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Real Estate Guide

By KATHERINE DYKSTRA

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It happened around Union Square in the 1980s and the Bowery a few years ago. And now it's happening around Madison Square Park. But unlike those other areas, Madison Square Park is quickly becoming one of the priciest and most desirable destinations in all of Manhattan.

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BRADEN KEIL
A-ROD SWINGS BY
\$40M TOWNHOUSE

**Buyers flock to sizzling
Madison Square Park area**



Hoppin' Mad

BUYERS GO MAD

By KATHERINE DYKSTRA



FIFTH ELEMENT: Patricia Loeb bought at **141 Fifth Ave.**, where the cupola is becoming a home.

October 11, 2007 -- IN many ways, it's the story of the city. A neighborhood is born, loved and then, after the birth of another neighborhood, forgotten - New Yorkers are so eager to move on to the next big thing. Neglected, the area attracts the homeless, drugs, crime. Businesses flounder, development stops. But time passes and eventually the area is reborn.

It happened around Union Square in the 1980s and the Bowery a few years ago. And now it's happening around Madison Square Park. But unlike those other areas, Madison Square Park is quickly becoming one of the priciest and most desirable destinations in all of Manhattan.

Celebrities are buying; Naomi Watts and Liev Schreiber found a place in the One Madison Park development. Renowned architects and developers are coming: Daniel Libeskind and Plaza owner Elad Properties are planning to develop at One Madison Ave. (see sidebar). Prices are through the roof; Park-facing units in 15 Madison Square North are seeing \$2,000 a square foot.

And of course, there's the park, with swarms of people willing to wait over an hour for a Danny Meyer burger.

No, it isn't Central Park or even Gramercy, but Madison Square Park - from 23rd to 26th streets, between Fifth and Madison avenues - is on its way to reclaiming its former glory. In the 1870s, the area around the park was the gem of Manhattan. The Ladies' Mile made it a retail mecca. The neighborhood boasted the Flatiron building; a Delmonico's restaurant; and the Fifth Avenue Hotel. Edith Wharton lived in the area; Eugene O'Neill wrote here.

"It was where you went for a meal or a stroll on Sunday afternoon," says Debbie Landau,

president of the Madison Square Park Conservancy. "The city used the park as the ending spot for all the major parades of the time."

But as the city grew northward, the park and the neighborhood were left behind.

"It was probably the worst in the '80s," says Landau. "It was worn down and there were no lawns or planting beds . . . It was a haven for drug users." Landau remembers how nearby businesses would "send memos out to employees telling them not to walk through the park."

Enter the Campaign for the New Madison Square Park, founded in 1996, and its 2002 successor, the Madison Square Park Conservancy. The two entities have taken the 6.2-acre park from squalor to squeaky-clean. The park's rebirth was sealed in 2004, when Meyer, a Conservancy board member, opened Shake Shack.

"Five years ago, Madison Square Park was a derelict park," says Shaun Osher of Core Group Marketing, which is selling units at the nearby 141 Fifth Ave. "Now, it's one of the nicest parks in Manhattan."

And not surprisingly, there is construction all around it.

Today, scaffolding climbs whole blocks like ivy. At the north end of the park is the conversion of the top 12 floors of 15 Madison Square North into 73 residences. Just up Fifth Avenue is the Grand Madison, between 26th and 27th streets. South of the park is **141 Fifth Ave.**, also a conversion - and, of course, One Madison Park and One Madison Ave.

"We're seeing a lot of residential development," says Jennifer Brown, executive director of the Flatiron/23rd Street Partnership BID. "I think the renaissance of Madison Square Park was the catalyst."

At 15 Madison Square North, seven floors of residences hit the market in June of 2006. Within seven months, they had all been snapped up at an average of \$1,500 per square foot. Another two floors will hit the market next month.

The Grand Madison, a conversion that opened for sales in 2005, recently sold its final units, with the 171 residences fetching around \$1,300 per square foot.

The newer buildings are hitting even greater heights, with the units at One Madison Park selling for an average of \$2,300 per square foot.

"There are a lot of conversions and new homes being built there, and you put a 60-story tower in the middle of all that ... the views will be the best in the city," says Core Group Marketing broker Jon Isaacs, who bought on the 46th floor of One Madison Park, which is being marketed by Wendy Maitland and Wilbur Gonzalez of Brown Harris Stevens.

Creating demand is the fact that with so much of the neighborhood landmarked, brand-new development won't sprout like weeds.

"There is room for development, and you'll find new development, [but] it wouldn't be a complete overhaul of the neighborhood," says Conservancy Board member Alex Sapir of the Sapir Organization, which owns 11 Madison, home to Credit Suisse First Boston and Meyer's Eleven Madison Park.

Nevertheless, major retail changes are expected around the park.

"This is just the beginning of the park," says Jim Broaders, a senior vice president at Corcoran Group Marketing, which is selling 15 Madison Square North. "As retail spaces open up ... retail will be an extension of the park.

"I can't see that not happening because of the amount of money that will surround the park."

The historic buildings and the central location alone make the probability for further growth in the area high.

"I can take the train up to the Upper East or West or down or walk to SoHo," says Patricia Loeb, a restaurateur (she owns The House on East 17th Street) who just purchased a two-bedroom apartment at 141 Fifth Ave. "I love the location because of the vibrant neighborhood, the restaurants ... the revitalization of the park."

Mad smackdown

ONE Madison Park is the name of a 60-story glass residential tower rising on 23rd street on Madison Square Park.

One Madison Ave. is the address of the tittered-about Daniel Libeskind project planned for the clock-tower building on 24th Street between Park and Madison - across the street from One Madison Park. Huh?

"One Madison [Ave.] is the address. It will be a residential tower, designed by Daniel Libeskind," says Lloyd Kaplan, a spokesperson for Elad Properties, the project's developer.

Kaplan claims never to have heard of One Madison Park (smack!) and stresses that Elad's development is only a preliminary concept. "The tower will be catty-corner from the clock tower," he adds.

Translation: The top of the One Madison Ave. building will be on Park Avenue rather than on Madison Avenue, as others have incorrectly speculated (maybe they were confused by the address?). The location of One Madison Ave.'s tower is good news for the developers of One Madison Park. They, understandably, want to make it clear that their building's views of the clock tower and up Madison Avenue, which One Madison Park faces, won't be obstructed. As for the name . . .

"We're One Madison Park; they're just One Madison. I don't think it's confusing," says Ira Shapiro of Slazer Enterprises, the firm creating One Madison Park. "The name fits because we look right up Madison Avenue. And everyone always refers to [One Madison] as the clock-tower building." (Smack!)