

## Construction for NYC's International Gem Tower Moves Forward, Halts for World Jewelry Center in Las Vegas

The first phase of construction for the International Gem Tower in New York City was marked with a press event featuring Mayor Michael Bloomberg in May. The site, which is at 47th Street between Fifth Avenue and Avenue of the Americas, has been excavated and the foundation poured for the 34-story tower. Three basement levels will be constructed over the next seven months.

There will be 750,000 square feet to sell in the \$750 million tower, a daunting prospect in a city with significant corporate layoffs and rising vacancies. Extell Development Company is still moving forward, but construction could be halted if enough tenants are not signed up by year's end. The developers hope to compete with other large gem markets including Shanghai and Dubai.

The World Jewelry Center in Las Vegas was announced around the same time as the International Gem Tower. The Center was designed to be 1,000,000 square feet over 57 floors, making it the second tallest building in the city. Las Vegas has been hit particularly hard by the economic downturn, so construction has been delayed and plans for the 100 residential condos abandoned. Developers have not announced when the project may move forward.

Jewelry sales continue to struggle. Polished diamond imports to the US fell 46 percent in May. Rio Tinto's diamond production was down 72 percent in the second the quarter. Birks & Mayors reported that fiscal year sales fell 14 percent.

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