



December 9, 2011 | David Kaufman

### **Take the Fifth- Will Manhattan buyers be lured north of 96<sup>th</sup> Street?**



Central Park and the Fifth Avenue skyline

Manhattan may be beloved for its magnificent avenues but it is the borough's 200-plus grid-like streets that define its cachet. And no street carries more geographic gravitas than 96th Street. Running from the east to the Hudson River – past Fifth Avenue and Central Park West – 96th Street serves as the unofficial northern boundary between the desirable Upper East and West Sides and the less affluent region of Upper Manhattan beyond.

A trio of new East Side developments will now test whether buyers are willing to pay high prices for apartments near the top of Central Park. All three are located on (or just off) Fifth Avenue, facing the park and within walking distance of the Guggenheim Museum, The Metropolitan Museum of Art and the Mount Sinai Hospital. However, the new buildings are in a neighbourhood most observers would still call “transitional”, close to the nearly 15-acre George Washington Carver Houses public housing estate and lacking the services, shops and restaurants demanded by upmarket buyers.

“These buildings are really pushing the boundaries in terms of Fifth Avenue desirability,” says Noah Rosenblatt, founder of Urban Digs, a Manhattan real estate analytics firm. “While the buildings and the

architects may be good, the location so far above 96th Street remains a fringe neighbourhood for many.”

Set just above historic Carnegie Hill, two of the projects – 1280 Fifth Avenue and 4 East 102nd Street – are new-build developments, while 1212 Fifth Avenue is a contemporary conversion of a pre-war apartment building. The latter will be ready by the end of the year; construction on 1280 was finished last spring and 4 East 102nd Street will be completed by spring 2012.

“We’re reinterpreting tradition through a modernist lens,” says 1212 Fifth Avenue architect S Russell Groves, who is best known for designing upscale hotels, residences and boutiques for brands such as Takashimaya and Tiffany. Behind a brick and limestone façade, the 55 apartments combine 21st-century-style windows, electrical and mechanical systems with deco-era marble floors and bamboo columns. Other amenities such as a 24-hour concierge, fitness centre and residents’ lounge are standard on Fifth Avenue’s “gold coast” – but novelties 25 blocks north on 104th Street.



“Brand name” architects are also behind 1280 Fifth Avenue and 4 East 102nd Street. The former is designed by Robert AM Stern and the latter – a 52-floor, 230-unit luxury rental building – by Rafael Pelli, son of Argentine architect César Pelli. Like 1212 Fifth, the Pelli tower is set in the heart of the Mount Sinai complex, which owns the land. Indeed, much of the area’s economic activity has been spurred by Mount Sinai itself, which has sold choice pieces of real estate to developers, including 1200 Fifth Avenue for \$61m to a group of investors in 2004.

The new 116-unit Stern building is located at the corner of East 109th Street and is the furthest north of the trio. Rising 21 storeys above Central Park, 1280 will be anchored by the Museum for African Art when it opens next year in the building’s first four floors.

The distinctive exterior of precast concrete and glass, undulating at its lower levels, is a conscious attempt to strengthen 1280’s appeal to buyers wary of its location. “The developer had concerns about

whether the market would respond positively to the building,” says Stern. “I’d like to think that our solution for the facades ... contributed to the project’s success.”



### New development 1280 Fifth Avenue

Stern’s building sprawls nearly an entire block, with hotel-like leisure facilities including a rooftop pool and private dining room. The real appeal, however, is 1280 Fifth Avenue’s cost which averages at \$1,250 per sq ft – 25 to 50 per cent lower than Fifth Avenue rates below 96th Street. Some are priced even lower: an 801 sq ft studio currently listed for \$660,510 – or \$824 per sq ft; or a four-bedroom, 3,171 sq ft unit offered for \$3,724,450 or \$1,175 per sq ft. As a new-build project in a “transitional” area, 1280 also benefits from a 10-year, city-sponsored tax-abatement scheme with estimated taxes at just \$22-\$60 per month.

More than 15 per cent of 1280’s apartments are in contract with closings expected early next year, according to Shaun Osher, chief executive of Core, which is marketing the building, with foreign buyers showing particularly strong interest. Meanwhile sales at 1212 Fifth are slightly higher – around \$1,500 per sq ft – and over a dozen apartments have been sold. Clearly conscious of the “soft” economy, both buildings are priced below 1200 Fifth Avenue, which still has unsold apartments more than five years after first coming to market at nearly \$1,850 per sq ft.

Singapore-based jewellery designer Annie May Chen rented in the area for six months before buying a penthouse at 1280 Fifth Avenue. She had reservations about purchasing so far uptown but says: “Having lived in many cities across Asia, I recognise that neglected areas will somehow always be revisited for redevelopment.”

For Argentine lawyer Marcello Mihanovic, the opportunity to own a traditional-yet-restored apartment on Fifth Avenue outweighed any location concerns. “I’ve spent several years looking for a pre-war condo that’s on Central Park and fully modernised,” says Mihanovic, who bought a pair of apartments at 1212 Fifth Avenue. “For me, the developers have done an elegant job of blending the old with the new.”

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## Buying guide

### Pros

- Savings of at least 20 to 25 per cent over similar residences further south along Fifth Avenue
- Central Park frontage and location
- New interiors in an area dominated by unrenovated buildings
- Close to key medical centre and Manhattan's top museums

### Cons

- Long-standing resistance by many Manhattanites to travel above 96th Street
- Area is still transitional and lacks many basic services
- Subway connections are fine – but just fine

### What you can buy for ...

**\$100,000** Nothing

**\$1m** A one-bedroom, 809 sq ft unit at 1212 Fifth Avenue

### Contacts

[www.1280fifth.com](http://www.1280fifth.com)

[www.1212fifthavenue.com](http://www.1212fifthavenue.com)

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