

REBNY Testimony | March 27, 2025

The Real Estate Board of New York to The Empire State Development Corporation regarding an Amendment to the 42nd Street Development General Project Plan

The Real Estate Board of New York (REBNY) is the City's leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. Thank you for the opportunity to provide testimony on the proposed amendment to the 42nd Street Development General Project Plan (GPP) to facilitate a residential conversion project at 5 Times Square.

REBNY supports the approval of this amendment as a necessary step in addressing the housing crisis in New York City and for its alignment with local planning goals of promoting adaptive reuse and transit-oriented development. The proposed project involves the partial conversion of 5 Times Square to a mixed-use building, to be completed by RXR and Apollo. Despite substantial capital improvements, an aggressive leasing push, and excellent transit access, the property still sits 77% empty, making it a prime conversion candidate.

Last year, the City and State took steps to increase housing production by expanding the universe of buildings that can convert from office to residential use, through City of Yes, and encouraging such projects to include below-market rate rental units through the 467-m tax incentive. The Midtown South Mixed-Use Plan (MSMX), which abuts Times Square, will permit office to residential conversions and add much needed housing to a primarily office and manufacturing neighborhood, creating a mixed-use district.

We believe that repurposing the 5 Times Square property will help accelerate Midtown's recovery, foster long-term economic stability, and is aligned with the city's development policy for the neighborhood. This project is aligned with city and state initiatives to alleviate the housing crisis, and with ready access to green areas and top-tier cultural attractions, the development is poised to offer an outstandingly convenient home for future residents.

The project will also utilize the 467-m tax incentive. The plan aims to create more than 850 new homes — 25% of which will be permanently affordable at a weighted average of 80% AMI— in a world-class destination close to public green space and transit. Additionally, the conversion is

expected to generate more than 800 permanent jobs, including jobs for building service workers at prevailing wage.

ESDC should approve the amendment to the 42nd Street Development GPP to allow for the office to residential conversions of 5 Times Square since this amendment will align with these local efforts.

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