

# NEW YORK POST

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## Upside Downtown: Some Thought FiDi Would Never Survive 9/11. They Were Wrong.



CHRISTIAN JOHNSTON

Patrick and Jennifer Redmond bought a two-bedroom at the 88 Greenwich condo conversion in FiDi.

Ten years ago, after stunned, ash-flaked New Yorkers marched wearily over the Brooklyn Bridge to escape the ravages of Ground Zero, many thought the Financial District would be collateral damage.

Besides the death toll (2,753), physical damage (14 million square feet of office space) and jobs lost (65,000), more than 20,000 residents were, at least temporarily, uprooted. Many had only the clothes on their backs.

Those who were banking that FiDi would become the next thriving residential neighborhood had to rethink the whole proposition.

And yet, 10 years later, the neighborhood has more than doubled in size. (The Downtown Alliance puts the population at 56,000.) After years of squabbles, the World Trade Center site is moving forward. Hotels, rentals and condos have risen. Restaurants are open late. Strollers bump around in morning rush hour.



AP

HIGHER GROUND: Larry Silverstein overlooks the WTC site.

The vacancy rate for FiDi rentals in July 2011 stood at 0.83 percent (Manhattan's overall is 0.86 percent). And, according to Citi Habitats, the average rent for a studio was \$2,292 per month. (The Upper East Side only averaged \$1,855.)

In short, FiDi and the other residential pockets near Ground Zero, proved tough enough to survive 9/11 plus further economic calamity years later.

Here, in their own words, are thoughts from the people who forged the area, lived it and loved it -- and continue to do so today.



CHRISTIAN JOHNSTON

HIGHER GROUND: Buyers like Mandeep Bedi at 150 Nassau turned FiDi into a neighborhood.

## **The 1990s**

“Giuliani was trying to do a modernization of downtown,” says Joseph Moinian, CEO of the Moinian Group, which developed many residences in the area, including the 95 Wall St. rental complex and the W New York -- Downtown, a condo-hotel that opened last year and overlooks the WTC site. “In the early '90s, [commercial] vacancies were 40 percent.”

“At the time, those buildings were almost being given away,” says Tom Elghanayan, chairman of TF Cornerstone, which converted office buildings like 45 Wall St. and 99 John St. into residences.

The city “gave [developers] things like ... utility breaks, real estate tax abatements,” Moinian says.

Developers compensated for the neighborhood’s lack of services. “The amenity package we started up became standard for a downtown building,” says Elghanayan. “A lounge with a flat-screen, a party room ... rooftop terraces.”

## **Panic**

“I saw the whole event,” says David Childs of Skidmore, Owings and Merrill, the project architect for 1 WTC, who was in his Wall Street office that fateful morning. “There was this young man [in our office] who was standing there with tears coming down his face, saying, ‘Will they fall?’”

“We helped evacuate tenants,” says Jack Berman, vice president at Metro Lofts, which has developed many FiDi rentals. “I stayed with the building [117 John St.] a couple of days until the Fire Department came knocking door to door. They thought ... the Millennium Hilton was going to come down, they thought One Liberty was going to come down.”

“In many cases, people just left -- they left their leases,” says Larry Silverstein, president and CEO of Silverstein Properties, which held the lease for the WTC complex on 9/11 and is constructing much of the new WTC site. “The mass exodus was really traumatic.”

## **Aftermath**

For months, FiDi was a police zone; residents weren’t allowed in their homes. Many weren’t eager to return.

“We had to reduce the rent drastically,” Elghanayan says. “But values and prices sort of jumped back pretty quickly.”

“There were two big factors” behind the bounce-back, says Andrew Heiberger, founder of Citi Habitats and the new Town Residential. Heiberger developed one of the neighborhood’s nearly sold-out condo buildings, 88 Greenwich. “First, there was the \$20 billion federal cash infusion. Second, there was the housing boom which went on from 2002 until 2008.”

“There was a pioneering spirit,” says broker Tom Postilio of Core, who began selling in the area nine years ago. “People who wanted to be a little ahead of the curve.”

“We held our buyers’ hands,” says Grace Rivera, now of the Corcoran Group, who was selling the Residences at the Ritz-Carlton in nearby Battery Park City. The building, set to have its first closings

in September 2001, gave buyers the opportunity to rescind their contracts. “We lost some, but the majority of the buyers stuck with it.”

