

**REAL ESTATE**

Busy. Noisy. Homey.

New Apartments on Manhattan's Busy Crosstown Streets

By **ROBIN FINN** AUG. 1, 2014

A mere decade ago, frantic crosstown thoroughfares like 14th Street, 23rd Street and even 57th Street were not yet the apple of any residential developer's eye. If not out of sight, they were out of mind because of their traffic, noise and commerce.

Luxury development stuck to the avenues, park-view sites or classy corners; privacy and quaintness were the selling points of narrow side streets with one-way traffic. Home sweet home did not apply to the two-way corridors.

But lately it does.

There has been a sea change in attitude, in part because of the scarcity of available sites and the insatiable demand for upscale apartments, both among opportunity-driven developers and discriminating buyers and tenants. Now new construction on major thoroughfares at all points of the Manhattan compass is viewed as both feasible and profitable. Build it right, brand it appealingly, and it will sell.

“When I originally purchased the 350 West 23rd Street site for the development of Modern 23, brokers told me it would be a problem because of its location on a major thoroughfare,” said Erez Itzhaki, who built the 15-unit condominium there about five years ago. The projected problems related to a marketing strategy for the units did not materialize. “We initially had concerns, but it became a very profitable project for us,” he said. “As a developer, it's a winning situation because you have the ability to build retail

on the ground floor, which is the equivalent of having two penthouses to sell.”

Mr. Itzhaki said he is hoping to acquire additional development sites on crosstown thoroughfares because living along them “is not a turnoff anymore to buyers or renters.”

According to Pamela Liebman, the president of the Corcoran Group, “Perceptions and priorities have changed; boundaries are being pushed. One57 ended the stigma of living on 57th Street. The hippest, hottest street in the meatpacking district is 14th Street. Smart developers are delivering the product people want, and nobody is ignoring crosstown streets anymore.”

Buyers are no longer turning up their noses at easy access to transportation, and the installation of large soundproof windows can lower the volume as well as capture the natural light of the main drags. And less importance is being placed on neighborhood cachet.

“It used to be that people were very neighborhood-specific,” said Leslie Wilson, a senior vice president of sales for the Related Companies. “But the market has changed and it really is product-driven, as opposed to location-driven. Also, people really are cognizant of convenience: Living on a thoroughfare just plain gets you other places faster.”

“Connectivity appeals,” said Ms. Wilson, also the director of sales at One Madison, the 60-story luxury tower at 23 East 22nd Street that has helicopter vistas anchored by an entrance on 23rd Street. “You would never have thought you’d see Rupert Murdoch buying a triplex penthouse on 23rd Street, but there you have it.”

Ms. Wilson noted that even though residents have a staffed entrance on 22nd Street, “they really do like the option of the 23rd Street entrance.”

Four-lane thoroughfares once dismissed as unfashionably busy and intermittently seedy are being touted as undeniably convenient locations for residential towers, not to mention reliable providers of light, air and views that range from decent to spectacular precisely because the streets are often twice the 60-foot width of normal city streets. Also, developers can build bolder and higher on a thoroughfare site.

“Zoning treats crosstown streets differently from side streets generally,

and views them similar to avenues, which are wider and often permit retail,” said Barbara van Beuren, a principal of Anbau, which developed the Citizen at 124 West 23rd Street in Chelsea, the luxury-laden 155 East 79th Street uptown, and has another West 23rd Street condo project in the works. Most of Anbau’s residential projects are situated on crosstown thoroughfares in Manhattan.

“A lot of these crosstown streets had a reputation for being kind of trashy, but I think that perception is changing,” she added. “Before, as a developer you’d go, ‘Eeew, it’s midblock.’ Everybody was going after corners and avenues. But these cross streets offer so much more amenity than people ever gave them credit for before — wide streets, well-lit at night, maybe not A-1 park views but great cityscape views — and now that we can build such sound-insulated residences, technology is helping to mitigate people’s concerns with living in a busy area. In some instances, you’re not just enhancing a neighborhood, you’re helping to bring it up.”

Led by the popularity of luxury towers like One Madison, One57 and MiMa on 42nd Street, the infusion of high-end retail meccas like Eataly, on Fifth Avenue at 23rd Street, and Nordstrom Rack, on East 14th Street, and the unmitigated success of the ultimate in urban reclamation projects, the High Line on the Far West Side, buyers are chasing luxury product in hitherto undervalued or neglected neighborhoods.

Daria Salusbury, the senior vice president for luxury leasing at Related, said her company takes a special interest in “vibrant areas. These days, people don’t see being on a busy street as a negative. It’s more an attitude of ‘What am I getting if I move here?’ ”

The stigma diminishing, crosstown streets are being rapidly reinvented as boulevards with European scale and flair.

“The double-wide thoroughfare is definitely undergoing a renaissance in terms of its attractiveness to developers and their clientele,” said Steven Rutter, the director of Stribling Marketing Associates. “Look at 57th Street: The dynamic is so totally changed on that corridor that people are throwing the term ‘Billionaire Boulevard’ around.

“But the common denominator with all of these thoroughfares,” he said,

“is the accessibility to transportation when you’re outside your apartment, and access to natural light when you’re inside. What’s being built is of such high quality that you have buyers asking themselves, ‘O.K., do I want to buy the co-op in that prestigious old building and have to do a gut renovation or do I want to buy on 23rd or 57th or 79th and spend the same amount of money but get something totally brand-new?’ ”

Usheen Davar was living in a quiet residential neighborhood on the Upper East Side when she began shopping for an apartment in 2008. To her surprise, she found herself drawn to a stylish new one-bedroom condo downtown at the 22-story Gramercy Starck at 340 East 23rd Street.

“It was a hard decision for me because I’d never lived on a busy street before, so I was absolutely hesitant,” said Ms. Davar, who works in digital advertising sales. “But there were certain things starting to happen in the neighborhood. Luxury buildings like this one were starting to go up, and you had to figure that these developers had done their homework and looked into the future if they were investing so much money in the area. But I didn’t realize until I moved down here just how convenient it is. And it feels safe.”

Should she leave the building, which, in addition to having Philippe Starck interiors, is equipped with a fitness center and sauna, a lounge and billiards room, and a roof deck with private cabanas, Ms. Davar can stroll to Union Square in under 10 minutes. (Union Square began its turnaround in 1987 when Zeckendorf Towers, a mixed-use development capped by pyramid-shaped screens that were illuminated at night, arrived at 1 Irving Place/1 Union Square East. Related’s 1 Union Square South followed in 1998.)

Ms. Davar can hop on several subways, but for her work commute, she discovered she far prefers the Third Avenue bus: air-conditioned, efficient, always an open seat. Other timesavers: a CVS drugstore downstairs that is open 24/7, and a pristine Starbucks at 23rd and First Avenue.

“There are trees on the block now, and in the past two years, there’s been a total transformation because of the infusion of luxury residential buildings and upscale retailers,” Ms. Davar said. “Even the older buildings are getting face-lifts. It has a domino effect. I would never dismiss living on a crosstown

street again; I feel like I'm getting the best of the best for my investment.”

Josh Fox also bought at Gramercy Starck in 2008, paying \$1.865 million for a three-bedroom unit. “The building is built so well that once you're inside, it's like a cocoon,” said Mr. Fox, the chief executive of Bottom Line Concepts, a firm that helps corporations streamline costs. “It's not like being in an older building where you can live on the sixth floor and hear people having conversations on the sidewalk.”

Because he is moving first to Miami and later to Los Angeles to expand his company's footprint, Mr. Fox recently put his condo on the market for \$2.65 million.

What he will miss most, he said, is the 23rd Street vibe. “For people with cars, it is amazingly convenient to the Midtown Tunnel and the F.D.R., and you've got everything you could possibly need right here within a block of our building. You can literally go downstairs to CVS in your pajamas in the middle of the night if you want.”

Farther downtown on West 14th Street, a thoroughfare once shunned for its unsavory meatpacking district and fly-by-night retail shops, mannequins outfitted in couture creations have replaced the carcasses in storefronts, and tourists seeking the High Line crowd the sidewalks. But initially, the change came incrementally.

