

# THE WALL STREET JOURNAL.

## Jersey City Condo Joins Space Race

The 79-story tower would rank among the nation's tallest residential buildings

By JOSH BARRANEL

A sleek limestone and glass tower soon will soar nearly 900 feet into the skyline with broad views of New York Harbor and the Statue of Liberty.

This latest venture isn't in Manhattan—it is in downtown Jersey City, where its developers hope to create a fresh brand and set a new standard for luxury and amenities.

The tower, known as 99 Hudson, is part of a push by Chinese developers to enter the local condominium market in a big way, setting the stage for expansion into other major markets.

The building, a block from the waterfront, would be the tallest in New Jersey. The 781 condo apartments went on the market in the past few weeks. Now a 16-story frame of concrete and steel, it is due to open in 2019.

The total sellout of condos at the 79-story tower will total slightly more than \$1 billion, said Martin Brady, executive vice president of the Marketing Directors, which is listing the apartments in the U.S.

Prices start at \$889,000 for one-bedroom units and \$1.5 million for two bedrooms.

At 887 feet tall, 99 Hudson would be the sixth-tallest residential building in the U.S. If it were open today, there are 11 taller towers under construction, mostly in New York City, but also in Chicago and San Francisco, according to data from the Council on Tall Buildings and Urban Habitat.

Condo development has lagged in Jersey City since the 2008 financial crisis, even as a forest of tall rental buildings came on the market, and Jersey City developed a reputation as a center for arts, culture and business. Asking prices at 99 Hudson average about \$1,400 a square foot, about 64% of the average price a square foot in Manhattan, brokers said.



The 99 Hudson residential tower, under construction above and seen in a rendering below, would be the tallest building in New Jersey.

### Chinese Companies Expand Their Reach

Large-scale condominium development is returning to Jersey City, in large part through the efforts of two separate subsidiaries of the same Chinese-government-owned enterprise.

Both subsidiaries were looking to hone their reputations and develop their skills as they move into more highly competitive condo markets in places such as New York City.

In July, Strategic Capital put a condo project known as Park and Shore in the Newport section of Jersey City on the market. The development includes two separate buildings, 75 Park Lane and Shore House, that will share amenities.

Strategic Capital is an investment and development company owned by China Construction America, which in turn is owned by China State Construction Engineering Corp. Ltd., a Chinese government-owned conglomerate.

Nearly 20% of the 180 sales at Park and Shore so far have been to Chinese buyers, said Jacqueline Urgo, president of the Marketing Directors, which is overseeing U.S. sales.

It is competing against another subsidiary of China State Construction, China Overseas America, which is building 99 Hudson. The building's prices are pegged to be the highest in Jersey City. Sales were simultaneously launched this month in Jersey City and China.

Both China State Construction subsidiaries are looking to expand further, though in August China announced curbs to limit the outflow of corporate investment in property, among other sectors.

Cindy Xu, president of China Overseas America, declined to

discuss limitations on capital outflow. She confirmed that 99 Hudson is being built without a conventional mortgage.

"Whether to pay cash or arrange for loans is affected by various factors, such as the finance-modeling methods, the strategic concerns and the overall environment," she said.

Nine years ago, large-scale condo development fell out of favor in Jersey City, as the financial crisis of 2008 left a large overhang of unsold units. That is now turning around, with at least four new developments on the market since last year. The two projects by the Chinese-owned companies are the largest.

Both 99 Hudson and Park and Shore are being built by Plaza Construction, a Manhattan-based construction management, consulting and contracting firm that was purchased by a China State Construction subsidiary in 2013.



But 99 Hudson, about a four-minute ride on the PATH train to the World Trade Center, has one unbeatable advantage over most Manhattan towers: a vast open view of the Manhattan skyline. It sits directly across from the World Trade Center and views extend from Midtown to the Statue of Liberty and Liberty State Park in New Jersey.

Cindy Xu, president of China Overseas America Inc., said the building's residents "will have unparalleled views of the Manhattan skyline, while enjoying the luxury lifestyle and amenities of a pre-

mier residential property."

The building will soar above the massive 42-story Goldman Sachs Tower about a block away, which at 781 feet currently is the tallest building in New Jersey.

The angled tower is rising at the eastern, Manhattan-facing edge of a block-square site that formerly was a parking lot between Hudson and Greene streets, a short walk from the Exchange Place PATH station. It has several angled glass walls on each side to give more units Manhattan views.

China Overseas America

purchased the site from Hartz Mountain Industries for \$68 million in 2013. Hartz had bought it two years earlier for \$35 million.

The building is clad in floor-to-ceiling glass and vertical columns of limestone that soar up the face.

The tower stands on a seven-story base that covers an entire square block. It has ground-floor retail, parking spaces that are being sold with condos and wall of studios on Greene Street, facing away from Manhattan. The roof of this base is a playground with

an irregularly shaped 80-by-50-foot outdoor pool, a lawn, fire pits, barbecues and cabanas.

Inside, there will be a spa with hot tub, steam room, sauna, fitness area, poker rooms, a business center and golf simulators.

China Overseas America is a U.S. subsidiary of China Overseas Holdings Ltd., which in turn is a subsidiary of the China State Construction Engineering Corp. Ltd., a Chinese government-owned enterprise.

Ms. Xu said sales at 99 Hudson were launched on-site si-

multaneously by a team from the Marketing Directors, a New York-based marketing company, and a China State Construction unit in China. She noted that many potential Chinese buyers have children working or studying in the U.S.

"We have built up a large and solid base of loyal customers who follow us to anywhere in the world," Ms. Xu said.

She said her subsidiary is looking to expand beyond Jersey City because overseas markets remain part of her company's "sustainable development strategy."