

SCENE

April 2014

Chelsea High Life: A Park, Galleries and Luxury Shops Attract New Residents



(renderings by Peter Guthrie)

Once a barren neighborhood where meat was packed and transported and warehouses were rampant, Chelsea has revitalized itself in the recent decades and has become one of the leading real estate markets in the city.

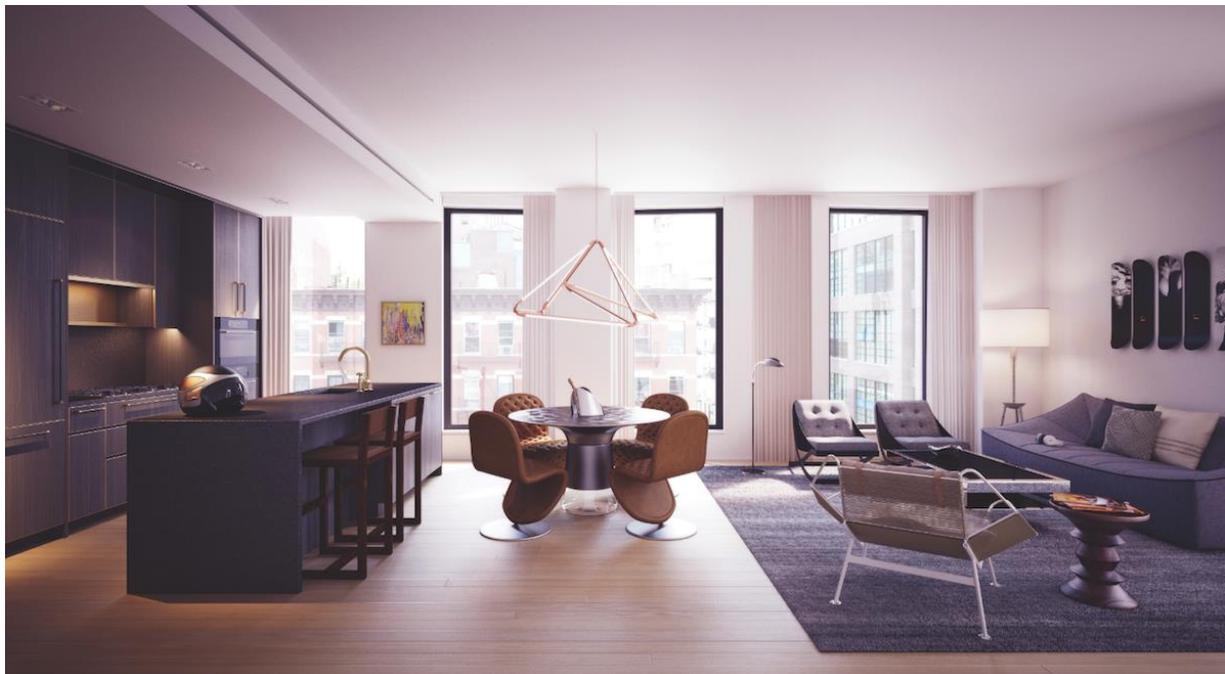
“The transformation of Chelsea is a good representation of how New York City has changed in the last 10 to 15 years,” notes Tarek Bendida, a salesperson at Citi Habitats. The area gave way for artists to live in expansive loft studios in the 1990s that eventually attracted

some of the finest art galleries in the world. The Meatpacking District, a small section wedged between Chelsea and the West Village, became the go-to scene for night clubs and luxury fashion designers.

Recent projects like the High Line—a public park built on historic elevated freight rail lines along the West Side—have added another dimension to Chelsea, garnering international appeal. “Friends of the High Line was founded in 1999, and with an incredible team of architects, engineers and landscape architects, an abandoned, elevated railroad was transformed into one of the most beautiful and interesting parks in the city,” adds Emily Beare of Core. “Soon after this period, the zoning changed from manufacturing to residential, and Chelsea became home to many luxury condominium developments.”

“What’s considered prime Chelsea has shifted westward to meet the High Line. Savvy developers saw the lure of the High Line and planned buildings with spacious residences and high bedroom counts,” says Gordon Hoppe, a senior vice president and the director of sales at Corcoran Sunshine Marketing Group.

