

# THE REAL DEAL

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## Inside the open houses of the Lower East Side

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*This month, Tracy McNamara drops in on high-end open houses on the Lower East Side.*

In a scene that would be astonishing to the bubbes (that's Yiddish for grandmothers) who lived on the Lower East Side in the last century, artists, professionals and families inspect exotic fruit and seemingly infinite varieties of cheese while shopping at the new Whole Foods grocery. The nearly 75,000-square-foot market, on the corner of the Bowery and Houston Street, is part of a luxury rental building that opened its doors in April.

Even more mind-blowing to the bubbes would be new condominiums in the neighborhood selling for more than a million dollars.

But despite the Lower East Side's new upscale high-rises (such as the Hotel on Rivington and Blue Condominium) having drawn attention in recent years, and despite the gentrification of the area, there still isn't much high-end product on the market.

In a recent search of the New York Times real estate listings, there were only 47 properties on the Lower East Side priced above \$1 million. That compares to 821 properties priced over \$1 million on the Upper East Side and 781 on the Upper West Side.

And while \$1 million-plus is high for the Lower East Side, it's not high for Manhattan. The average price for a Manhattan apartment in the second quarter, according to appraisal firm Miller Samuel, was \$1.33 million.

Of properties on the Lower East Side priced at more than \$1 million, a recent visit to the open houses on a Saturday last month showed it's not just moneyed young Manhattan professionals or trust-fund hipsters who are shelling out big bucks to live there. Older -- and now more well-off -- residents are returning to the neighborhood of their youth, joined by doctors from Queens and young families.

"Buyers are not afraid to spend \$1 million or more on the Lower East Side," said Cliff Finn, managing director of new development marketing for Citi Habitats. Finn marketed condos at the edge of the neighborhood, at One Avenue B (at 6th Street), where prices ranged from \$1,237 to \$1,295 per square foot, and two-bedrooms cost from \$1.225 to \$1.295 million. A 1,260-square-foot, two-bedroom penthouse sold for \$1.575 million, Finn said.

On the Lower East Side proper, some buyers paid millions late last year to live at the Blue Condominium. The 33-unit, blue-hued glass building at 105 Norfolk Street, off Delancey Street, was built on the site of a former parking lot that belonged to the kosher restaurant Ratner's.

The 2,500-square-foot penthouse was listed at \$3.475 million, while average units ran some \$1,200 to \$1,300 per square foot.

Down the block, four out of five apartments sold for more than \$1.476 million at the Switch Building at 109 Norfolk Street. An 1,878-square-foot penthouse unit listed at \$2.95 million will start showing this month, according to Avi Voda, senior vice president at Prudential Douglas Elliman.

Rentals are also seeing high prices. Two-bedrooms start at around \$5,500 at the Ludlow, a 23-story glass building that looms over Katz's Delicatessen at 188 Ludlow Street and East Houston Street. Other luxury rentals include Avalon Chrystie Place, the 15-story building at 229 Chrystie Street and East Houston that's home to Whole Foods Market, and Avalon Bowery Place, at 11 East 1st Street between Second Avenue and the Bowery.

"All the new development and construction and the appearance of so many new, high-end rentals are adding to the desirability of the area; many people want to live Downtown, but not necessarily in the West Village or the Financial District," said DJK Residential agent Iris Shorin. "They are moving to the Lower East Side as an alternative."

### Amenities draw the crowds

Despite the neighborhood's popularity, it is hard to draw crowds at open houses for properties priced above \$1 million that are not in brand-new developments full of luxury amenities.

But when the amenities are in place, potential buyers show up.

On a recent Sunday afternoon, a handful of people sauntered in and out of an open house at 212 East Broadway between Clinton and Essex streets. The approximately 1,250-square-foot, three-bedroom, two-bathroom co-op is for sale or for rent; it can be purchased for \$1.1 million or rented for \$4,300 per month. (The owners are open to both options.) The owners had an offer "very close" to the asking price earlier this year, said the listing broker, Dennis Riccio of Prudential Douglas Elliman.

The unit is bright and newly renovated, with new oak strip flooring, crown molding, recessed lighting and wiring for surround sound. There is an open chef's kitchen with an eating bar.

The owners converted the unit -- originally a three-bedroom -- to a two-bedroom with a formal dining room. They are willing to convert it back.

The open house drew people who grew up in the area and who long to return now that the Lower East Side has revitalized.

"I'm just totally overwhelmed by the renovation," said Esther Marlow, a retired 62-year-old who grew up in the neighborhood and now lives in a rent-stabilized apartment in Stuyvesant Town. "Because they put so much money into it, they probably want more money to get back what they put into it, but it seems like a high price for Clinton Street."

Marlow said she is looking for apartments only on the Lower East Side. She recalled a similar apartment she saw only a few years ago in the building that was listed at \$600,000. "I said, 'You're never going to get that,'" because it seemed too pricey for the neighborhood and was in need of renovation. "You know what? I should have bought it."

The building has a fitness center, which appealed to younger buyers, but the massive three-wing brick structure also has an older, generic lobby. It faces similarly large brick buildings, as well as a 99-cent store,

a church, community center and a deli directly across the street. The area has a neighborhood feel to it, as it borders Chinatown and many Chinese families can be spotted walking down the street on their way to restaurants in the area.

While the renovations made the unit stand out from older apartments in the building, the aesthetic was not for everyone -- especially younger couples looking for an apartment that stylistically fits the hip neighborhood. In particular, the bedroom's glass-paneled closet, the light-colored wood floors and cream-colored dining room area did not say "Lower East Side" for some.

"I think they're pushing it with the price," said Boris, 29, who visited the apartment with his girlfriend and did not want to give his last name. He grew up in the neighborhood and is only looking for two-bedrooms there. He wants to return after he finishes his MBA at the University of Chicago this year. "Some of the renovations, especially the bathroom, are not my taste and I wish they had left it for a buyer to redo by offering it at a discount. I love the neighborhood, though, and I would spend as much to live here."

A few streets away, among Chinese import shops and Judaica gift stores, 7 Essex Street, an 11-story loft condo development built in 2002 across from Seward Park, stands out. The exterior looks more modern and chic compared to dilapidated walk-ups along the street, though there are a few new hip cafes nearby.

A recent mid-week evening open house at unit 3 drew only one couple, but Sotheby's broker Torsten Krines said 11 people had visited the previous weekend. While the condo doesn't have a doorman, it has an extensive video intercom system, live-in super and common rooftop where residents can barbecue. Baby carriages sit outside many units.

The two-bedroom loft is listed at \$1.57 million and is approximately 1,584 square feet. The well-designed, stylish living room faces the park's treetops and has a scenic view of the Williamsburg Bridge. The open chef's kitchen features Miele appliances along with a Bosch washer and dryer.

The master bathroom was converted into a walk-in closet, but the owners have accounted for the price of turning it into a bathroom, Krines said. The unit, originally a blank space, was designed by the sellers, who are moving to New Jersey with their toddler (and another child on the way).

"I think they did a good job, but there were some things I would've done differently," said Henghe Tian, 35, a medical resident at New York University who is looking for an easier commute than her current three-bedroom in Queens because her husband works in Chinatown.

"I would've made the kitchen island thinner to maximize space and wouldn't have made the hallway so big - it's so big they actually fit a bench. Still, I like it, but it's the first property I've seen in the neighborhood so I need to look around more.

"I like Tribeca, but it's too expensive," she added.

Krines agreed that the same loft in Tribeca would be listed at over \$2 million, something that would truly send the Jewish grandmothers reeling.

Author: