatens to support long-term growth. A not-for-profit Regional Plan Association (covering the 17-county New York, New Jersey and Connecticut city-region: equivalent in size and population to London, the Southeast and East regions added together) is a powerful research and advocacy agency for transport and planning in the city and its surrounding area.

Capital investment

Capital planning is an integral part of New York City's delivery of services to residents, ensuring infrastructure meets the needs of both today and the future. With the population changing across the five boroughs, City agencies use up-to-date, localised population projections to better understand where development will occur in order to better plan for infrastructure needs. For example, new housing development often leads to future school demand, which the School Construction Authority (SCA) must take into account in order to build out necessary capacity. This insight informed new funding needs that were included in the Preliminary 10 Year Capital Strategy and SCA's FY20–24 Capital Plan, which pre-Covid was planning to deliver 57,000 new school places.

NYC's Department of Transport (DOT) and the Department of Environmental Protection (DEP) collaborate to prioritise projects that fulfil the strategic plans of both agencies. With facilitation from Department of Design and Construction's (DDC) Infrastructure Front End Planning Unit, the DOT's prioritisation scheme considers input from DEP, which indicates which proposed DOT projects overlap with water and sewer assets that should be replaced. By adding scope to DOT projects before they are funded, the City tries to improve capital project delivery through more accurate project scoping.

As with London, New York City's infrastructure depends on multiple public and private utilities that provide services to the city. As the city maintains, replaces, and upgrades its water, sewer, and roadway networks, it must coordinate with the nearby electric, steam, gas, and telecommunications infrastructure providers. In recent years, there

has been a concerted effort — through monthly scheduling and planning meetings, as well as project-based meetings — to improve coordination between public and private utilities, including the sharing of digital maps of current and planned facilities and capital projects to help align design and construction timelines and reduce disruptions to communities. Joint construction of capital projects, known as "joint bidding," is being used by New York City agencies and private utility companies in order to streamline cooperation. This is mutually beneficial: helping the City and utilities conduct long-term planning, reduce multiple street cuts, and streamline capital project delivery by coordinating underground work where appropriate.[17] The nearest equivalent function in London is probably the GLA's Infrastructure Co-ordination Unit.[18]

[17]See also Review of infrastructure delivery in NY and De Blasio's plan to improve infrastructure delivery in New York.

[18]https://www.london.gov.uk/programmes-strategies/better-infrastructure/infrastructure-coordination

2. The New York Study Trip - June 2023

This chapter details the observations from a fact-finding study tour to New York City by a delegation of senior London-based property professionals and local government leaders in late June 2023.

The trip provided an opportunity to visit major development and placemaking projects in Manhattan and Brooklyn: exploring the key opportunities and challenges in London's global 'peer' city, so lessons could be learnt for the UK capital. A series of guided tours and conversations enabled a deepening of contacts and relationships between the development industry, policymakers and stakeholders in London and New York.

2.1 Summary of Observations

1. General observations

New York is far from dying as some media outlets have recently implied. Despite the headlines, the place is alive and kicking. Whilst it is evident that the city is in the middle of a painful adjustment in valuations, the fact that buildings are selling demonstrates that new owners are confident they will be able to fill them, albeit at lower rents. The market is working to deliver a post-Covid balance of residential and commercial uses both in Manhattan but also in Queens and Brooklyn.

The World Trade Center development - much of which has been delivered or is about to be completed - is a significant addition to Lower Manhattan's real estate supply. At between 13.5 million square feet (equivalent to nearly five One Canada Square towers) and 21 million sq ft (7.5 One Canada Squares) it represents between 12 and 20% of Lower Manhattan's floorspace. This may go some way to helping to explain why vacancy rates are materially higher in New York than London.

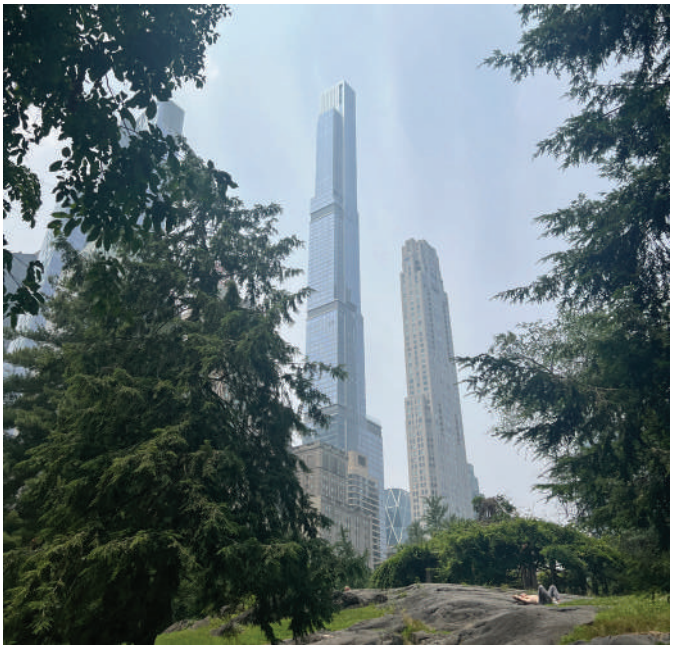
The real estate market in Manhattan and parts of Brooklyn feels more dominated than London by a blend of private (generally family run) businesses and, remarkably, the state government. The bi-state Port Authority of New York and New Jersey is among the largest freeholders in New York City. Alongside it, the State of New York and the Metropolitan Transportation Authority (a State agency) are very powerful real estate actors in and around the World Trade Center. The nearest comparators in London are perhaps the great estates, the City of London Corporation and (though less powerful as a developer) Transport for London.

Development companies in New York are clearly alert to the need to 'curate' the areas they are developing, including major art installations and other cultural offers. The management of retail in

major developments such as Chelsea Market and Industry City (in Brooklyn) is creative and innovative. The developers at these sites have helped to protect businesses being priced out of other neighbourhoods, sought out potentially successful new enterprises and even asked businesses to try out new concepts.

Developers operate, as in London, within an industry where people know each other and where there are strong links to government at different levels. The 'ecosystem' of business/governance relations is differently configured in New York because (a) the Mayor has virtually all the powers of city government in NYC whereas in London the boroughs are relatively more important and (b) the philanthropic/social links between developers and other elements of city development such as government, real estate schools in universities and think-tanks.

The 'zoning' versus 'planning' approach to development is a major difference between New York and London. In some districts (perhaps most notably Midtown) it has led to development outcomes that would be hard to imagine in London. The appearance of 'pencil' (residential) towers are perhaps the most striking example of this. The fact that height is in essence unlimited in "zoning" terms as long as Floor Area Ratios (FARs) are met is a radical difference. It is impossible to imagine these sorts of buildings (the Steinway Tower on West 57th Street is 435 metres in height with a 24:1 width-to-height ratio) ever appearing on the London skyline.



New York City and State finances are much more closely linked and dependent on real estate than London local government. Some estimates put New York City's dependence on real estate taxes at 30-40% of income. This dependency provides a major incentive to grow the tax base (through higher value developments) and also to take measures to protect it over the longer term (eg, through incentives to upgrade commercial space that would in turn lead to uplifts in assessed values). Both City and State government have far more tax levers than their London equivalents. Property taxes, sales taxes, payroll taxes, motor vehicle taxes all go to the City or State. There is even a commuter transportation district surcharge of 0.375% to help pay for the MTA.

2. Transport

The decision to Introduce payment by credit/debit card (like the London system) has been a major (if belated) advance for the MTA. However, the fact that it is yet to be rolled out to commuter services (Metro North, the Long Island Rail Road, and 'PATH' trains to New Jersey) and Airtrain is a significant drawback at present. Contrast this with the latest announcement to extend "Oyster" style tapping in and out to a further 53 stations this week taking in places as far afield as Basildon and Dunton Green.

The Subway still needs significant modernisation as compared to the Underground, but is less bad than the media generally makes out. To London eyes, the system is more industrial and noisy than London's and stations are often in a worse state. Frequencies are significantly lower than London's. More new trains are planned and the MTA's leadership has

done well to navigate a post-Covid package of funding from state and city politicians as well as the Federal government that will see its future largely secured.

There is far more road traffic in Lower and Midtown Manhattan than central London and many, many, more taxis. The introduction of 'congestion pricing' in Manhattan (south of Central Park) in 2024 is going to be highly contested by groups of drivers seeking exemptions and discounts lawsuits of the kind the Mayor of London faced over the ULEZ extension.'

Cycle lanes have increased significantly compared to four years ago. Cycling too has increased – but as in London, much of it is Deliveroo-style delivery services and not really a serious competitor for mass transit.

Getting to and from JFK (and, indeed, Newark) is difficult compared to Heathrow or Gatwick. The Airtrain has for a number of years connected both Kennedy and Newark airports to the Subway and/or commuter rail services, but there is no through service of the kind now offered by the Elizabeth Line (or the Tube) from central London and Canary Wharf to Heathrow. This position is unlikely to change anytime soon.

New York has in recent years created a number of spectacular new stations and interchanges. These include the World Trade Center interchange, the Moynihan Train Hall (at Penn Station) and Grand Central extensions connecting the LIRR to Midtown. However, the billions of dollars spent on these major projects have inevitably been at the expense of improvements to the basic system. There are perhaps comparisons here with the Jubilee line extension before improvements to the Underground took place.

3. General environment

Main streets and avenues in Midtown Manhattan appear to be in better shape than the press have led people in Britain to believe. Rubbish is much less prevalent compared to central London streets. This may be a reflection of recent initiatives to tame how and when refuse is being left on the streets. Containers are being introduced to store waste, while fines have been introduced for putting it out too early. On-street BID profile is higher than in London. There are big, branded planters everywhere and "trash" containers are clearly labelled and postered with BID branding and images.

Having said all this, the feel of New York streets is much more industrial than London (as with the Subway/Tube). And it is important not to conflate industrial and genteel for dirty and clean. Neighbourhoods outside Downtown and Midtown in Manhattan (often without BIDs) are, arguably, less well maintained than their London equivalents.

