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The Ground Floor Apartment Is Moving On Up

Long the dark abodes of doctors' and dentists' offices, Manhattan's maisonettes are rebranded as coveted real estate



This maisonette, as seen in this rendering, has double-height windows; its private gated entrance faces a landscaped mews. *ILLUSTRATION: WORKSHOP/APD*

By **NANCY MATSUMOTO**

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A rising market lifts all units—even those on the ground floor.

Ground-floor apartments with private street entrances—dubbed maisonettes in real-

estate speak—are fixtures of large, prewar Manhattan buildings. Often used as office space for doctors or dentists, and sometimes a few steps below ground, with security bars on their windows, they have long been viewed as the second-class citizens of upscale buildings.



In a former printing house in the West Village, eight maisonettes were consolidated into three much larger three-bedroom units. A rendering of the exterior, above. *ILLUSTRATION: MARCH*

Now, developers, eager to establish another coveted class of apartments, are aiming to rebrand the maisonette. They are redesigning the units with more space, better light and upscale amenities; touting the exclusivity of their private entrances—and charging far more for them than ever before, though ground-floor units are still typically priced at a 15% to 25% discount to their counterparts on higher floors.

In a former printing house in the West Village, developer Myles Horn consolidated eight maisonettes into three much larger three-bedroom units. He added double-height windows with no ugly bars; their private gated entrances face a landscaped mews, eliminating the need for such security. Ranging in size from 1,508 square feet to 2,348 square feet, the maisonettes are slated to go on the market next month for \$2.85 to \$4.15 million, or roughly a 9% discount from other floors on a per-square-foot basis. Mr. Horn says he is confident they will sell for more.

At 87 Leonard Street in Tribeca, a seven-unit residential Italianate building, developers created two huge maisonettes—one three-level, 4,700-square-foot unit priced for \$6.6 million and a four-level, 7,000-square-foot unit selling for \$8.75 million. Both units have double-height windows; amenities include direct elevator entry and an alarm system with multiple sensors. “We’ve seen a growing emphasis on the maisonette by developers,” says the agent representing the building, Raphael DeNiro, “because it



Medical offices were converted into residential maisonettes at Philip House. PHOTO: MICHAEL WEINSTEIN

really is the highest and best use of the lower floors of the building.” There have always been some high-price maisonettes valued for combining townhouse-like spaces with building services. And some agents say the strategy is starting to erode the general stigma long associated with ground-floor living. However, “some people are still not open-minded about them,” says Kirk Henckels, vice chairman and director of private brokerage for Stribling & Associates. He is representing a 4,700-square-foot maisonette once owned by socialite Marietta Tree that is on the market for \$10 million.

One maisonette at 1110 Park Avenue, a newly constructed condo building on Manhattan’s Upper East Side, is typical of many latter-day versions in its elastic use of the term. The \$14.25 million, 4,600-square-foot triplex doesn’t have a private street entrance, but instead an entrance off the building’s lobby.

“We still don’t know if the lobby entrance is a minus,” says David Von Spreckelsen, division president for developer Toll Brothers City Living. He notes that since there are only nine units in the building—and the maisonette has access to its own 1,200-square-foot garden as well as the building’s amenities—the lack of a private street entrance might not matter much.

At developments such as 18 Gramercy Park and One Central Park South, both of which include maisonette apartments, the private-entrance feature is being pitched as a benefit. Charlie Attias is a Corcoran Group agent who represents the latter apartment, a \$19.85 million, 4,300-square-foot maisonette inside the former Plaza Hotel (complete with both private elevator access from the lobby as well as a private street entrance). He says prospective buyers “are either very famous Hollywood or business people... they don’t want to be seen and privacy is very important to them.”



At 87 Leonard Street in Tribeca, a seven-unit residential Italianate building, developers created two huge maisonettes, one of which is rendered above. *ILLUSTRATION: GRADE*

The eventual buyer can also be happy with its maisonette discount, paying about \$4,600 a square foot instead of the \$6,500 price on a higher floor, Mr. Attias adds.

Even the typical doctor's office maisonette is starting to disappear. "There is just more availability and these spaces are more valuable as apartments than they are as medical offices," explains Susan Hewitt, whose firm Cheshire Group has converted six medical offices into residential maisonettes at Philip House, a prewar condo on the Upper East Side, and Devonshire House, an Emery Roth-designed prewar condo in Greenwich Village. Plus, she notes, the medical model is changing thanks to a 1986 change in the tax laws and more recently, a consolidation of the industry in the wake of the Affordable Care Act. As hospitals buy up whole practices, says Ms. Hewitt, "Fewer doctors own small practices."

Buying a former medical office with the intent to convert it to residential use comes with some caveats. The biggest hurdle is converting the apartment's certificate of occupancy from community to residential use, which can turn into a bureaucratic hassle if there are any outstanding permit violations on the unit. "Not every seller wants to wait around to accommodate a buyer's concern over that," says Paul Wexler, the real-estate agent who heads the Healthcare Properties Team for the Corcoran Group. Another potential issue, Mr. Wexler adds, is that medical offices tend to carry higher maintenance fees than residential apartments, something that can rarely be changed.