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Marx Realty's Craig Deitelzweig Counts on Travel for Workplace Inspiration

Adopting a Hotel Practice, Developer Bought \$100,000 Porsche Taycan Car To Ferry Office Tenants

By [Andria Cheng](#)



While traveling Marx Realty President and CEO Craig Deitelzweig, center, often picks up ways to deliver hotel guest perks to the firm's office tenants with managing director of acquisitions Paul DiCarlo, left, and Chief Financial Officer Jagdish Shah. (Marx Realty)

Craig Deitelzweig, president and CEO of real estate developer Marx Realty, loves traveling and staying in unique hotels.

Many of his journeys have been about unwinding from work, but they also led to an epiphany he had about office properties: Why not adopt in workspaces the hospitality amenities that brought a smile to his face?

At Marx's 10 Grand Central building in New York, office tenants are now whisked around Manhattan by a driver in a \$100,000 Porsche Taycan electric car, billed as the first office feature of its kind. The idea came to Deitelzweig after he was driven in various hotel house cars including a Tesla Model X, an Audi, an SUV and even a Maserati offered at the luxury Faena Hotel in Miami Beach, Florida.

Many of Marx's signature hospitality touches — a uniformed doorman outside each property, luxury-hotel-like lounges and terraces, and a distinct scent made with a perfumery, to name a few — were inspired by Deitelzweig's trips.

"When it's a more fun vehicle, it's a better experience" for hotel guests, Deitelzweig said in an interview. "I thought, 'Why aren't we offering this?' When you go to a hotel, you feel happy. We want people to feel good when they go to the office. We want to be the opposite of the white-marble antiseptic office experience. ... Having the signature scent and music, a doorman outside opening the door. ... All that matters. That's what people can learn from the hospitality world."

This year, traveling with his family in Thailand motivated Deitelzweig to track down and order the same bronze lamp and little coffee table for 10 Grand Central that he saw at a Four Seasons hotel bar. On a separate trip to Portugal and Spain, he learned about cork used as a sustainable sound material. As a result, some of Marx's properties in both New York and Washington, D.C., are replacing their herringbone wood floors with herringbone cork.

"You can learn a lot from travel," he said. "Whenever we stay somewhere, we try to stay somewhere that's a bit unusual. I want to see what others are doing right and what they are doing wrong. ... I look at the hotels as inspiration [and ask], 'Why do I feel good in those spaces?'"



Marx Realty bought a Porsche Taycan Car to ferry its office tenants. (Marx Realty)

Local Inspiration

Deitelzweig doesn't always have to travel far to get ideas. A resident of the New York suburb of Westchester, about an hour's drive outside the city, he's stayed at 15 different New York hotels on long weekends or anniversaries to check out concepts.

He grew up in the New York neighborhood of Forest Hills in Queens. An industry veteran with a 25-year career history, Deitelzweig has held senior roles at both private equity and private development companies, including redeveloping over 50 properties in major markets across the country with a particular emphasis on New York and D.C. He previously practiced law in the real estate and litigation departments at Skadden, Arps, Slate, Meagher & Flom before transitioning to the business side of the industry.

He joined Marx as president and CEO in 2017. At Marx, besides focusing on office investments in its core markets of New York, D.C. and Atlanta, Deitelzweig also is responsible for repositioning the firm's entire portfolio, including properties such as Cross County Center shopping mall in the New York suburb of Yonkers.

Marx's hospitality focus is a growing refrain with office landlords and other workplace providers of all kinds. For instance, Convene, a high-end event-hosting and flexible-workplace

company, has attracted some big-name investors [thanks in part to its hospitality-like design flair.](#)

“We’ve had a lot of rival landlords tour our property to copy what we have,” Deitelzweig said. “We always take it to the next level.” He said the house car service “is the next step. We are into details. Tenants can tell a really authentic experience.”

When 10 Grand Central completed a \$48 million top-to-bottom overhaul in 2019, Marx decided to use the same font used by Porsche for its new building logo, according to Deitelzweig. The firm wanted to get across the idea of the speed of the trains that pass through nearby Grand Central Terminal, one of the world’s busiest transit hubs.

“It just seemed natural,” Deitelzweig said. “We were inspired by Porsche before we bought the Porsche.”

When working out amenity details, Marx looks to make subtle local connections to a property’s city.

For its recent second house car purchase, an \$80,000 Tesla Model Y for the Herald office building in D.C., Marx liked the idea of paying tribute to an American car in the U.S. capital.



Marx Realty is known for its luxury-hotel-inspired touches such as a uniformed doorman outside each of its office properties. (Marx Realty)

More Cars Coming

Marx plans to roll out more house cars for other buildings “given the already enthusiastic tenant interest,” Deitelzweig told CoStar News.

At 10 Grand Central, an in-house driver takes building tenants, free of charge, in the Porsche from the East River to Eighth Avenue, and from Central Park to Union Square, between 10 a.m. and 6 p.m. on weekdays.

The electric sports car has attracted excited building tenants who want to take pictures with it and has made five rides a day on average since its debut in mid-September, Deitelzweig said.

“This is just another amenity that can make tenants’ lives easier,” he said, adding the service is different from companies offering workers shuttles to locations that may be inconvenient.

Marx’s leasing record and above-average office-use rate are proof that adopting high-end hospitality-inspired amenities works, according to Deitelzweig. 10 Grand Central, for instance, increased its occupancy rate from around 60% before it began renovating the property four and a half years ago to 97% after signing tenants [across the media, financial, technology and other sectors](#).

While that occupancy rate declined to an 80% range this year after Marx chose not to renew a longtime tenant that was paying less than half of what other tenants were paying on average, Deitelzweig said 10 Grand Central has a lot of interest from prospective tenants. He expects the occupancy rate to rise back to 97% next year.

Average rent at 10 Grand Central has risen an average of \$35 dollars per square foot since the property was overhauled to include amenities such as a 7,500-square-foot indoor-outdoor club floor featuring a lounge, 40-seat conference space and an outdoor area called Ivy Terrace that Marx said was designed to mimic the world’s finest hotels.

Focus on Details

In another example of the attention Marx puts into details, Deitelzweig said Ivy Terrace deliberately features plants that were used in the 1930s to pay homage to the building's original look by Ely Jacques Kahn, who also designed Bergdorf Goodman's department store on Fifth Avenue.

Still, different studies show [New York office workers demonstrating some reluctance to return to the workplace](#). 10 Grand Central's office-use rate, according to Deitelzweig, has reached almost 90% on a normal day.

"People have been back even pre-Labor Day," he said, adding that the amenities floor during lunchtime is completely full.

Leasing activity in New York and across the country has shown top-tier renovated or new properties are attracting tenants with the goal of enticing workers to return.

Near 10 Grand Central, another Marx office tower located at 545 Madison Ave. is [100% leased](#) after the developer bought the property in late 2019 and renovated the building during the pandemic with its hospitality elements and finishes including warm walnut wood, velvet and bronze.

Average rent at the property went up \$22 per square foot, according to Deitelzweig. He said tourists often walked in with their luggage thinking they were entering a hotel. In sharp contrast, when Marx, which owns 71 buildings in 16 states, bought 545 Madison, the occupancy rate was just at 68% and going down to 40%. CoStar data shows the average market rent in New York has declined to \$57.20 per square foot from a pre-pandemic peak of \$60.23 in late 2019.

<https://www.costar.com/article/2039133299/marx-realtys-craig-deitelzweig-counts-on-travel-for-workplace-inspiration>