The most 'curated' places are probably in controlled areas such as around the World Trade Center Memorial or at Hudson Yards. Places such as Times Square were in many ways similar to London's Trafalgar Square or Leicester Square, with heavy

tourism use and commercial activity contributing to a stressed street environment. This is partly a reflection of the fact that parts of the public realm are converted pieces of roadway rather than squares or gardens. The dearth of historical green space (particularly in Midtown and Downtown) is striking compared to London's elegant squares and Royal Parks. However, there is a more evident police presence on the streets of Manhattan (than in central London), including a police station in Times Square.

Notwithstanding a return visit by smoke from Canadian wildfires, it is hard not to infer that Manhattan air quality is worse than that in central London. As noted, there is much motorised traffic and heavy vehicles in town – unusually so by London standards. Large numbers of street stalls have diesel generators and there is open cooking on grills by street food vendors in many places.

Turning to the rivers, New York has made good use of its Hudson River frontages, albeit it took many decades to get there. It is important not to forget that both the Hudson and the East River are far more navigable than the Thames – both of New York's major rivers are much wider between Manhattan and New Jersey/Queens than the South Bank and Embankment/City. Also, the tide is far less severe in New York than London. As in London, NYC's ferries are fun and used by some commuters, but they are loss-making with little meaningful transport capacity compared to the Subway or buses.

4. BIDs

BIDs are in some ways more powerful than in London. In NYC, they are not subject to renewal ballots. They generally have bigger budgets, given the density of development. They are also governed differently. All are 'owner' BIDs (rather than occupier-led) and contract with the Department of Small Business Services (a Mayoral agency) directly. The Mayor's Department of Small Business Services has the power to take contracts off BIDs although how this plays out with BID Boards is not entirely clear. BIDs take over local public service provision such as street cleansing in its entirety from the City in their areas. Whilst this is possible in London, it is not custom and practice. Having said this, New York BIDs complained of being hidebound by red tape and at having to deal with numerous City departments when they wanted, for example, to put on events or invest in placemaking. Securing permits from multiple agencies is as much an art (of persuasion) as it is a science. Such complaints are not unheard of in London, of course.

Conclusions

New York's world of real estate, streets, places and transport is remarkable mix of dynastic firms, bureaucracy and big and powerful city and State government bodies headed by high profile, ambitious politicians. In some ways New York is behind London in its adoption and use of technology (e.g. the MTA's ticketing system) and capital investment (deteriorating bridges, tunnels and (some) trains). At the same time, New York has pulled off a number of the most spectacular developments in places such as the World Trade Center and Hudson Yards. For upwards scale and intensity, there is nothing quite like it in London, though recent years have seen the evolution of clusters of towers in places such as the City, Canary Wharf, Battersea/Nine Elms and south Hackney.

New York gives a strong impression that the unique blend of these factors, combined with the remarkable wealth New York has the potential to generate, makes it above all, a city of deals and deal-makers. Whilst things may have moved on from the road and clearance projects delivered by State official Robert Moses during the 1950s and 1960s, it is still possible to see how a small number of powerful and charismatic individuals in the world of property and government can make New York into the unique place it is. This set-up has the advantage of being able to cut through bureaucracy to (eventually) deliver spectacular placemaking and major infrastructure projects. But it can also deliver big ideas which are bad, such as building huge roads through poor neighbourhoods, the destruction of Penn Station or vanity projects. But the energy of the place is relentless and the sense of optimism hard to ignore. It would be foolhardy to write New York off anytime soon.

2.2 The itinerary: sites and developments

Midtown

The Bank of America Tower at **One Bryant Park** was completed in 2009/10 at a cost of about $1 billion (£620 m). It was the first skyscraper to be accredited with platinum "LEED" certification[19]. It has a height of 945 feet (288 metres).[20] According to Durst Organization, one of the oldest family run commercial and real estate companies in New York[21], the building set a new standard in sustainable commercial construction.[22] It contains 2.35 million square feet (210,000 square metres) of space over 51 storeys. It was "conceived with the vision of creating the highest quality modern workplace emphasizing daylight, fresh air, and an intrinsic connection to the outdoors."[23]

The building is home to Bank of America's global corporate and investment banking businesses (and is often referred to as the Bank of America tower) as well as the headquarters of its developer Durst Organization.

Amongst other features the building possesses an 'urban garden room', a combined heat and power plant, water reclamation system, green roofs air filtration for exceptional indoor air quality.[24]

[19]Platinum is the highest-level of LEED certification requiring a score of least 52 out of 69.

[20]https://www.theguardian.com/sustainable-business/2015/nov/06/bank-of-america-one-bryant-park-leed-certification-sustainable-design#:~:text=One%20Bryant%20Park%2C%20for%20example,and%20marketing%20carries%20serious%20limitations.

[21]https://en.wikipedia.org/wiki/Durst_Organization

[22]https://www.durst.org/properties/one-bryant-park

[23]https://www.durst.org/properties/one-bryant-park

[24]https://www.durst.org/properties/one-bryant-park

Times Square is the heart of the downtown entertainment district and is well-known (as is its cousin Piccadilly Circus) to people from around the world. Famous for the annual New Year's Eve ball drop, it lies at the centre of New York's Broadway theatre district.[25] Running from West 42nd to West 47th Streets in Midtown the square (more of a bow-tie shape in reality) is illuminated by enormous digital screens. It rivals Las Vegas as the digital billboard capital of America and as the most visited place in Manhattan[26] (50 million visits per annum). It claims to be 'the crossroads of the world.' Remarkably, the extensive illumination of the sides of buildings was mandated by city authorities to mitigate the impact of tall building development on light levels.[27]

After many years of decline during the 1960s and 1970s, the 1980s saw renewed interest in the form of redevelopment and investment in theatres by both the private sector and New York City. This was followed by the creation of the Times Square business improvement district and a big 'clean up' under Mayor Giuliani in the mid-1990s. The changes led to accusations of 'Disneyfication' of the area as the Walt Disney Corporation and others bought up theatres and other entertainment establishments and converted them into more mainstream popular attractions for tourists and others. Today, ABC's studios, upmarket American candy stores (not of the Oxford Street variety) and themed restaurants (Planet Hollywood and so on) can be found there. Over the last 20 years, Times Square has been 'remodelled' to provide much more space for pedestrians. To try and reduce the impact of anti-social behaviour and loitering, pedestrian 'flow zones' were introduced in 2016 along with designated areas for street performers.[28]

It was announced in 2019 that **One Times Square**, the location of New York's iconic New Years Eve Ball Drop, would be renovated. These renovations began in 2022 and will include a new observation deck, a six-storey museum, focused on the history of One Times Square, and a visitors' centre. Jamestown also plans to increase the office space within the building. These renovations are expected to be completed by summer 2024.

Developer: Jamestown (redevelopment).
Architect: S9 Architecture (redevelopment).
Construction Firm: AECOM Tishman (redevelopment).

[25] https://artsandculture.google.com/entity/times-square/m07qdr?hl=en
[26] https://www.newyork.co.uk/times-square-in-new-york/
[27] https://www.timessquarenyc.org/
[28] https://en.wikipedia.org/wiki/Times_Square

The World Trade Center complex is primarily made up of six skyscrapers, four of which have been completed. It also includes a 9/11 memorial and museum which honour the nearly 3,000 victims of the 2001 and 1993 attacks. The World Trade Center Transportation Hub opened in 2016.[29]

In the aftermath of 9/11, the Lower Manhattan Development Corporation (LMDC) was created by the then mayor Giuliani and the state governor to help plan and coordinate the rebuilding of the area. As it is constituted as a joint State-City corporation, LMDC is governed by an eight-member Board, appointed half and half by the Mayor and Governor. The LMDC is charged with "ensuring Lower Manhattan recovers from the attacks and emerges even better than it was before."[30]

Of the four towers completed to date, One World Trade Center is the tallest -and indeed the tallest building in Western Hemisphere. It is also the seventh tallest in the world, standing at 1,776 feet (541 metres). Its observation deck, located on the 100th floor, provides the highest vantage point of New York City.

The tower the group visited was **3 WTC** (3 World Trade Center). It was designed by British firm, Rogers, Stirk, Harbour + Partners. It lies in a central location across Greenwich Street from the main axis formed by the two reflecting-pools of the 9/11 memorial. The design of the tower "addresses this central position and accentuates the building verticality relative to the memorial."[31]

Developer: Silverstein Properties, The Durst Organization and the Port Authority of New York and New Jersey. **Architect:** David Childs of Skidmore, Owings & Merrill. **Project Manager:** Julie Hiromoto of HKS. **Key Tenant:** Condé Nast. **Construction Firm:** AECOM Tishman **Investor:** The Durst Organization.

[29]https://www.panynj.gov/path/en/about/history.html

[30]http://www.renewnyc.com/overlay/AboutUs/

[31]http://www.renewnyc.com/ThePlan/world_trade_center_towers.asp [51]https://www.panynj.gov/content/dam/corporate/budgets-pdfs/2023-Budget-Book.pdf

Downtown

Overlooking the Hudson River, **Brookfield Place** brings together both office space and retail areas. Rebuilt in 2002, The Winter Garden Atrium, a 45,000 square feet glass domed pavilion was rebuilt in 2002. It contains a major shopping centre containing high-end retailers and cafes.

In recent years, leasable spaces on the lower floors of the office towers within the development have been converted and expanded to provide new retail space. Number 2 Brookfield Place was converted into a marketplace and dining terrace in 2013. A 2,000 seat food court was opened in 2014.

Developer: Olympia and York. **Architect:** César Pelli. **Key Tenants**: Merrill Lynch, American Express

Grand Central Station

Grand Central is one of the two major rail hubs in Manhattan, the other being Penn Station. It is situated right in the middle of New York City's downtown (on 42nd Street not far from Times Square and in the middle of Park Avenue) and is an example of what might have happened in London in different circumstances. As it was, London kept the railway companies out of the central area, requiring them to build terminus stations around the city centre. Grand Central lines run north into Harlem and on to Connecticut, and east along Long Island through a new tunnel built between 2007 and 2023. Thus, in a sense, the station fulfils the commuter rail purposes of Euston, St Pancras, King's Cross, Farringdon, Liverpool Street and Fenchurch Street. Commuter trains to the west leave Penn Station (34th Street) into New Jersey, but with a link to Long Island to the east.

