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**REAL ESTATE** REALTY CHECK

## Office building rooftops, terraces are multiplying with a vengeance



Urban gardens like this site on the 8th-floor terrace of One Five One (4 Times Square) are growing in popularity.

By [Steve Cuozzo](#)

Two years after the Department of Buildings tried to ban them, office building rooftops and terraces — today's hottest tenant amenities — are multiplying with a vengeance.

The great outdoors is the new frontier in Manhattan office-building design. Developers are including alfresco terraces and roof spaces in just about every new project, while owners of older properties are spinning them out of thin air.

Relatively cheap to install, the outdoor spaces are what many tenants want most, says CBRE Vice Chairman Howard Fiddle. Floors with terraces now command a 14 percent premium over non-terrace floors — with average taking rents of \$105.35 a square foot clobbering taking rents of \$92.34 in buildings surveyed by CBRE.

Nine of 10 new buildings now under construction — including mighty One Vanderbilt and most of the Hudson Yards towers — feature outdoor space, according to CBRE. From 2000 to 2009, by comparison, only six of 17 new projects included outdoor space, while old buildings with airy space were few and far between.

The DOB in 2017 tried to ban office terraces on “safety” grounds — a bizarre campaign that threatened to sabotage such major terrace-equipped projects as Three World Trade Center and Four Times Square — until stories by The Post prompted the DOB to back off.

Creative and tech firms with many millennial-age employees are especially enamored of outdoor extras, Fiddle said. “They’re happy to be outdoors even in winter,” he said. But the trend appeals to traditional financial firms as well.

The skyscraper had no terraces. But landlord Paramount “came up with the concept of a double-height terrace on the southwest side,” Fiddle said. The so-called “inboard terrace” didn’t involve building an outdoor deck but rather merely opening part of previously enclosed office space to the air.

Fiddle believes the terrace, which is now under construction, was an important factor in private equity firm New Mountain Capital’s recent decision to move there from 787 Seventh Ave.

“I don’t think this tenant would have landed at 1633 Broadway had it not been for the terrace,” Fiddle said.

Most landlords are delighted to install terraces and roof gardens because they generally don’t add to the building’s square footage that’s counted for zoning purposes, as long as they’re unenclosed.

They’re becoming standard equipment at new projects in every part of Manhattan.

For example, Related Companies tweaked its original design for 10 Hudson Yards — which was the first office tower to go up at the complex — to create terraces for major tenants L’Oreal, Coach and SAP.

KKR will have a terrace at 30 Hudson Yards, as will Milbank Tweed, Silver Lake and Point72 at 55 HY. A series of cascading landscaped terraces is an integral element of Tishman Speyer’s The Spiral just north of Related’s complex.

Realty Check is often asked to scope out capital upgrades being made to older properties. But in the past few years, what landlords really wanted us to see wasn’t new lobbies and elevators, but rooftops (at Aby Rosen’s 345 Park Avenue South) and terraces (at Rosen’s Seagram Building at 375 Park Ave.) and at Marx Realty’s 10 Grand Central.

Marx’s 1931-vintage building on Third Avenue at East 44th Street had a feature common to “wedding cake”-style architecture — a slew of outdoor setback terraces, 46 of them exactly. They were used for mechanical equipment or for nothing at all, until Marx saw gold in them.

“We activated about 24 of them” for tenant use, Marx CEO Craig Deitelzweig said. He also created two new penthouse terraces at the top.

A seventh-floor terrace is available to all tenants, and “that alone created a buzz for the whole building,” he said.

The rest are for use by a single tenant. Among them: data engineering firm Crux, which recently moved to 10 Grand Central. Its 18,000- square-foot lease on the 18th floor comes with a bonus of outdoor space of about 2,500 square feet.

“They wanted to be engaged with the outdoors,” Deitelzweig said. “It was their No. 1 priority.”

Other older properties that received or are getting the terrace treatment include L&L Holding’s 390 Madison Ave. and Tishman Speyer’s Morgan North Post Office.

And, as [The Post’s Lois Weiss reported](#) earlier, Vornado’s Farley Building at the former post office site between Eighth and Ninth avenues, which is described as “best-in-class creative office hub,” will boast a nearly 70,000-square-foot “park” on the roof “to inspire tenants to interact with nature and to encourage movement, wellness and fitness,” as Vornado’s website put it.