

The New York Condo Blog

520 West Chelsea – 520 West 19th Street

September 6th, 2007



Overview

Keeping in step with our eyes on 10th Avenue, here comes another sizeable project in west Chelsea. The developer, Bishopscourt, is a brand new group that started in 2005, and have done only a few conversion project around downtown. However, the brothers have a solid background in finance and teamed up with Selldorf Architects. Selldorf is noted for their art-oriented work, which is highly appropriate for the art-intensive west side of Chelsea. Some critics have pointed out that, while Selldorf has done a remarkable job with individual homes (i.e. Wintour and Stawski) they have had difficulty with large, residential buildings. The obvious example would be the Urban Glass House, which did a bit of a belly-flop during sales. We're hoping that their experience and expertise will shine through in this project.

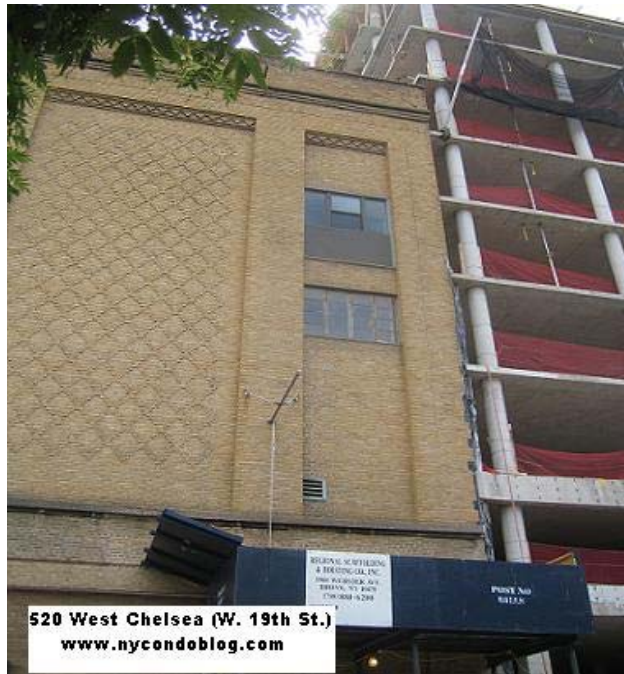
The 11-story development, located on 19th Street between 10th Avenue and the Westside Highway, lies in a backdrop that includes the Highline Park, Caledonia, Chelsea Piers, and the Frank Gehry (IAC headquarters) building which people love to talk about. While

this small block could use a little spring cleaning due to all the construction on it, it should prove worthwhile considering this slice of Manhattan is the epicenter of activity on the west side. With the build-up of 10th Avenue the area should become unrecognizable in the next 5-10 years from its old reputation of parking garages and warehouse storage.

The building takes an interesting turn in architectural kick-backs, using terracotta as the exterior. It is rendered to create a unique chic feel for the building we hope will be true to form. Inventory of this 26-unit building includes 2,3, and 5-bedroom apartments that don't skimp on the space, where the 2-bedroom units begin at a whopping 1,460 square feet. We did find that some of the 2-bed layouts were boxy and cookie-cutter, not artistic and unique, as one might expect from the architect and neighborhood.

The upside of a building this large with only 26 units is privacy and space. The downside is that common charges may result in sticker shock, since the building did decide to go with the 24-hour attended lobby. There aren't many other amenities besides the doorman, but this will result in around 80 cents per foot in common charges, translating to about \$1,200 for the 2-bedroom units. The taxes are additional, but have the same 421-A abatement as most of the other projects in the neighborhood. Again, the tax break offered by the city is great for the developer and the original buyers, but not so great for the buyer looking out past the 10 year time horizon.





Units and Prices

The 26-unit building offers eight 2-beds, 16 3-beds, and two slamming duplex penthouses, priced from \$1.8 million to \$9 million-plus. Occupancy is currently set for January 2008. Core Group Marketing is handling sales for the building. The two penthouses are listed at \$9M and \$10M on the Core website. It appears that plenty of 2 and 3-beds are available as well in that \$1,500/foot price range.