In the pre-pandemic world, the station served about 67 million passengers per year, rather less than London's Waterloo (86 million), Victoria (74 million) and about the same as Liverpool Street (65 million). It is also a major Subway hub.

The area around Grand Central is dominated by tall and bulky corporate buildings. In the 1980s and 1990s the area had become down-at-heel with significant amounts of crime, anti-social behaviour and poor street conditions. The Grand Central business improvement district was (controversially on occasion) instrumental in delivering radical change to the area.[32]

[32]https://www.city-journal.org/article/bids-really-work

Beginning construction in 2014, the Hudson Yards development is a 28-acre (for comparison about a third the size of the Canary Wharf estate) redevelopment project on the waterfront of the Hudson River. 13 of the 16 structures sit atop a platform above a storage yard for Long Island Railroad trains. The first of two phases were completed in 2019 with the second phase expected to be completed by 2027.

This first phase included the opening of a 6-acre public square with 28,000 plants helping to enhance the area's public realm. This area's defining feature is the Vessel, an impressive 16-storey permanent art installation, designed by Thomas Heatherwick, which is located at the centre of the plaza.

Developer: Related Companies, Oxford Properties. **Architect:** Kohn Pederson Fox. **Key Tenants:** Boston Consulting Group. **Investor:** Mitsui Fudosan, Starwood Capital Group, Deutsche Bank and Allianz.

Manhattan West is a 7million sq ft (650,000 sq m) mixed-use development by Brookfield, built as an element of the Hudson Yards development on the west side of Manhattan.

The project extends over eight acres and features four office towers, a hotel, a residential building, 225,000 sq ft (20,900 sq m) of retail space, and a 2.5-acre (one hectare) public plaza. The project was built on a platform over Penn Station storage tracks along 9th Avenue between 32nd and 33rd Streets. The project is bordered by 10th Avenue and the Hudson Yards development to the west and Ninth Avenue and the Moynihan Train Hall to the east. The tallest (office) tower is 995 feet (303 m) tall, slightly taller (by 83 ft) than 22 Bishopsgate. The project was largely completed in 2021.[33] It has been well reviewed[34] and is to be linked to the High Line.

Developer: Brookfield Properties. **Architect:** SLCE Architects, Skidmore, Owings and Merrill. **Key Tenant:** W.P Carey, Ernst & Young. **Construction Firm:** AECOM Tishman Construction. **Investor:** Qatar Investment Authority.

According to architects Diller Scofidio + Renfro[35], **The Shed** is "a nonprofit cultural organization that commissions, develops, and presents original works of art, across all disciplines, for all audiences. The Shed's Bloomberg Building -

[33]https://www.osc.state.ny.us/files/reports/osdc/pdf/report-3-2024.pdf

[34]https://www.osc.state.ny.us/files/reports/osdc/pdf/report-3-2024.pdf

[34]https://board.tfl.gov.uk/documents/s19830/board-20230329-item09-prudential-indicators.pdf

an innovative 200,000-square-foot (18,500 m²) structure can physically transform to support artists' most ambitious ideas."

The Shed's eight-level base building includes two levels of gallery space; the Griffin Theater; and The Tisch Skylights, which comprise a rehearsal space, a creative lab for local artists, and a skylit event space. The McCourt, an iconic space for large-scale performances, installations, and events, is formed when The Shed's telescoping outer shell is deployed from over the base building and glides along rails onto the adjoining plaza.

Developer: The Shed. **Lead Architect:** Diller Scofidio + Renfro. **Construction firm:** Sciame Construction.

The **High Line** is a 1.45-mile-long elevated linear park created on a former railroad on the west side of Manhattan. Opened in 2009, the High Line has since become a symbol of excellence of American contemporary architecture. The park has 120 different species of plant and includes naturalised plantings, inspired by plants that grew on the disused tracks.

The park now sees eight million visitors each year and hosts art installations and other cultural events. Due to the success of the High Line, a number of real estate developments began around the park, and it has inspired similar projects in other US cities and, indeed, the Camden High Line between Camden Town and King's Cross [36]

Developer: Friends of the High Line. **Architect:** James Corner Field Operations. **Designer:** Diller Scofidio + Renfro

Opened to the public in April 2023, **Pier 57** is a former cruise terminal and transit depot that was vacant for the last 20 years. It is now one of Google's campuses in New York with Google having leased the building since 2018. Nearby Pier 59 is where the Titanic would, in different circumstances, have arrived. Its redevelopment focused on public realm with a 2-acre rooftop park, waterfront food market, interactive gallery and views of the Hudson River as well as New York's skyline.

Developer: RXR Realty, Youngwoo & Associates [Jamestown for Market 57]. **Architect:** Handel Architects. **Key Tenant:** Google. **Construction Firm:** McKissack.

[36]https://www.camdenhighline.com/

Opened in 2021, **Little Island** is a unique 2.4 acre free to access public park, which sits above the Hudson River. Built upon 132 pot-shaped structures, it offers New Yorkers a large green space that also hosts cultural events. These include affordable concerts hosted within its 687-seat amphitheatre, as well as dance and children's programs. The park also possesses amenities such as food Kiosks, concession stands and an arts and crafts area for families and children, which makes Little Island a popular day trip destination.

Developer: Barry Diller, the Hudson River Park Trust. **Architect:** Heatherwick Studio, Mathews Nielsen Landscape Architects. **Project Manager:** Olivia Arnow. **Construction Firm:** Hunter Roberts Construction Group. **Investor:** Barry Diller and Diane von Fürstenberg.

The **Meatpacking District** is an area of lower Manhattan between the Hudson River and 9th Avenue/Hudson Street, south of 15th Street. As its name suggests, it was home to a Smithfield-style wholesale meat market close to the piers on the waterfront. The area declined economically during the 1960s, leading to classic urban dereliction. 'Alternative' activity began to characterise the area, leading to a filmic nightlife in what was a sparsely-populated ex-industrial zone. This transformation paved the way for a classic spontaneous shift (starting in the early 1990s) towards a Shoreditch-style mixture of bars, restaurants, clubs, design companies and galleries. The High Line then arrived further to enhance the transformation of the area. Soho House has premises there. With this spectacular turn-around came interest from the New York City Landmarks Preservation Commission which established the Gansevoort Market Historic District to protect many of the ex-industrial buildings (more Manchester than London in architectural terms) within the area.

Chelsea Market, built in the 1890s and located in New York City's Meatpacking District, was originally built to be a food factory complex. It was then redeveloped in the 1990s and is now a food hall, shopping centre and office building. In 2018, Alphabet Inc., Google's parent company, gained ownership of the company and it is now one of Google's office spaces.

It is also considered one of the greatest indoor food and retail marketplaces in the world, with Chelsea Market seeing an annual footfall of 6 million people.

Developer: Jamestown. **Architect:** Romeyn & Stever, Louis Wirsching Jr, Vandenberg Architects (redevelopment). **Key Tenant:** Google, Youtube. **Construction Firm:** Vanguard Construction & Development Company (redevelopment).

The **Domino Sugar Factory** is an historically significant site located in the Williamsburg neighbourhood of Brooklyn. The factory was established in the mid-19th century by the Havemeyer family, who were major sugar producers and refiners. It grew to become one of the largest and most important refineries in the world, producing millions of pounds of sugar each year and employing thousands of workers. According to The New York Times[37], at the turn of the twentieth century, about 60% of the sugar consumed in America passed through it. After the refinery closed in 2004, it was initially purchased by the Community Preservation Corporation, a developer the NYT says had "a track record of gentrifying other areas of Brooklyn". Community protests ensued with slogans about working-class locals being pushed from the neighbourhood in favour of housing for the better off.

After suffering financial problems, Community Preservation Corporation sold the 11-acre property to Two Trees Management, famous for their impact on Brooklyn's so called **Dumbo** neighbourhood where luxury flats and warehouses have been converted into offices occupied by the tech sector.

The exterior of the sugar refinery received 'landmark' status in 2007 so the redevelopment incorporates the existing structure. Some 460,000 square feet of rentable office space within the sugar refinery are being built, with the new development being named the Refinery in order to maintain its connection with the site's past. The project will also make the site all-electric, with the development being carbon net-zero. The wider site is also being redeveloped, with 2,800 apartments scheduled to be built, contained within four residential buildings. These include 700 affordable homes, (priced below market rate) and available through lottery for low- and middle-income families. The wider development will total 600,000 square feet of office space and will include 200,000 square feet of retail and commercial space. This redevelopment includes Domino Park, a 6-acre public park space that opened in 2018.

The proposed redevelopment plan was controversial, with concerns raised about the height and density of the proposed buildings, as well as the impact on the surrounding community. After several years of negotiations and revisions to the plan, redevelopment finally began in 2018. The scheme aims to balance the preservation of the site's historic significance with modern urban development and design. It has been seen as a significant milestone in the ongoing transformation of the Brooklyn waterfront and has sparked debate about the role of development and preservation in shaping the future of New York City.

The nearest equivalent to the development in London is probably Battersea Power Station.

Developer: Two Trees. **Architect:** CookFox, Partnership for Architecture and Urbanism

[37]https://www.nytimes.com/2023/02/12/realestate/domino-refinery-brooklyn-development.html

Brooklyn

Once a manufacturing complex, **Industry City** has been redeveloped into a green retail space. The redevelopment consists of 16 buildings, built on 35 acres of repurposed industrial space. It possesses a waterfront green space along with over 50 eateries and retailers.

Industry City aims to be an important arts and entertainment destination within New York, with the site displaying gallery pop-ups and public art instillations.

Developer: Belvedere Capital, Jamestown.
Architect: S9 Architecture.

