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# Living it up on Wall Street

**The world's financial capital is becoming a very pricey bedroom community.**By **Oliver Ryan**, FORTUNE reporter

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**FORTUNE**

NEW YORK (FORTUNE Magazine) - First-time visitors to Wall Street often stand in front of No. 23, the once-fabled House of Morgan, and stare up at the tall, cramped columns of the New York Stock Exchange across the way, or down the six blocks to the East River, turning over in their minds the vastness of the fortunes made and lost in that short stretch of real estate.

There is a giddy satisfaction in putting a face to the name of capitalism.

In the past such visitors would continue on their way, but now they might step right through the doors of No. 23, as though invited by J.P. Morgan. But they're not there as tourists; they're prospective buyers. For the House of Morgan has been officially re-branded Downtown by Philippe Starck, and one-bedrooms start at \$1.2 million.

There is a bull market afoot on Wall Street, but this time the brokers aren't named Morgan, Merrill, or Goldman, they're realtors like Corcoran, Elliman, and Halstead. More than a dozen stone towers -- many that were once home to America's banking titans -- now fly banners that scream LUXURY CONDOMINIUMS!

The Brown Brothers Harriman building at 63 Wall Street is now referred to as the Crest, and the former headquarters building of Chase Manhattan at 20 Pine has become the [Collection by Armani/Casa](#). The old Cocoa Exchange on the corner of Wall and Pearl Streets has kept its name, but the Botticino-marble-slab walls, 24/7 concierge, and sky lounge are all new.

The improbable conversion of Wall Street from business district to bedroom community began in the early 1990s when the trickle of firms abandoning the area for Midtown and beyond became a flood. Faced with an alarming commercial-vacancy rate, the Giuliani administration warmed to the neighborhood's residential possibilities.

"It's potentially a splendid place to live," says Michael Sorkin, director of the City College of New York Graduate Urban Design Program, echoing the city planners' "ah-ha" moment. "It has the propensity to be that chimerical fantasy," Sorkin continues, "a genuinely self-sufficient live-work community."

## Real estate micro boom

The Lower Manhattan Economic Revitalization plan, launched in 1995, included tax abatements for residential conversions, successfully luring the first handful of intrepid builders.

Their earliest projects were rental apartments catering to bargain hunters and young, sleep-deprived investment bankers happy to avoid a commute. Oddly enough, the attacks of 9/11 accelerated the residential drift. Further commercial-tenant departures -- and a flurry of aggressively priced building sales -- combined with billions in federal and state aid to attract a new wave of developers.

"I saw the water. I saw the views. And I thought, Wait a minute, this is perfect for residential," says developer Shaya Boymelgreen, who picked up Morgan's 23 Wall and neighboring 15 Broad in 2002 for \$100 million in a single day of frenzied dealmaking. In 2004,

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Boymelgreen spent another \$170 million on 20 Pine Street, once home to Chase Manhattan, which he fitted out with a sleek 24-hour sales office to help sell the 409 Armani/Casa-styled residences.

### High-end homes

Dark and minimalist, the apartments have elevator access to subways and a litany of amenities like a Turkish steam bath and golf simulator.

But the fullest expression of the downtown lifestyle can be found at [55 Wall Street](#), future home of the Cipriani Club Residences. For the 109 prospective tenants who will take up residence this summer -- including Bruce Willis and Harvey Weinstein -- *la dolce vita*, Cipriani style, will involve a daily cocktail hour and Continental breakfast, round-the-clock butler, private library, screening room, gym, spa, and barbershop. The price for a 900-square-foot one-bedroom: a tidy \$1.4 million.

Altogether there are around 20 buildings (nearly six million square feet) undergoing residential conversions in the financial district, on top of seven million square feet already completed since 1996, according to Mary Ann Tighe, the New York head of real estate broker [CB Richard Ellis](#) ([Research](#)).

The prevailing aesthetic of the new projects emphasizes grandeur, thanks to the monumentalism of the hallways and entrances, the solidity of the walls, and the novelty of placing things like swimming pools in subterranean bank vaults, as Boymelgreen did at 20 Pine. Call it bank chic.

Of course, as in any bull market, one must be wary of the hype. [BMW](#) ([Research](#)) may have opened at [67 Wall](#), and Hermes is due at 15 Broad soon, but without Web grocer Fresh Direct -- whose orders in the area are up 50 percent over last year -- the food situation would be dire.

And on weekends and evenings the area still has an eerie amusement-park-after-closing feel (that's changing, insist the area's optimistic realtors). As Tighe puts it, "How many under-retailed places are there in America?"

For now the game is sales -- a task eminently familiar to the Wall Street psyche. Cipriani has brought in uber-broker Dolly Lenz of Prudential Douglas Elliman to sell off its Club Residence units. Her game plan? Show as many apartments as fast as possible, or as she puts it, "Churn and burn."

One suspects that Mr. Morgan would approve.

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