“It used to be a destination for nightclubs, art galleries and flea markets—a gritty city with not many high-rises,” says Eric Benaim, the president and chief executive officer of Modern Spaces. “Now, when you think of Chelsea, words like “cool,” “luxury” and “trendy” come to mind. The flea markets have been replaced by high-rises and the nightclubs by luxury shops.”



High Line for High-rises

“The High Line has been a total game changer for Chelsea!” exclaims Drew Glick, a broker at Brown Harris Stevens. “I’m sure we would have seen some of the development we’ve seen in West Chelsea take place without it but not nearly to the degree of what has and will happen.”

“The High Line has become an instant international landmark,” adds Hoppe. “Some of the world’s most noted architects are designing adjacent properties that reflect the imagination and creativity of the park itself.”

“Thomas Juul-Hansen’s 505 West 19th Street has two towers connected by a lobby built underneath the High Line,” Hoppe continues. “Above, its skylight lets you see the underside of the structure. Residential architecture that is this interactive with the High Line is a first.”

“This relationship with the High Line called for a special and contextual design, which is why the developers brought in Thomas Juul-Hansen, who excels at creating modern spaces that still feel warm,” says Tricia Cole, the executive managing director of Corcoran Sunshine Marketing Group, describing the two 10-story buildings under development by HFZ Capital Group. “Thomas designed the buildings in their entirety, inside and out, and he understands how residents drawn to West Chelsea want to live.

The light-gray limestone brick façade with articulated metal and wood windows is the development’s signature. Not only is the pattern of the windows unique, it also affords the residences amazing light and expansive views of Manhattan, as well as privacy from the High Line.”

The West Tower offers three- to four-bedroom residences with one terraced penthouse, while the East Tower has one- to five-bedroom spaces with two terraced penthouses. Asking prices for the building will start at a little more than \$2.3 million and swing upward to approximately \$20 million for the penthouse suites, all of which include Juul-Hansen’s designs of walnut entry doors, bronze trim accents in the kitchen and travertine slabs in the master bedrooms.

Nearly two blocks north, Kohn Pedersen Fox, a world-renowned architectural firm, has designed 500 West 21st Street between the General Theological Seminary and the High Line. “Though it’s amidst two of the most striking landmarks in the neighborhood, it still offers an incredible sense of privacy because of its lush, landscaped gardens by Rees Roberts + Partners,” says Hoppe. “You can be in the heart of everything and still feel like you have a private piece of the High Line.”

The Sherwood Equities-owned building has recently started to bring its residences to the market with its one-bedrooms listing for about \$2.2 million and a three-bedroom with a private terrace for north of \$6.45 million.

A bit down the street, 551 West 21st Street near 12th Avenue is preparing to list its 44 large-scale residences on the market. The building is marketed as 551W21, and prices are expected to start a little below \$6 million and climb to \$17.5 million.

Related's 520 West 28th Street is also hitting the market with its 37 units. Pricing has not been disclosed, but John Tenore and Glenn Norrgard of Sotheby's International Realty note, "Famed architect Zaha Hadid has designed this 11-story, 37-unit luxury residence, evoking a futurist Jetson-like vision."



Tech in the Neighborhood

Though the High Line has changed the real estate and development landscape of Chelsea, several other sectors have also played a role in Chelsea's continued renaissance. In recent years, New York under Bloomberg has been pushing to attract technology and Internet companies to the city, and Chelsea has been the first choice for many tech giants.

"Lower Manhattan has recently been referred to as Silicon Alley," says Susan Singer, a representative from Town's Flatiron office. "In 2013, New York City surpassed Boston as the second largest tech hub, behind Silicon Valley, paying out almost \$30 billion in salaries in 2013 with 262,000 jobs."

"Chelsea has become a cornerstone with large companies such as Google and IAC," she added.

“Google bought the old Port Authority building on 15th Street in 2010 for almost \$2 billion,” notes Glick, referring to 111 Eighth Avenue, a massive 2.9-million-square-foot building that stretches between Eighth and Ninth Avenues and exceeds Google’s Googleplex in California. “Twitter just signed a big lease on West 17th Street for its New York headquarters, and Spotify and AppNexus are among many other tech companies in Chelsea.”

“Every tech firm wants to be in Chelsea, as well as bio-med, media and creative companies,” adds Hoppe. “Google has been a beacon for other forward-thinking industries, radically transforming a neighborhood that was known only for its gallery scene.”