Appendix A

A - Comparison of London and New York for a range of principal indicators

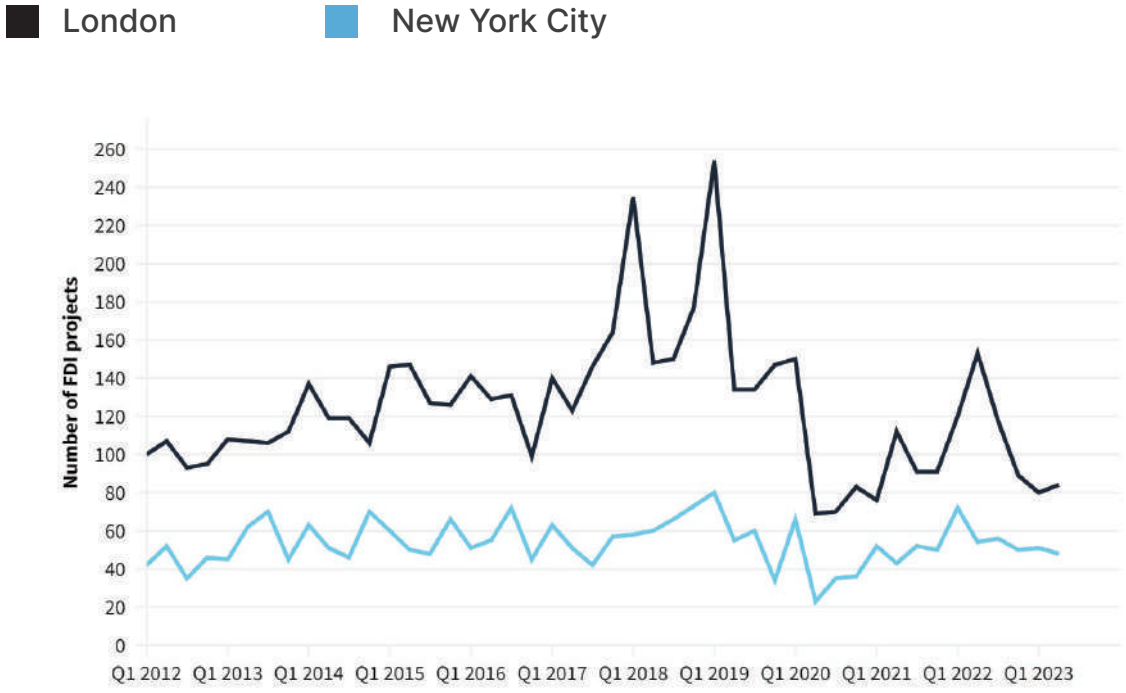
Economic activity and labour markets

Economic Output

Source: Oxford Economics

Economic activity and labour markets

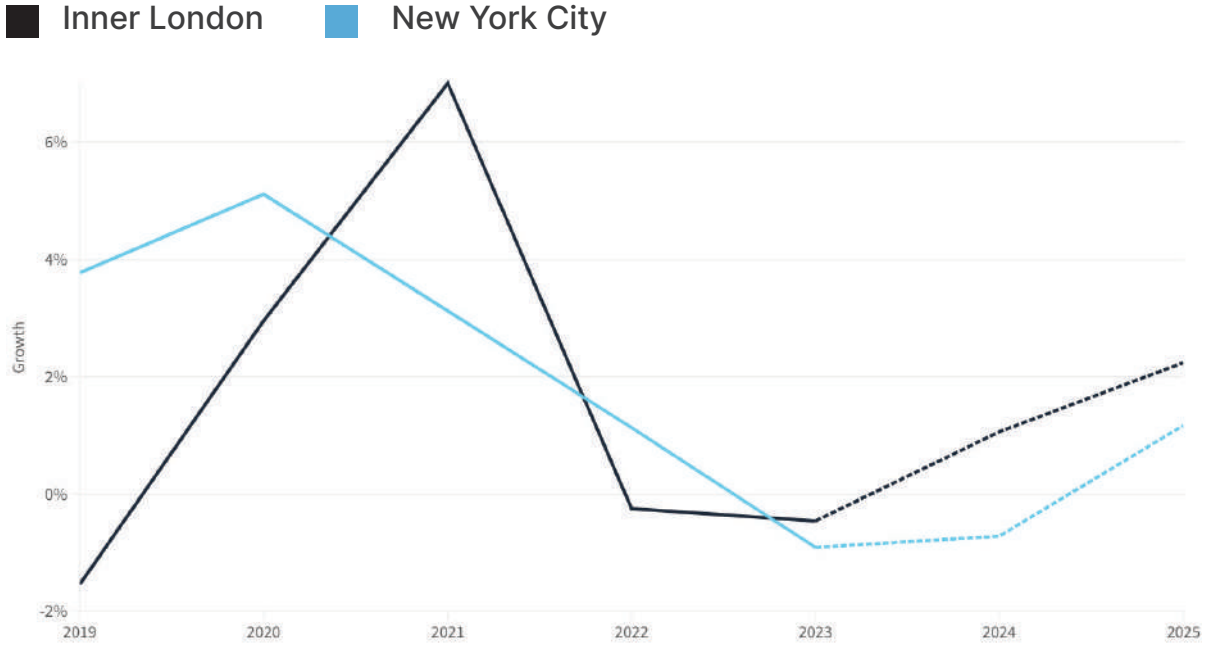
Foreign Direct Investment



Data sourced from fDi Markets by London & Partners, as of 14/08/2023

Financial & insurance activities

Year-on-year change in output

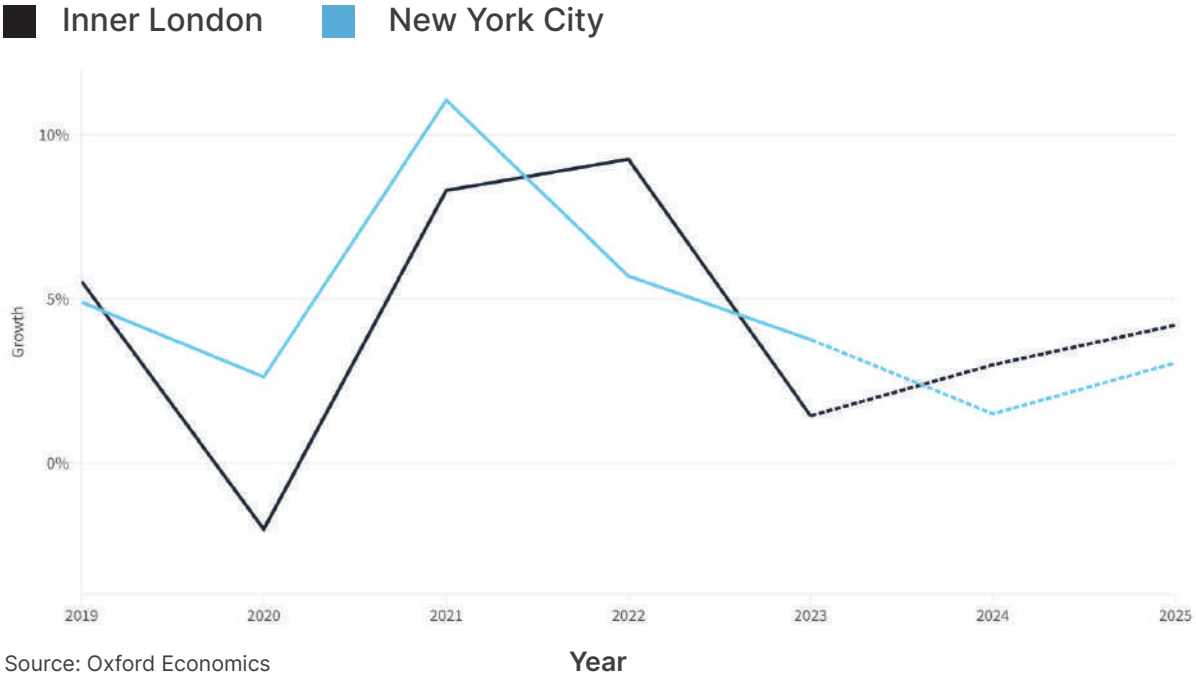


