

February 27, 2013



RISING IN THE EAST

NEW CONDOS ARE COMING TO THE UPPER EAST SIDE, AND PRICES HAVE NEVER BEEN HIGHER

By **MAX GROSS**

LONG before the first piece of limestone was laid for Rosario Candela's 740 Park Ave., in 1929, it seemed as if the words "Social Register" were carved on every door on the Upper East Side.

The grand apartment buildings of Fifth, Madison and Park avenues were large, expensive and protected by the most coldblooded of co-op boards. (If you didn't like it, you could always try Central Park West.) Newcomers were not exactly

greeted with open arms. At least this used to be the case.

"There's a new development resurgence, and it's very exciting," says Kelly Mack, president of Corcoran Sunshine, which is marketing the Mark, a condo-hotel building that features a \$60 million penthouse and has seen traffic increase fivefold over the past six months.

"What we're seeing is that the most anticipated and coveted new development locations in town [are on the Upper East Side] — and it's a new type of property. These buildings have grand designs but amenities of new

developments. For the first time in a very long time, these buyers have new options west of Third."

According to Mack, new-development sales are up 34 percent on the Upper East Side, compared to 24 percent in co-ops and 15 percent in resale condos. And real estate industry titans — names like Macklowe, Barnett and Zeckendorf — have begun snatching up any available land above East 59th Street.

"A condo is so appealing — you don't have to deal with a board, it appeals to a

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The windowed eat-in kitchens at 150 E. 72nd St. come with stainless-steel Miele appliances and spacious pantries.

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wider array of buyers," says Richard Wallgren, executive vice president at Macklowe Properties.

Macklowe is turning the 103-unit prewar rental at 737 Park Ave. (across the street from you-know-what) into approximately 50 roomy condos, ranging from two- to five-bedrooms, which will start at around \$5 million for smaller units and go up to over \$30 million for the 5,630-square-foot penthouse.

Around the corner, Macklowe has another condo building under way at 150 E. 72nd St.; this is a 100-year-old, 32-unit rental that's being turned into 21 units, ranging from 2,316 to 4,500 square feet, with the most expensive five-bedroom currently on the market for \$14.1 million and will feature a penthouse that's planned in the \$20 million range.

Gary Barnett's Extell Development — best known for Midtown's One57 — is gearing up in the coming weeks to start selling Carlton House, its 68-unit condo building on Madison Avenue, across the street from Barneys.

"We're going to be starting at just under \$3 million, and going up to \$22 [million] or \$23 million," says Elida Jacobsen Justo, director of sales. "That's not including the penthouse." Or the townhouse. The estimated price tag on those two units should be a cool \$65 million each. And the units promise to be huge: The penthouse will be 8,743 square feet, with 5,261 square feet of outdoor space, and the 35-foot wide townhouse will consist of 9,742 square feet of interior space.

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And these buildings are just the tip of the iceberg: At 530 Park Ave., Aby Rosen's RFR Holding is bringing 119 units to market; apartments will be priced between \$2,400 and \$3,800 per square foot. And 15 Central Park West developers Arthur and Will Zeckendorf are getting a 51-story condo building underway at 43 E. 60th St.

Given the volume of such high-end buildings, one should be wary of saying just how well these developments will do, though the initial results have been promising.

The Touraine, which Toll Brothers put in the works in 2010 and should be ready for move-ins this May, has already sold 21 of its 22 units.

(Remaining is a \$19.995 million five-bedroom, 5½-bathroom penthouse.) Prices hovered around \$2,500 per square foot, with the average apartment trading at around \$5 million. All were sold off of floor plans.

Skyline Developer's 45-unit condo building, 200 E. 79th St., went on the market in October, and was sold out by mid-January at about \$2,000 per square foot.

"The unique thing," says Skyline principal Orin Wilf, "is that every apartment we had listed there had a waiting list of at least 10 people for each unit."

Down the block, at 135 E. 79th St., more than 50 percent of the inventory (about \$100 million worth) has traded hands at the Brodsky Organization's 19-story, 30-unit condo building, with prices from \$7 million to \$50 million.

And while many developers have wanted to center around Park and Madison avenues that, too, is beginning to change.

"There are some people who will only live west of Lex," says Reid Price, managing director of new developments for Town Residential. "And most of the development is west of Lex ... [but with the coming] Second Avenue subway, the eastern segment of the Upper East Side is going to get much more valuable. It's really going to change the whole complexion of the Upper East Side. First Avenue is not as far away as people once thought it had been."

Town's future Upper East Side project is the Charles, a 30-story, 29-unit condo building on First Avenue, between 72nd and 73rd streets, slated for completion in 2014. Prices for the

four-bedroom units, between 3,100 and 3,600 square feet, start at \$4.5 million and go up to \$8 million. There will also be a duplex penthouse, likely in the \$13 million to \$15 million range.

Buildings are also cropping up north of the 60s and 70s — Extell has just purchased development rights for two plots of land on Third Avenue between 93rd and 94th streets. And Toll Brothers did so well with the Touraine that it recently purchased 1110 Park Ave., between 89th and 90th streets, which it's planning on turning into 11 full-floor duplex and triplex condos.

"It'll be very high-end," says David Von Spreckelsen, NYC division president at Toll Brothers City Living. "We're planning numbers that will eclipse what we got at Touraine."

Philip House, the 76-unit, prewar rental that is being converted into condos by the Cheshire Group (which also developed Devonshire House in the West Village), at 141 E. 88th St., should be ready for closings this spring. Philip House also proves that the super-high end can live side-by-side with the less extravagant — a one-bedroom went for \$850,000 and a two-bedroom is on the market for \$3.12 million, but the penthouses which have yet to be released are expected to range from \$8.5 million to \$15 million.

And one thing you can say about all this new product is that developers are not thinking about the word "affordable."

"My new joke," says Jacky Teplitzky, managing director at Douglas Elliman, "is, 'Where is the affordable housing at \$1,400 per square foot?'"

\$3.99 MILLION
PHILIP HOUSE



The 76-unit Philip House, which includes this three-bedroom, 2,060-square-foot unit, should start closings this spring. There's a wide array of inventory from one-bedrooms to the penthouses, which haven't been priced yet but will be in the \$15 million range. **Agent: Kristina Wallison, Stribling, 212-860-4188**