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On the Hunt for Office Space, Companies Stay Low to the Ground

Groundscrapers have been considered less exalted than their soaring brethren, but their ability to house an entire company on a single floor has made them more desirable in the pandemic.



The Merchandise Mart in Chicago, which opened in 1930, is sometimes called the country's first groundscraper. Raymond Boyd/Getty Images

By [Jane Margolies](#)

The skyscraper, the iconic urban office tower, still captivates by offering jaw-dropping views and the thrill of hovering in the clouds. But the skyscraper's opposite — a building as horizontal as a skyscraper is vertical — has been grabbing attention: Make way for the groundscraper.

There is no hard-and-fast definition for such buildings, which some loosely describe as a million or more square feet in only a handful of stories. These earth-hugging structures have traditionally been considered less exalted than their soaring brethren, but in recent years, groundscrapers — also known as sidescrapers and landscrapers — have become desirable.

Tech companies in Silicon Valley have long embraced the low-rise approach. But their campuses have also been likened to suburban corporate office parks, which fell out of favor years ago, and

criticized for contributing to sprawl at a time when the efficient use of resources calls for urbanization.

Still, some aspects of these buildings — such as the ability to reach offices via stairs, rather than elevators — have become doubly attractive during the pandemic.

“The interest in groundscrapers reflects our evolving views on how we come together in office spaces,” said Sam Chandan, dean of the Schack Institute of Real Estate at New York University’s School of Professional Studies.



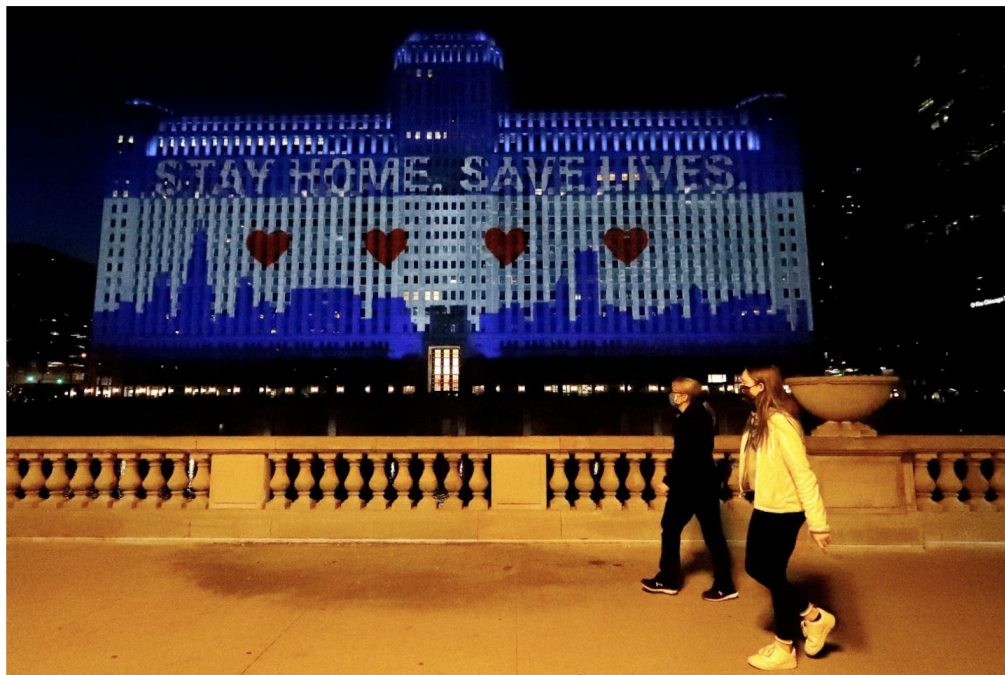
If stood on its end, the Old Post Office in Chicago would be the equivalent of a 64-story tower. Whitten Sabbatini for The New York Times

Take the Old Post Office in Chicago. Built from 1921 to 1932, the nine-story limestone landmark is three city blocks long and a block wide. If stood on its end, it would be the equivalent of a 64-story tower. The Art Deco building was the city’s main hub for sorting mail until 1997, after which it sat vacant for two decades.

The real estate firm 601W Companies bought the white elephant for \$130 million in 2016 and has spent \$670 million more in a project billed as the largest redevelopment in the country. Working with the design firm Gensler, the developer converted the structure’s 2.5 million square feet to office space offering the grandeur of ceilings up to 19 feet and restored brass grille work.

The building's large, open floorplates enable tenants to have all employees on a single level. This encourages communication across departments and reinforces company culture in a way not possible when employees are divided up on multiple floors of a high rise, said Brian Whiting, president of the Telos Group, which is handling leasing. Rates are \$47 to \$50 per square foot, and the building was 80 percent leased when it opened in November, with Uber taking two entire floors.

"We're competitive with trophy class, Class A office space," Mr. Whiting said, referring to the highest-quality office space, typically in a central location.