Source: Oxford Economics

Economic activity and labour markets

Information and communication

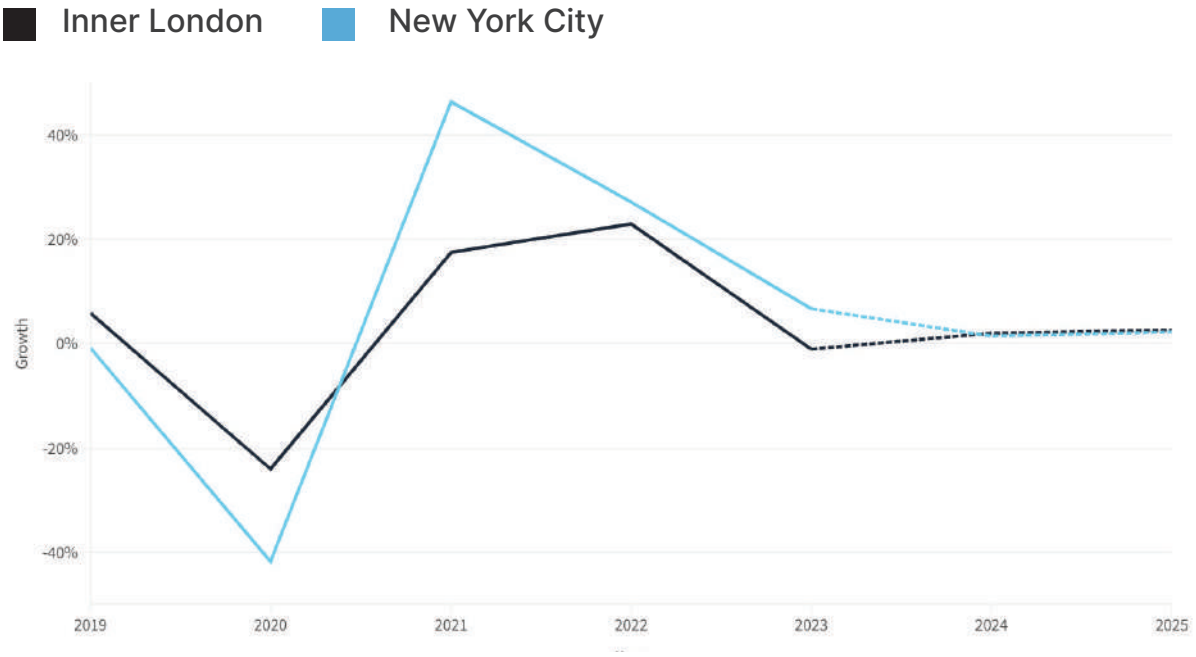
Year-on-year change in output



Source: Oxford Economics

Arts, entertainment & recreation

Year-on-year change in output

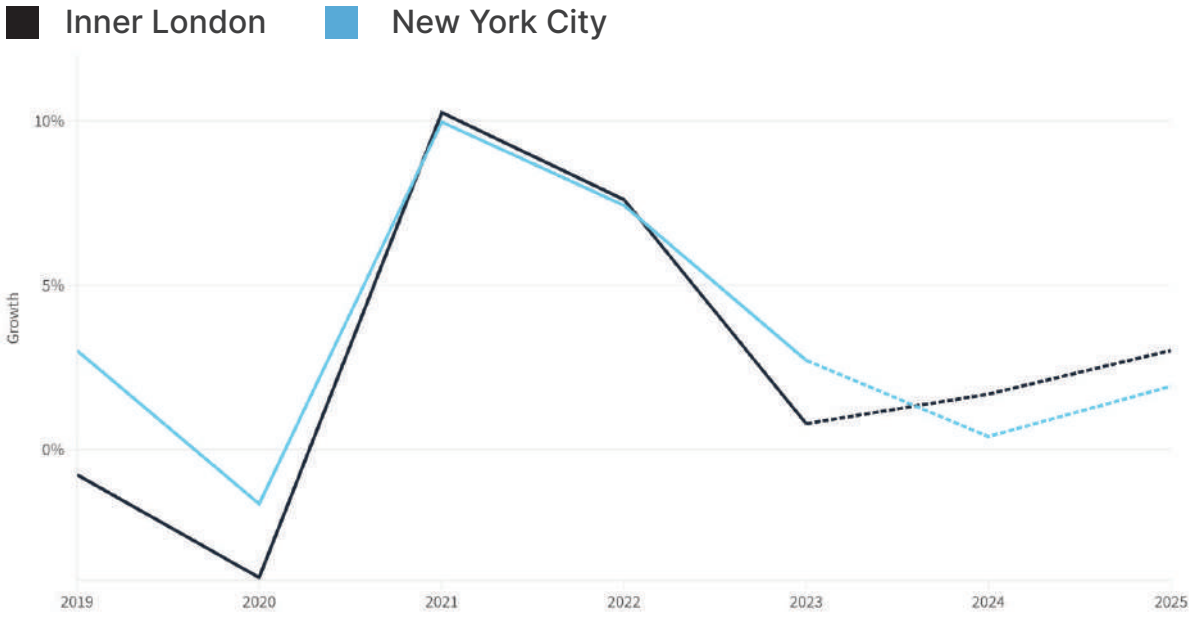


Source: Oxford Economics

Economic activity and labour markets

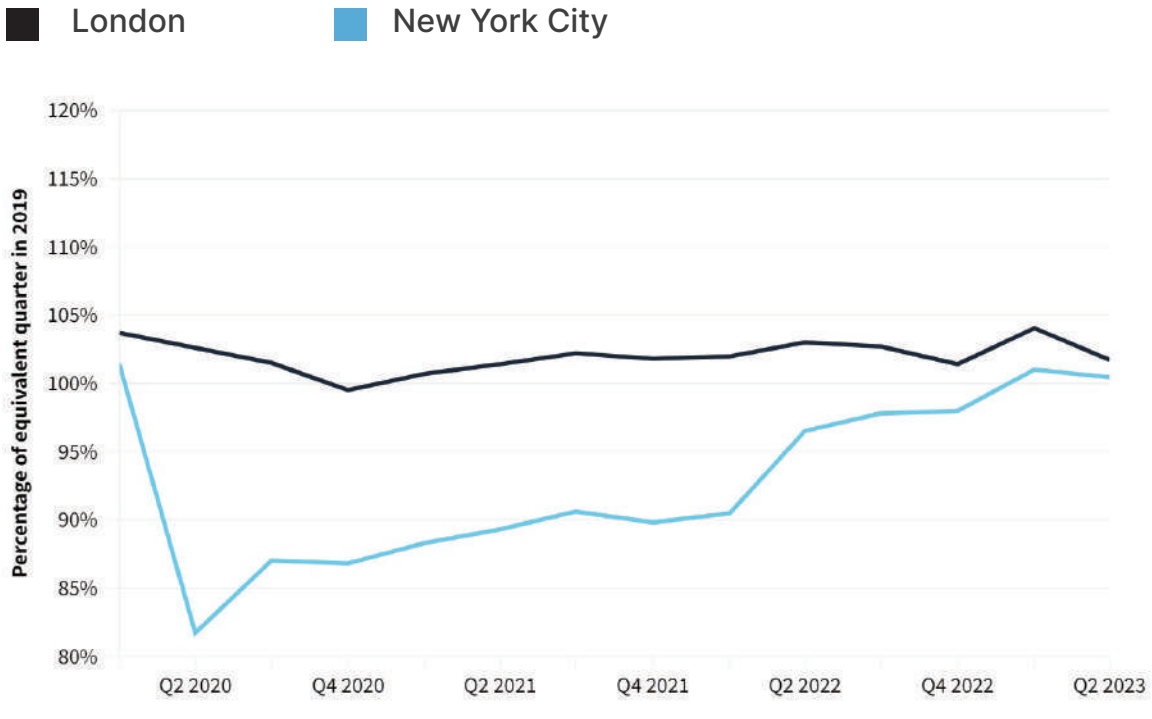
Professional, scientific and technical activities

