

## El Barrio's Journey from Boho to Bourgeois



*TOWER POWER: HAP 2 on Second Avenue exemplifies East Harlem's new upward — and upscale — swing.*

As noted real estate hand Bill Shakespeare once asked, “What’s in a name?”

If you’re trying to sell high-end condos in East Harlem, quite a lot, apparently. In early 2012, luxury development 1280 Fifth Avenue was dead in the water — despite a Robert A.M. Stern design and a location right on Central Park. The building also boasts some impressive cultural bona fides thanks to the New Africa Center, now in development on the tower’s first four floors. Nonetheless, two years after launching, 1280 Fifth had closed on only three of its 113 units.

Seeking to right the ship, developer Brickman decided on a “reset” — bringing in real estate marketing outfit Core to launch a new sales effort. Taking stock of the building’s travails, the firm decided that what was needed was “an identity” says Tom Postilio, Core’s director of sales. “People weren’t really aware of it. It wasn’t really on the map the way it needed to be,” he says. And so a name change was in order — from 1280 Fifth Avenue to One Museum Mile. It was a move, Postilio says, “that looking back at now, we really feel was a game changer.”

Since then, the development has gone gangbusters, setting a neighborhood record with prices topping \$2,000 per square foot. Earlier this month, it reached 90 percent sold, having in the last six months notched 33 closings totaling more than \$65 million.

Maybe it was just a matter of time for East Harlem — a traditionally Latino ‘hood roughly running from East 96th Street to East 125th Street; and from Fifth Avenue to the East River. A hotbed of development during the last housing boom, East Harlem “was hit very severely by the [2008] crisis,” says Corcoran broker Fabienne Lecole. In 2008 the nabe’s price per square foot was at \$714, but then declined to \$626 in 2009, and went to \$545 per square foot in 2011, according to CityRealty.



*TAKING THE FIFTH: A living and dining room at One Museum Mile, which went from moribund to nearly sold out in just two years. When completed, the building will include the long-awaited New Africa Center.*

But, driven by new luxury buildings like One Museum Mile and 1212 Fifth Avenue, a 55-unit condo from Durst Fetner Residential that has also drawn prices in excess of \$1,000 per square foot, “slowly and gradually we are seeing a nice recovery,” says Lecole. Artisan shops like Beurre & Sel opened at La Marqueta, the market at 115th and Park Avenue. ABV, a wine bar, is a neighborhood hit at Lexington Avenue and 97th Street.

Julie Tucker, global business director at advertising firm JWT, closed on two units at One Museum Mile at the beginning of the year after a search that took her all across the city. “I looked at The Dylan in Hell’s Kitchen, brownstones up on 125th Street, a lot of rental places, and then I saw [One Museum Mile] and it was just gorgeous,” she says. Given their three young children, she and her husband were particularly attracted to the development’s amenities like a pool and playroom, and, most important, its proximity to Central Park. They’ve since combined their two apartments into one 2,300 square foot abode.

It’s not just a matter of the high end of the market, though — a number of more modest projects are contributing to the neighborhood’s real estate revival, as well. Developer HAP Investments, for instance, currently has four buildings planned for the area: HAP 1, an 8-unit rental at 419 East 117th St; HAP 2, a 30-unit rental at 2338 2nd Ave.; HAP 5, a 20-unit condo building at 329 Pleasant Ave.; and HAP 6, a 20-unit condo at 1653-1655 Madison Ave.

Prices on the rental side range from \$1,750 for studios to \$6,000 for a two-bedroom penthouse, and condos start at \$450,000 for studios and going up to \$1 million for two-bedrooms. The numbers suggest that HAP's developments — and East Harlem more generally — offer more reasonably-priced options for buyers who might find themselves edged out of other Manhattan neighborhoods, says HAP CEO Eran Polack.

"It's a nice alternative to the Upper West Side, the Upper East Side, places that are much more expensive these days," he says.

And while East Harlem prices are still relatively affordable now, they aren't exactly holding steady. This year's going rate of \$716 per square foot represents a 21 percent jump from \$592 per square foot (with sales at One Museum Mile and 1212 Fifth Avenue subtracted) for the neighborhood from 2012. By way of comparison, price per square foot for all of Manhattan rose 8 percent, from \$1,251 to \$1,347.

These moderate prices, however, don't mean a lack of pizzazz, Polack says, noting that he and other developers are bringing world-class architecture to the area. His HAP 5 building, for instance, comes designed by renowned architect and designer Karim Rashid.

Blumenfeld Development, meanwhile, hired Copenhagen-founded architecture firm the Bjarke Ingels Group to design a 200-plus-unit residential tower it's putting up on East 125th Street. And last week, a trio of buildings along Park Avenue between 124th and 125th Streets were sold to New York-based investment firm Waterbridge Capital for almost \$37 million. The buyer plans to convert the spaces into a mixed-use retail and condominium complex — which will stand directly across from a similar development slated to rise at 1800 Park Avenue.

All of the new projects are clearly having an effect. "There's gentrification is going on. There are new restaurants, new supermarkets. I see young professionals coming into the area," says Jorge Durand, who arrived in East Harlem from Hamilton Heights in the summer of 2011.

Last May, Durand moved to a one-bedroom in the La Celia co-op building at 64 East 111th St., lured there, like Tucker, in no small part by its proximity to Central Park. A runner, Durand actually discovered the building on a jaunt through the park. "It was like an accident," says Durand, a scientific strategist in medical advertising. "I was running one day and on my way back to my [old] apartment, I saw this building under construction." Beyond the greenery, Durand also cites a growing Lexington Avenue gallery scene and restaurants like Third Avenue's Amor Cubano as key to the area's appeal.

Tucker, too, has come to appreciate East Harlem's culinary offerings. Recently, she discovered bakery La Tropicizienne, a local institution at First Avenue and 110th Street. "It's just the most amazing little French cafe," she says.

On the downside, she notes, East Harlem still lacks some of the more pedestrian amenities other spots take for granted. For instance, she says, "I would love to have a pharmacy closer by." Bottom line, though, Tucker says, "I love it. I have a Fifth Avenue address, and my house overlooks Central Park."

When she puts it that way, it does sound pretty nice.