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Condos With Bragging Rights

To attract high-end buyers, developers call in celebrity designers; the Lenny Kravitz living room

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As the real-estate industry continues to rebound from the downturn, developers are finding that celebrity names can make a real difference on their bottom line. Photo: Bryan Derballa for The Wall Street Journal

On a recent evening, a crowd of real-estate brokers, cocktails in hand, gathered at 225 Rector Place in Manhattan to toast the evening's honored guest: celebrity interior designer and TV personality Jonathan Adler, who had recently staged two model apartments in the building with his name-brand line of furnishings.



Bryan Derballa for The Wall Street Journal

ERIC RIPERT | Le Bernardin's chef lent his name to the 'Eric Ripert Kitchen by Poggenpohl' at New York's Chelsea Green, which comes with an induction range top.



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The induction stove of a showroom kitchen

The party was also something of a relaunch for the building, located in Battery Park City, by the current developer, Related Cos. A previous condo-conversion attempt had flopped in 2009 after another developer defaulted on its debts. But Related recently announced that about 50% of the apartments have sold since sales reopened in June—thanks, in part, they said, to Mr. Adler's involvement.

As the real-estate industry continues to rebound from the downturn, developers are finding that celebrity names offer a competitive edge in the luxury market. And while star branding certainly isn't new, developers these days are increasingly bringing in "big names" for the little stuff—the details that often sell apartments.

In Miami, musician, actor and, in recent years, interior designer Lenny Kravitz created some of the new interior looks at Paramount Bay. Designer Victoria Hagan recently collaborated on interiors of Philip House on New York's Upper East Side. And chef Eric Ripert, owner of the Michelin-rated Le Bernardin and a frequent TV personality, is involved with a planned condominium in the city's Chelsea neighborhood slated for completion in 2013.

"It's the starchitect revival," says Jonathan Miller, president at Miller Samuel Real Estate Appraisers & Consultants, who recalls the rise of residential buildings by celebrity architects and designers during the last housing boom. By 2004, name-dropping at new luxury developments was almost a given, he said. Celebrity collaborations fell off when the housing market plunged, but they're now beginning to return.

For developers, celebrity connections can affect both the pace and price of listings, according to one study. In a survey of 17 markets in the U.S. and abroad, "branded" residential developments—those with hotel-like amenities where recognizable designers often played a large role—commanded 31% higher sales prices per square foot than comparable nonbranded projects. In New York, the premium is 12.4%, and in Miami it's 19.6%, according to the research by Knight Frank, a London-based real-estate consultancy.



Bryan Derballa for The Wall Street Journal

VICTORIA HAGAN | The designer collaborated on the interiors of Philip House, on Manhattan's Upper East Side



Bryan Derballa for The Wall Street Journal

A model bedroom designed by interior designer Victoria Hagan

"People will pay a premium for a recognized brand—it's a safer option," said Liam Bailey, head of residential research for Knight Frank, which will release the findings Friday. That's especially true for foreign buyers, Mr. Bailey said, many of whom make their purchases from overseas.

Foreign investment helped sales at Paramount Bay in Miami, said Anthony Burns of iStar Financial, SFI - 0.70% part of the current development team. The luxury waterfront condo project broke ground in 2006, but remained unfinished and vacant until work on the high-rise tower picked up in 2011.

Securing someone who could deliver great design was important, he said, but getting a talent that could deliver "on the public-relations front overnight really drove that decision."

Kravitz Design, Mr. Kravitz's design company, came on board in spring 2011, furnishing three model apartments and overhauling common areas. Mr. Kravitz, known for retro-inspired rock songs like "Are You Gonna Go My Way," founded the design company in 2003 with a focus on luxury interiors. Mr. Burns, the developer, likens Mr. Kravitz's work to "an urban oasis," with an emphasis on "cool but livable" design. Since sales started in October 2011, about 85% of the building's 346 residential units have been sold, Mr. Burns said. One of the three model apartments, including furnishings, was also sold. Mr. Kravitz was unavailable for comment.

"At the end of the day in South Florida, everything is 'ocean this' and 'ocean that,' " said Peter Zalewski of Florida real-estate firm Condo Vultures. "Now suddenly if there's a brand or name you like, you're more inclined to buy."

Before the developer of Devonshire House in New York's Greenwich Village brought in Ms. Hagan around 2009, the project was "dead," says Susan Hewitt of the Cheshire Group. Lehman Brothers's collapse was still fresh in buyers' minds, and "we felt we needed to sell something that was more special," she said.

Ms. Hagan, who has been named one of Architectural Digest's "Top 100" designers, oversaw everything from crown moldings and finishes in the apartments to common-area design features. The developer sold its publicly offered inventory of 48 units in six months, Ms. Hewitt said.



Bryan Derballa for The Wall Street Journal

JONATHAN ADLER | The potter and designer staged two model apartments at 225 Rector Place in Manhattan's Battery Park City.



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Securing someone who could deliver great design was important.

The project's success led to another collaboration with Ms. Hagan, this time on Philip House on the Upper East Side, a prewar condo conversion with prices topping out at \$8.25 million for a five-bedroom, 3,795-square-foot apartment. Sales began in September but Ms. Hewitt says they're on pace to match Devonshire's sales rate.

"I think for years designers have been working on these types of projects" Ms. Hagan said. "What's changed is the developers are listening a bit more and paying attention to details."

Details are what compelled Alfa Development to collaborate with Mr. Ripert, the chef, on a condominium in Chelsea slated to open in 2013.

The Chelsea Green, a 14-story, 51-unit building being marketed as a high-efficiency green building, will come standard with the "Eric Ripert Kitchen by Poggenpohl," which includes an induction range top and a layout designed for entertaining guests.

Sales began in May, based entirely off plans, and the developer says all but three units have sold—two two-bedroom apartments in the \$2 million range, and a more than \$8 million penthouse. Mr. Ripert said he has purchased his own unit in the building.