Year-on-year change in output



Source: Oxford Economics

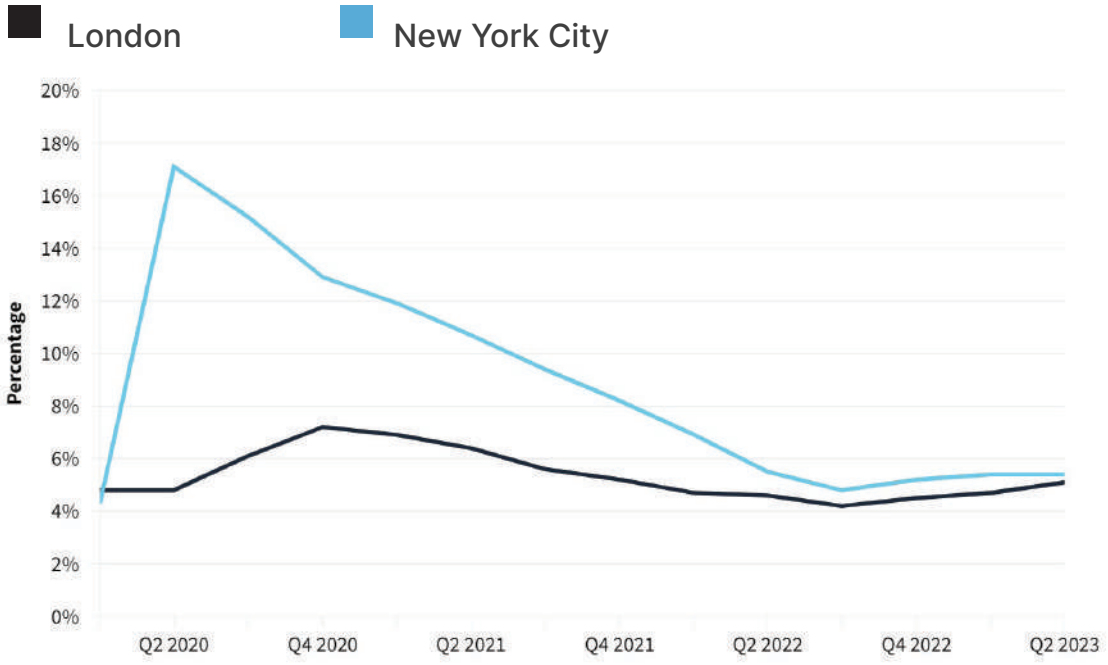
Recovery of employment



Office for National Statistics, New York State Department for Labor

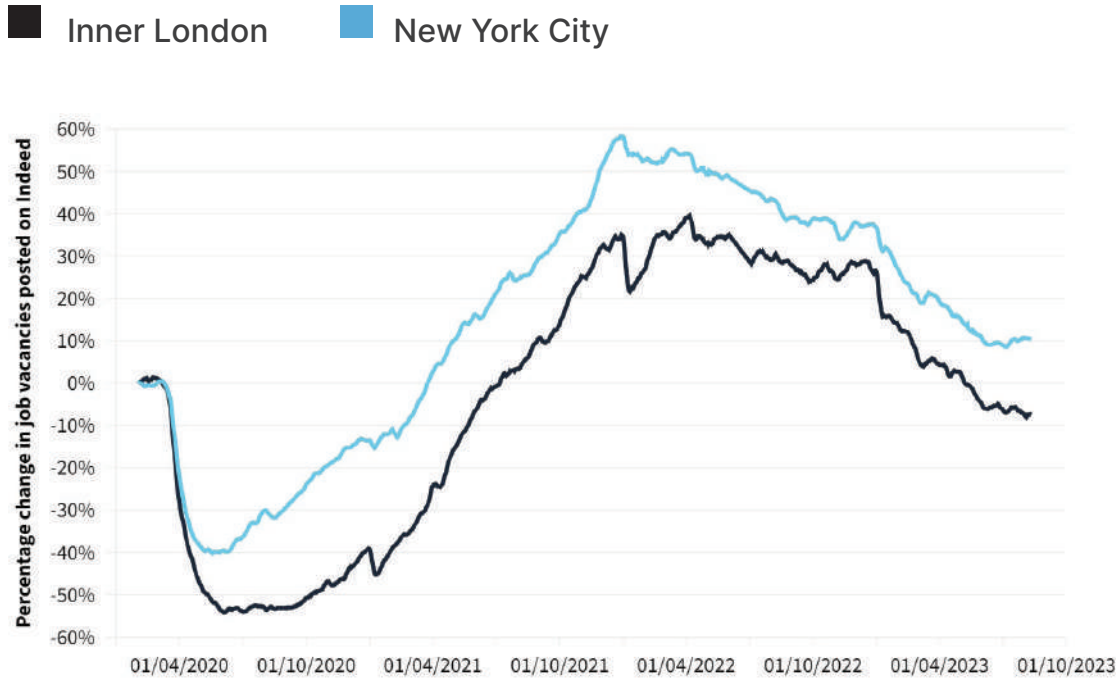
Economic activity and labour markets

Unemployment Rate



NY Department of Labor • Office for National Statistics

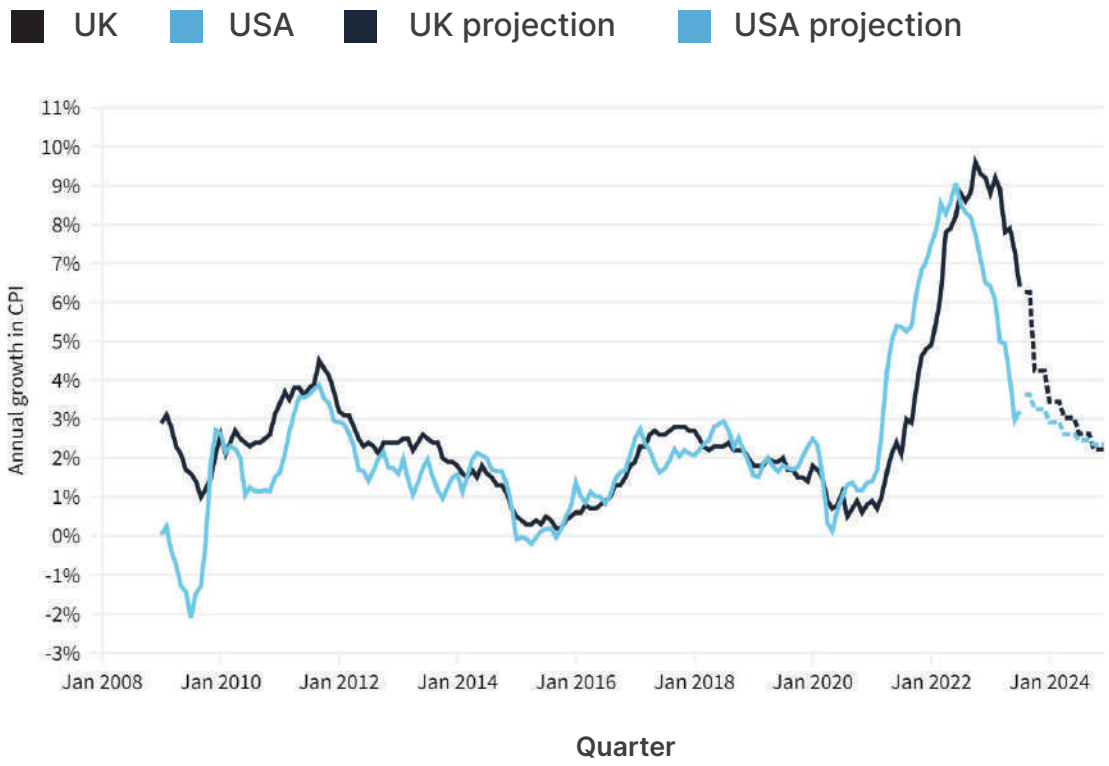
Job vacancies



Source: Indeed • Data shows number of job vacancies posted on Indeed compared to pre-pandemic (01/02/2020) for Greater London and the New York metro area.

Economic activity and labour markets

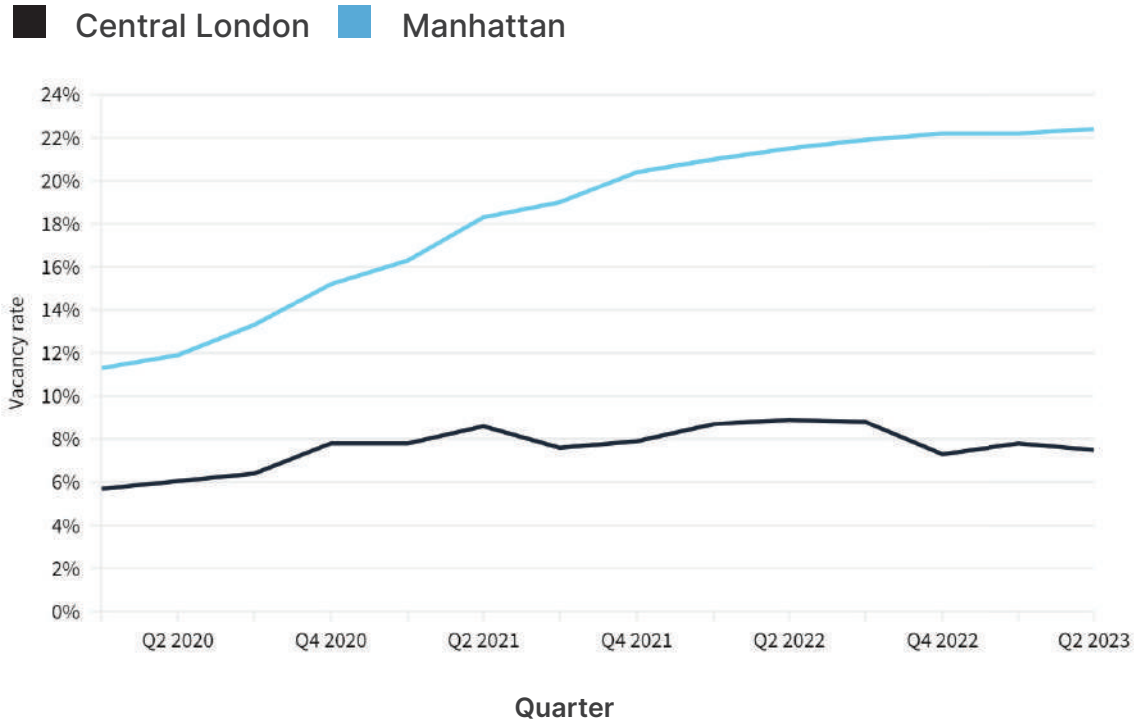
Inflation



OECD, HK Census and Stadistics Department, OECD · 2023 and 2024 data is projected on a quarterly basis.

Real Estate Indicators

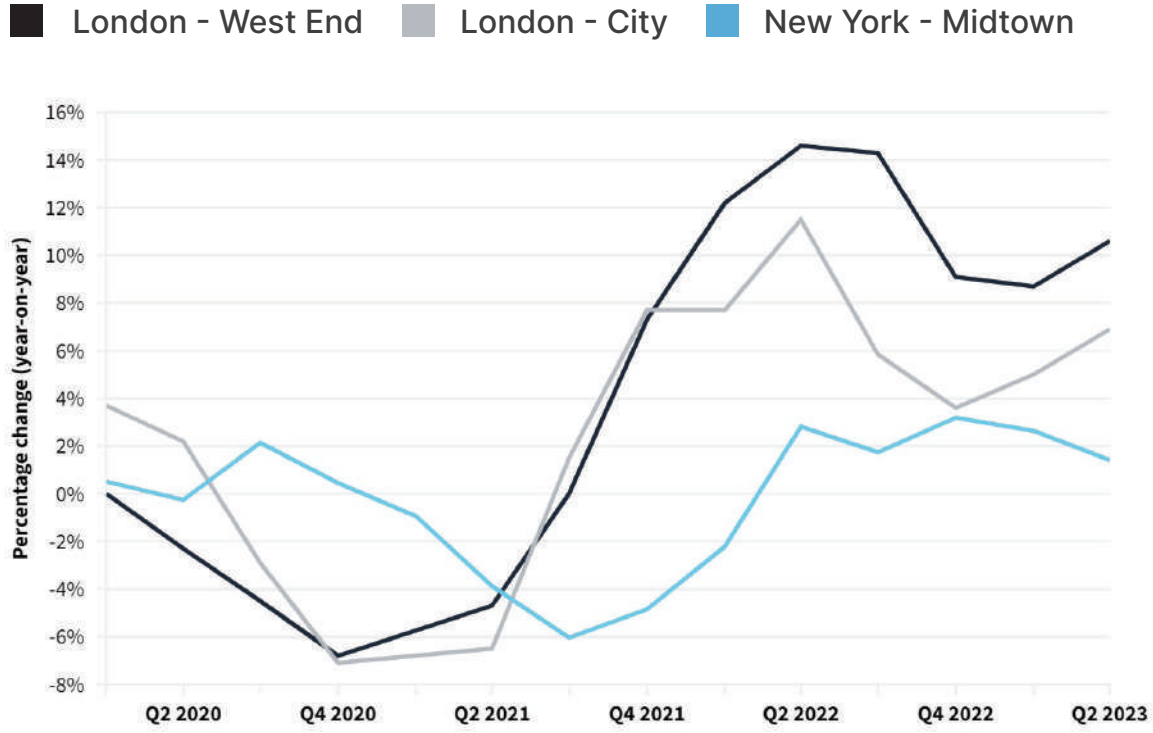
Office vacancy rate



Source Avison Young • Cushman Wakefield

In Q1 2020, BNP Paribas did not produce European editions of its quarterly update, we instead used: Knight Frank: London.

