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“Live, Work, Play” Projects Set To Dominate Market In 2015, According To Real Estate Leaders

Urban Land Institute New York Offers New Insight Into Emerging Trends At Annual Real Estate Outlook

NEW YORK, NY — Living and working spaces will see a radical transformation over the coming year, according to New York’s most prominent real estate players at an Urban Land Institute New York conference today, as the demand for more holistic experiences upends traditional ideas of real estate.

Leaders described a changing landscape where projects limited to a single use like retail or housing are becoming obsolete as new, multidimensional spaces take over, combining retail, entertainment, food and culture into a single vibrant development. The changes are led by a surge of millennials, who demand jobs and office spaces that more seamlessly blend work and play.

At the organization’s annual Real Estate Outlook, Miguel McKelvey, a founder of the popular co-working space provider WeWork, said, “The youngest generation of talent can go wherever they want. The whole package of compensation now goes beyond money to a company’s culture.” McKelvey observed that other factors, such as proximity to public transportation and coffee shops and the presence of communal workspaces, could matter more to tech employees than a “marble lobby.”

Another panelist, Chris Schlank, Managing Partner of Savanna Partners, noted, “If you want to make money as a developer, follow the artists. As they go, so does culture, and retail follows. Every place they go becomes hip and hot.”

The changes are largely driven by the growing influence of millennials, who will play a formative role in New York real estate in the coming year. ULI New York’s recent “Emerging Trends in Real Estate” report showed the number of millennials will catch up to Baby Boomers in just five years. The new generation will increasingly shape real estate decisions, be it through the growth of neighborhoods in the outer boroughs, a surge of jobs in technology, marketing, and advertising, or a preference for open office spaces and collaborative working environments.

Changing demand will also put a spotlight on the outer boroughs, which contain many of the large, open spaces where such multi-use projects can be situated.

“A strong vision for the boroughs – one that places density at the doorstep of mass transit – is the key to New York earning its place as the most livable and desirable 21st century city,” said MaryAnne Gilmartin, President and CEO of Forest City Ratner Companies. “Downtown Brooklyn dominates that success story with over 12,000 housing units in development, new cutting edge work spaces underway for the creative industry and a world class entrepreneurial maker culture that has no equal. The story of Brooklyn’s renaissance is due in no small part to its superior transportation network and a large scale

rezoning in 2004 that embraced density. With the migration of Americans back to cities, our boroughs will increasingly become a top pick for residents and businesses alike looking to put down roots in the greatest neighborhoods within the world's greatest city.”

Robert C. Lieber, Chairman of ULI New York, added, “New York real estate is at a crossroads. A new generation is demanding a new kind of environment in which to work and live and creating a new set of challenges for the industry. It is critical that policy makers and business leaders get out ahead of coming trends to keep New York competitive in the years ahead.”

The event was hosted by the Urban Land Institute and provides a range of groups the opportunity to examine and debate the latest issues affecting real estate in New York. The event drew more than 350 attendees, including leaders in economic development, education, banking, media, and nonprofit sectors.

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About the Urban Land Institute New York

ULI New York's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities. In so doing, ULI New York serves as the principal forum of real estate professionals in our area, reflecting the Urban Land Institute's best practices in leadership development, community service, and enhancement of land use policy and practice. The organization provides its members outstanding educational and informational forums and unique professional networking opportunities.