The Merchandise Mart in Chicago encompasses more than four million square feet across two city blocks.
Nam Y. Huh/Associated Press

Another Chicago landmark, known as the Merchandise Mart, is sometimes called the country's first groundscraper. Opened in 1930, the building spans two city blocks and encompasses more than four million square feet.

The Pentagon in Arlington, Va., is another early example. Built in 1942, the five-sided, five-story structure covers nearly 29 acres.

But in densely developed urban areas, where land is expensive, it has always made sense to build up rather than out, especially after the advent of electric elevators.

“Traditionally, an office building of over a million square feet is going to be 40, 60 or 70 floors,” said Phil Ryan, senior manager of the U.S. office of research at JLL, a real estate services company.



The Vanke Center in Shenzhen, China, consists of angular, interconnected segments on stilts. Getty Images

Groundscrapers built in this century have taken striking forms. The Vanke Center in Shenzhen, China — which was designed by Steven Holl Architects to house apartments and a hotel in addition to offices — consists of angular, interconnected segments on stilts. In Frankfurt, Germany, a gently curved office building called the Squire was erected over an airport rail line and looks almost like a high-speed train that has just pulled into the station. And Google is planning an 11-story groundscraper in London.

In the United States, the campuses of tech companies like Facebook and Google can accommodate vast gathering spaces for collaborative work, all-hands meetings and rec-hall-type amenities, and interiors often open onto landscaped outdoor areas that offer more places for working and hanging out. Apple’s ring-shaped “Spaceship” in Cupertino, Calif., is only four stories tall but more than a mile in circumference and encircles a 30-acre park.

But these enormous campuses are at the center of a debate over suburban sprawl and affordable housing. They have been blamed for worsening the housing crisis in California, driving up prices for nearby homes, causing gentrification and contributing to rising homelessness.

Lately, tech companies have set their sights on more urban settings, drawn to the authenticity and vibrancy that cities can provide. Google, for instance, in 2006 moved into a blocklong building in New York's Chelsea neighborhood that once housed the Port Authority of New York and New Jersey. Twelve years later, the tech giant bought Chelsea Market, a former Nabisco factory.

Projects that repurpose old industrial and logistics facilities as office buildings preserve historic structures that are part of the urban fabric, said Simeon Bankoff, executive director of the Historic Districts Council, a preservation group.

"It's great that new businesses are finding uses within existing historic buildings," he said. "You are contributing far less to the waste stream."

But these projects can have drawbacks. "If there are no regulations on how much of the historic building you are reusing, it can end up looking very awkward or even be a degradation of the building," he said.

In New York, Vornado Realty Trust has been renovating the James A. Farley Building, a former post office that takes up two double-wide blocks. A five-story columned landmark in Midtown Manhattan, the Farley building was designed by McKim, Mead & White and erected in 1913. In August, Facebook leased all 730,000 square feet of the office space in it — the largest lease signing in New York so far this year.



Facebook has signed a lease for 730,000 square feet of office space in the James A. Farley Building in New York. Hiroko Masuike/The New York Times

Such adaptive reuse projects, however, tend not to be in a central business district but rather on its fringes, where old buildings from the industrial era may still remain.

South of the Farley building, two former rail-transportation structures near the Hudson River are being turned into office space. In both cases, several setback stories will be added atop the historic buildings.

In Chelsea, L&L Holding Company and Columbia Property Trust plan to convert the brick Terminal Warehouse, which was erected in 1891 and has a footprint of about 700 by 200 feet. And in Hudson Square, Oxford Properties Group and the Canadian Pension Plan Investment Board are reinventing the three-story St. John's Terminal, which was built in 1934 and stretches more than two blocks. Google has already leased the building.



"It's about getting the workplace embedded in the neighborhood," said Richard Cook, a partner at CookFox Architects, which is working on the redevelopment of the Terminal Warehouse in New York. Frances Roberts for The New York Times

CookFox Architects is working on both projects, and Richard A. Cook, a founding partner of the New York-based firm, said he appreciated groundscrapers for their connection to the street.

"It's about getting the workplace embedded in the neighborhood rather than tall and iconic on the skyline," he said.

Such buildings can accommodate the health and wellness concerns that were at the fore of office design before the pandemic. Employees can get their steps in by hoofing it to colleagues on another part of a vast floor or climbing stairs rather than pushing an elevator button. And the large rooftops can be landscaped for outdoor meetings and recreation.

But the pandemic has pointed to another benefit.

Because groundscrapers cover so much territory, they tend to have multiple entrances, in contrast to the typical skyscraper, which funnels everyone through a single lobby. The decentralization of arrivals and departures can help with social distancing, experts say.

The renovated St. Johns building will have three main entrances: two for pedestrians and one for cyclists leading to a vast bike room.

But developers are planning to add nine floors to St. John's for a total of 12 floors, and Terminal Warehouse will more than double to 13 floors. At what height does a building cease to be a groundscraper?

“Given the value of the land and the desire to maximize efficient use of the land, and monetize it,” Mr. Chandan said, “there is always pressure to build up, just a little bit.”