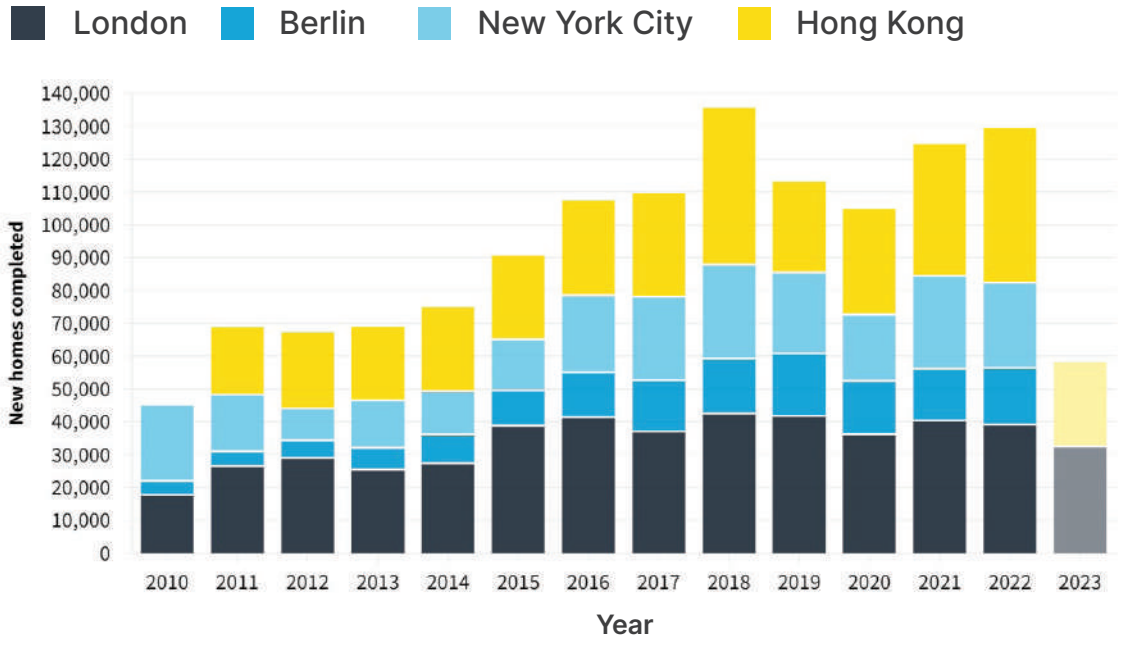
Change in prime office rents



Source: Cushman and Wakefield - DNA of Real Estate (Europe), Cushman and Wakefield - DNA of Real Estate (Manhattan) • Data show percentage change in Prime Rent.

Real Estate Indicators

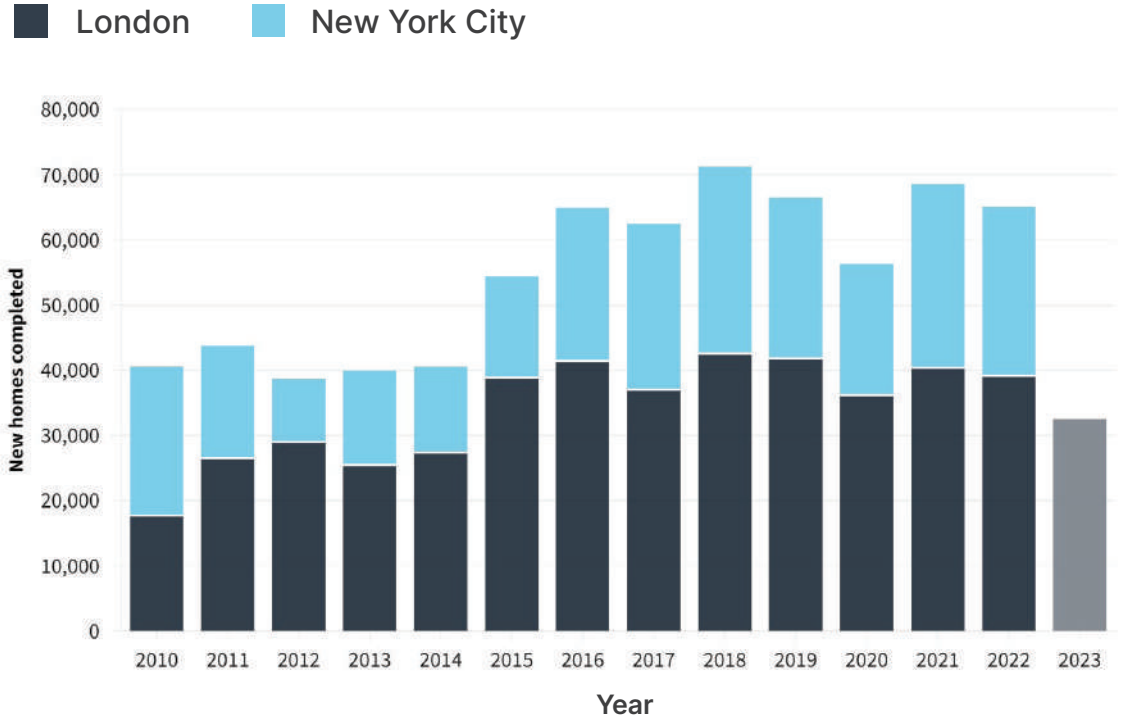
New homes completed



UK Government, Berlin Brandenburg, New York City Department of City Planning · Transport and Housing Bureau, Government of Hong Kong SAR · Hong Kong Housing Authority

London data calculated from domestic Energy Performance Certificates issued for new dwellings (including new builds, conversions, and change of use). Hong Kong data combines private, public, and homes for subsidised rent construction. Hong Kong data begins in 2011. Île-de-France only tracks authorisations and new starts, son not comparable.

New homes completed

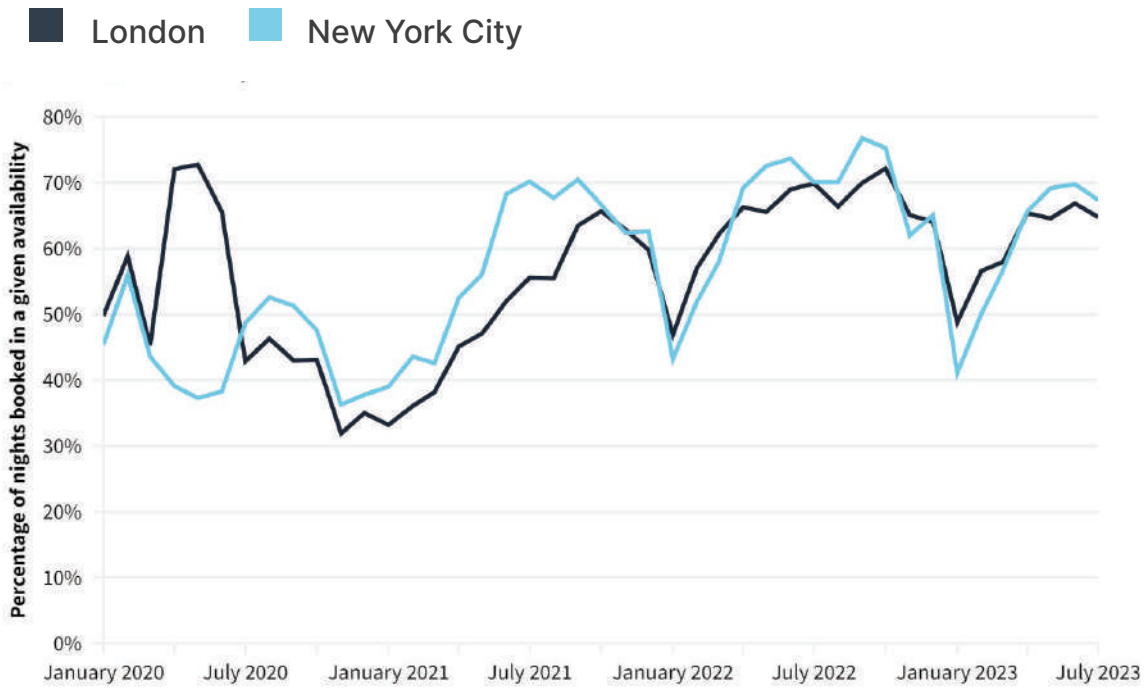


UK Government, New York City Department of City Planning

London data calculated from domestic Energy Performance Certificates issued for new dwellings (includins new builds, conversions, and change of use)