Laura Bohn, a designer, and her husband, Richard Fiore, a contractor/developer, took a gamble in 1996 when they bought the Beaux-Arts New York County National Bank, a derelict 1907 landmark at 300 West 14th Street, with the intention of turning it into 11 loft-style condo units. Their conversion of the building, on the southwest corner of Eighth Avenue, took three years. Converting actual buyers took longer.

The unusual building and the immensity of its units, 10 with outdoor space, attracted interest, Ms. Bohn said. “We had a lot of wealthy lookers, movie-star hipster types, but nobody wanted to commit to living there. The neighborhood was still too grubby.”

The couple moved into the duplex penthouse and waited for the block to catch up with their vision. “We started to slowly sell the other units, mainly to

investors who used them as pieds-à-terre,” she said. “And then, with the High Line and the designer boutiques moving in, the street turned around completely: It’s seriously hip and a desirable place to hang your hat.”

After the penthouse sold, the couple moved to the ground-floor unit, which has 15-foot ceilings and an enormous back garden. “The apartment we live in now, we couldn’t have given it away back then,” she said. Their unit is on the market for \$6.4 million because Ms. Bohn and Mr. Fiore are ready for the next project. This one is done.

“When meatpacking moved out, the first wave of lofts moved in,” said Michael Namer, the chief executive of Alfa Development, whose Village Green West, a 27-unit condo at 245 West 14th Street, sold half of its units within three months of releasing an offering plan.

“I’ve come to see 14th Street as the gateway to the new version of the meatpacking district,” he said. “It’s gone from being a precarious place to be around to being the heart of a commercial district that has a boulevard feel and offers a litany of things people want. It used to be a place where the rats were bigger than cats, but now it’s a destination. I can think of 10 new projects opening up on 14th Street, and it probably all goes back to the renaissance of Union Square. That area was a supermarket of vices. Now it’s a Greenmarket.”

Cynthia Perry and her husband, Robert Herman, lived for 18 years in a West 10th Street brownstone before moving to the Upper East Side in 2002. Homesick for the Village, they decided to move back downtown a year ago, and their search for an interim rental eventually brought them to 1 Union Square South, the 27-story luxury tower built by the Related Companies.

“Ten years ago you would have had to drag me kicking and screaming into an apartment on 14th Street,” said Ms. Perry, an owner of Curtis & Perry, a small advertising agency.

But 1 Union Square South not only felt homey and welcoming to her, it offered practical personal amenities like in-unit laundry facilities and enticing communal ones like an outdoor deck with a lawn and barbecue area.

“The area feels safe, and the retailers aren’t ratty anymore,” Ms. Perry said. “If you can open your mind to viewing cross streets like 14th and 23rd

differently, look at where the neighborhood is going instead of where it's been, you're going to find out that developers like Related are redefining what it means to live on a crosstown street. They're giving you incentives to think twice about living on a block you wouldn't have considered before.”

The couple's original plan was to rent briefly and then buy a co-op or condo in their former West Village neighborhood, but the agenda has changed: “My husband says, ‘Why move when we've already got everything we need right here?’ Whenever we have guests, they always say the same thing: ‘Who knew there was something like this above Best Buy?’ ”

The boundary-breaking residential options in these four-lane neighborhoods are probably not the optimal destination for “the noise-sensitive or the crowd-averse,” said Robert Dankner, the president of Prime Manhattan Residential, who has placed clients in buildings like 345 Meatpacking (345 West 14th Street), One Madison, One57, and 123 Third Avenue (on the corner of 14th Street). Often they weren't the client's first choice.

“But sometimes behind Door No. 3 is just the prize a buyer has been waiting for,” he said. “I've had clients say, ‘I don't want to live on 14th Street, it's too noisy, there's a subway stop on every corner, it never sleeps.’ And they've said the same thing about 23rd and 57th. Often they're right, and it isn't for them.

“But occasionally I'll say, ‘I have a suggestion: Exactly what you're looking for happens to exist exactly where you don't want to live, but just take a look at it and let the building do the talking.’ It either grabs them or it doesn't.”

Correction: August 10, 2014

A cover article last Sunday, about how busy crosstown streets have become popular residential destinations, misstated the address of the Gramercy Starck Building. It is at 340 East 23rd Street, not 343 East 23rd Street.

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