Prices and units are a sticky topic at this high-end project. With monthlies priced at over a dollar per square foot and average asking prices exceeding \$1,500 per square foot, they probably aren't looking for first-time buyers. Each layout appears very blocky but seemingly wastes no space. The all-glass facade will allow for great light especially on the upper floors but creates the need for large concrete columns that are scattered throughout the floorplan. The finishes are at the luxury standard and outdoor space is limited to those really willing to pay the big bucks. Overall, it's hard to find this type of building anymore where the developer hasn't decided to throw in a few studios here and there, allowing for an increased level of exclusivity, privacy, and respect among the building's residents.

Amenities

The building will have a 24-hour attended lobby (which means not always a concierge + doorman combo—it could just be an attendant at night). They also offer private storage. Not much more to speak of in terms of common amenities. However, each unit provides nice features including floor-to-ceiling windows, Bosch washer and dryer and 5" black oak floors.

Kitchens include a sprinkling of high-end appliances including Gaggenau, Miele, and Sub-Zero along with a marble countertops. Most units have open kitchens which stretch into the living spaces which allude to loft-style living. The bathrooms continue with the marble theme and include Kohler soaking tubs, standing showers, dual sinks and custom designed medicine cabinets.

Also noteworthy are the variety of “improving views” that the building will have. Some exposures include the Hudson River and Frank Gehry building, others of “High Line Park” (now just train trestles) and some exposures of midtown, specifically the Empire State Building and Penn Plaza popping up over low-rise buildings.



Kitchen Rendering



Bathroom Rendering



Entry at 520 West Chelsea

Location

The area between 23rd street and 14th street, from 10th Avenue to the West Side Highway is a “long triangle” which reaches its thinnest point at 14th street. 520 West Chelsea is located smack in the center, closer to the west side highway, with excellent proximity to dozens of art galleries, restaurants, and shops.

The current state of the actual block is a bit rugged and includes items such as an odd government-style brick building (probably an old component of the Highline) located directly next to the development. There’s also on-going construction on the corner of the highway, a rusty Highline bridge which is currently not pleasing to the eye, and a slew of outdoor parking lots. However, as everyone knows, this is the site of the new “green space,” the first leg of which is scheduled for work in 2008. We’ve been covering many of the local condo projects as tons of developers are trying to cash out on the early days of a “new neighborhood.” Keep in mind, this building won’t be done until sometime in 2008, at which point the view will be “changed,” hopefully for the better.

The area affords easy access to the Hudson River Park and all its accessories such as the Chelsea Piers. Items of interest in the immediate area include the gorgeous Desmond Tutu seminary building, the Frank Gehry designed headquarters for Barry Diller’s Interactive Corp, The Chelsea Market (and all its gourmets) and a plethora of trendy restaurants (Cookshop, Tia Pol, CraftSteak, etc...)

One must remember that, while the area is up and coming, access to trains and public transportation is somewhat more limited than other areas. It would seem likely that cabs won’t be a problem as the area heats up.

Investment Potential

While another play on the High Line Park development project and the gentrification of its surroundings, we think this building will be a success. The building targets a specifically wealthy demographic by avoiding 1-bedroom and studio units completely. We like the comforts of large living spaces, and attractive views for the neighborhood. We do think there are some questions about how and when it will all come together. If the area is finally updated by 2017, the first buyer may not get all the advantages, and the next buyer will have a big tax bill. Regardless, we are impressed by the potential of the area.

If the developer creates a building where the terracotta look falls short and dates itself within a few years, resale value could take a hit. Prices aren't cheap and the young developers are well aware. If prices were \$1,200-\$1,300/foot we'd be bragging about 520 West Chelsea. Given the current prices and lifestyle "reminiscent of Sutton Place" in its heyday, we still love the project and give it a B+ for investment potential.