Real Estate Indicators

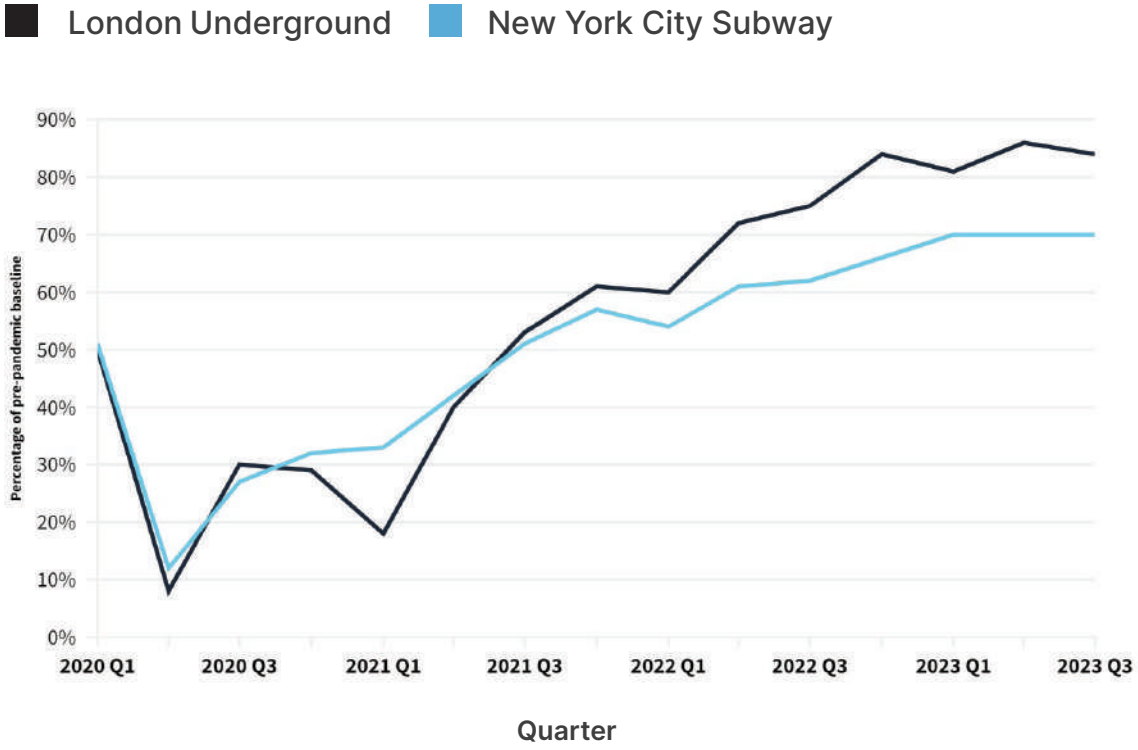
AirBnB Occupancy



Source AirDNA

Transport Numbers

Public Transport Usage

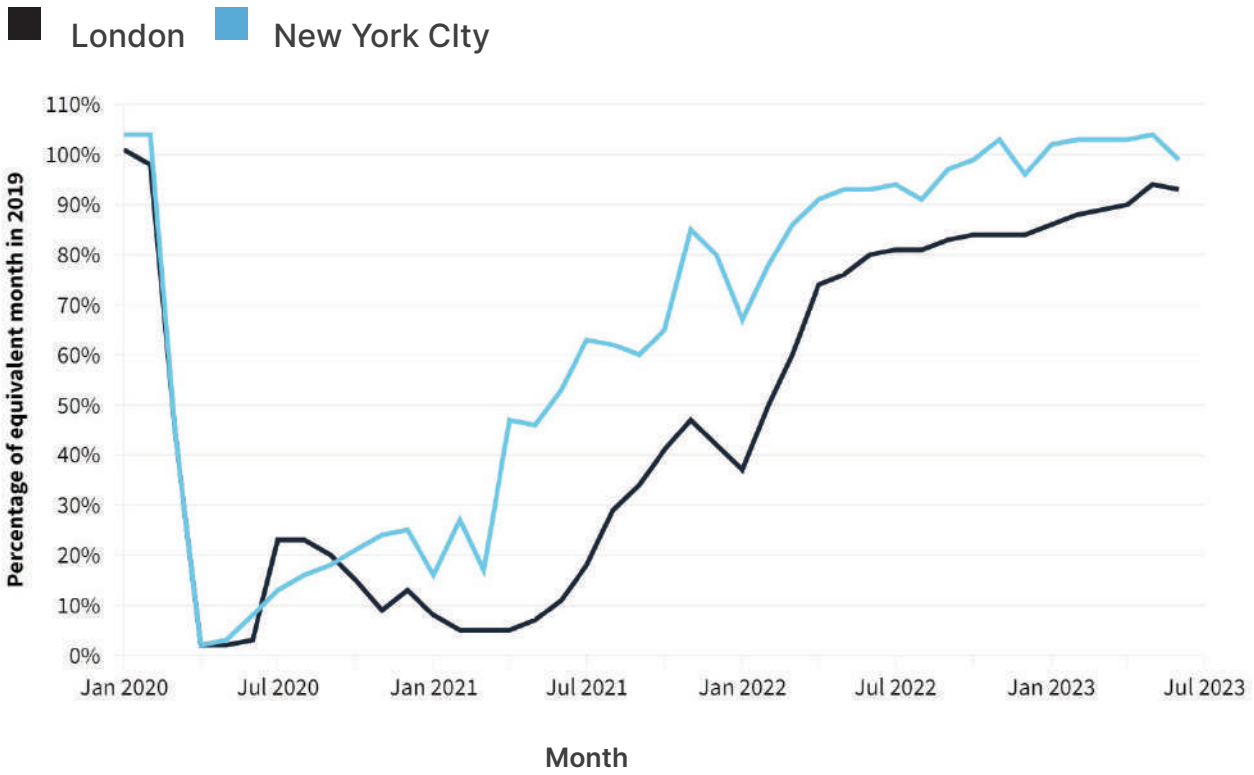


DfT, Transport use during the coronavirus (COVID-19) pandemic, MTA, Day-by-day ridership numbers

Q3 data for London and New York is projected, based on data up to mid-August. Hong Kong's Q2 data is projected based on data up to May.

Transport Numbers

Airport Passengers

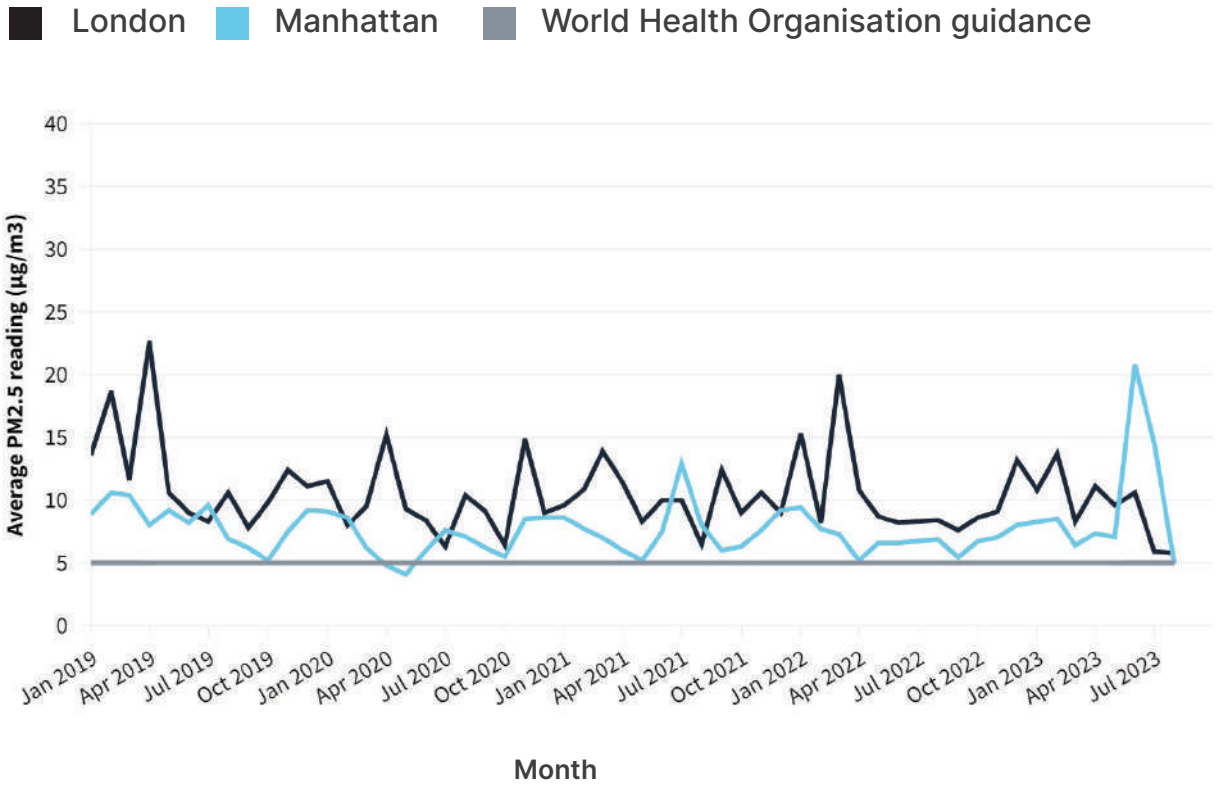


Civil Aviation Authority • Port Authority of NY and NJ, Airport Traffic Statistics

Percentage of equivalent month in 2019. London Airports are defined here as Heathrow, Gatwick, Stansted, Luton, Southend, and London City. New York City Airports are defined as LaGuardia, JFK, and EWR.

Environment

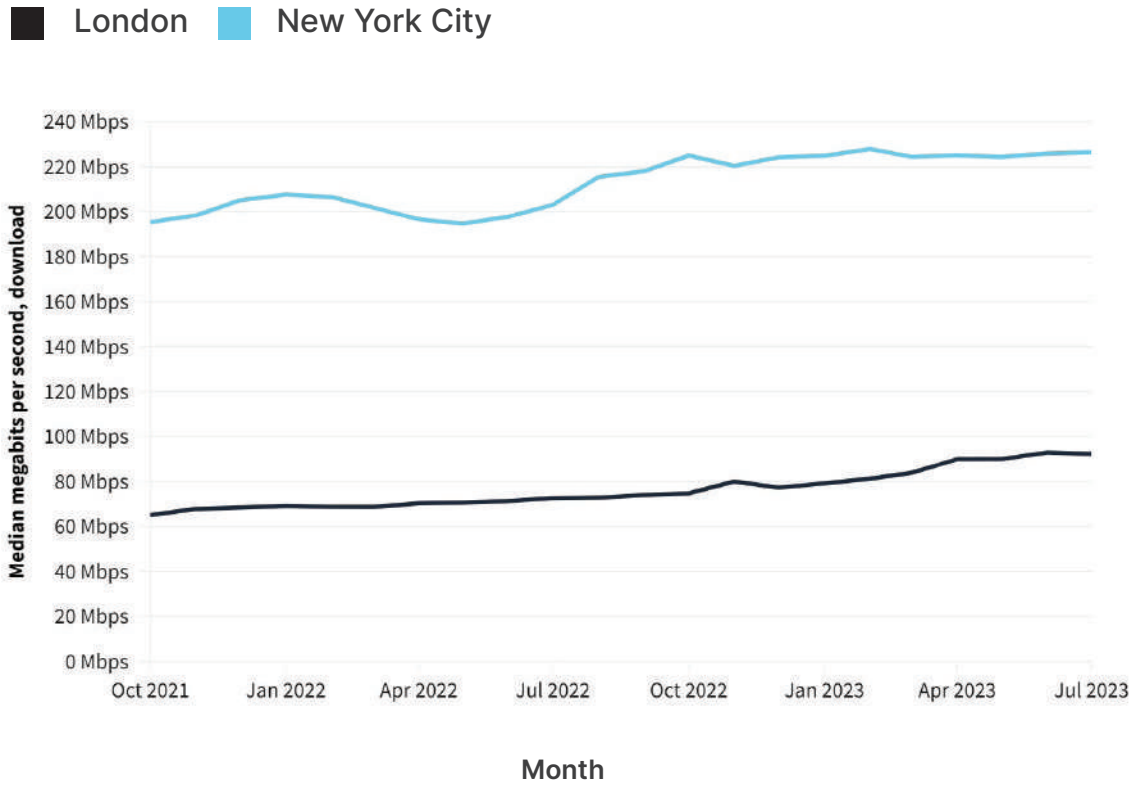
Air Pollution



Source: Berkeley Earth · PM2.5 readings track any particles smaller than 2.5 micrometres in diameter in the air. This data is a monthly average. The World Health Organization's guideline for air quality is 5ug/m3 averaged across a year. Within New York, only data for Manhattan is available, so results are not directly comparable with other cities.

Digital infrastructure

Broadband Speed



Source: Spreedtest Global Index

London Property Alliance

WPA | CPA

Westminster Property Association | City Property Association

OPPORTUNITY LONDON