“We weighed the pros and cons,” says Eric Landau, one of Rivera’s buyers who, with his wife, Esther Malamud, and his twin infants, were waiting on Sept. 11 to close on a 2,650-square-foot four-bedroom. They closed the following May. “We ultimately decided that there was a clear effort by the city and the federal government to put a lot of money into rebuilding downtown.”

“People realized, even after 2001 and the disaster of it, that [the neighborhood] was going to be rebuilt,” says Lori Ordover of the Ordover Group, which consulted with developer Africa Israel on a number of projects downtown, including 20 Pine.

### **Becoming a neighborhood**

“It was relatively busy during the day, but desolate at night,” says Joshua Holzer, who bought a two-bedroom condo at 55 Liberty St. for about \$400,000 in 2002 with his wife, Lianne. They sold the place in 2005 to move to Washington, DC, but are back buying another two-bedroom for \$1.6 million at 20 Pine. “My dog and I used to play outside the Brown Brothers Harriman building or the Chase building, and no one would ever bother us. There were police officers around the Fed with machine guns ... it was like having a private police force.”

“I remember when the Amish market opened on John Street, I said, ‘Wow, we almost have a real supermarket in the neighborhood!’” says Heiberger with a laugh. “When the delicatessen began staying open to 12 o’clock, I said, ‘We almost have an all-night deli!’”

“There weren’t services -- restaurants, grocery stores,” says Patrick Redmond, who bought at 88 Greenwich with his wife in 2008, and now has two children. But there were other things to make up for it. “We have the ability to go to Governors Island. Or, if we say, ‘Oh, I want to go down to the ferry,’ we can go over and come back ... It wasn’t my typical experience when I lived in Nolita.”

During the height of the real estate market, people were renting and buying in great numbers.

“In 2007, we were sending out 30 contracts per month,” Melissa Van Damm, now of Town Residential, says of 88 Greenwich.

Big commercial tenants arrived, too.

“BMW came,” says Khashy Eyn, CEO of Platinum Properties. “Thomas Pink came. Hermes came. Canali came. Restaurants came.”

“I love the Whole Foods in TriBeCa,” says Mandeep Bedi, who moved to 150 Nassau St. on the edge of TriBeCa and FiDi in 2004. “I love the Harrison, which is on Greenwich. I go to Ulysses [on Pearl Street] and a great Italian place called Acqua by Peck Slip.”

Even after the recession hit, buildings kept coming, from the massive New York by Gehry (the 900-unit, 76-story rental development that’s the city’s tallest residential tower) to smaller boutique developments.

“We [had] 14 apartments leased after we were on the market two weeks,” says Adam Heller of the Heller Organization, which is renting the 56 units at 40 Gold, which opened in August.

“The W hotel opened, and you had red ropes outside and party planners coming out,” says broker John Gomes of Prudential Douglas Elliman.

Not only did W bring the BLT Bar and Grill, but it also brought a lounge that’s a credible nightlife destination.

“A lot of folks are coming from Brooklyn,” says Carlos Becil, vice president of luxury and design brands for W, referring to the downtown hotel’s weekly DJ series. “It’s local downtown community, music lovers, fashion enthusiasts -- it’s a good eclectic mix.”

## **The future**

The big question is what will become of the World Trade Center site.

“There’ll be a great open space that will be really connected with Battery Park City,” says Childs. As for 1 WTC, “It’ll be much better, more efficient and certainly more environmentally friendly. There’ll be much more light, much less heat, higher ceilings.”

“Condé Nast is leasing 1 million square feet” in the new WTC, says Silverstein. “There will be 10 million square feet of office space. There’s also going to be about half-a-million square feet of retail. Clearly, the crown jewel of my commercial life will be the rebuilt Trade Center.”

“We’re currently developing 116 John St. -- that’ll be 400-plus units,” says Berman. Also on Metro Loft’s plate is 70 Pine St., the old AIG building. “That’ll be a rental monster. Could be 1,000 units. Probably late 2012, we’ll start to deliver units.”

Likewise, 50 West St. (with 139 hotel rooms and 301 condos) appears to be going forward, as does a 54-story rental building at 111 Washington St.

“I really fell in love with the building and the whole energy down here,” says Raymond Western, who had never been to FiDi before he saw 88 Greenwich, where he now lives. “And the whole rebirth of what was to come.”