

The Upper East Side's last affordable pocket goes luxe

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Take in views of Yorkville (and beyond) from a posh 20 East End Ave. terrace.

Photo: Hayes Davidson

It's a tale (practically) as old as time. When New York City real estate thrives, home builders and buyers seek to colonize neighborhoods previously deemed undesirable.

The Financial District was once the exclusive domain of 9-to-5ers; these days, every other office building is a condominium. Along the Hudson River, midtown Manhattan used to be an industrial no-man's-land of warehouses and strip clubs. No more — residential projects abound.

And now the Upper East Side neighborhood dubbed Yorkville, which stretches from about 72nd to 96th streets east of Third Avenue, is ready for its turn.



Modal Trigger The area, defined by its dearth of all-glass towers and plethora of tree-lined streets, has long been a favorite for blue-bloods looking to live near prep schools and the FDR Drive — for weekend getaways out East, of course.

But as both land and condo prices hit record highs, it's attracting a fresh wave of interest. More than a dozen new buildings are on the way, and with them a crop of buyers who see Yorkville as a place where apartments are a relative bargain.

Yes, until the Second Avenue subway comes online in late 2016, public transportation is limited as you approach the East River. But the Q extension's imminent completion — coupled with a new Whole Foods and easy access to parks, museums, hospitals and other family-friendly perks — all mean people want in on a neighborhood in the throes of a transformation from nice 'n' quiet to construction-induced, decibel-busting busy.

Extell Development sure wants a piece of the action, shelling out \$100 million for a Gristede's grocery store on 86th Street near First Avenue. (The property giant already owns at least four tenement buildings in the vicinity, and reports say it's cobbled together enough land to build something big.) Extell has also filed plans for two smaller projects on 92nd Street and Second Avenue, plus, it's already begun the foundation of a 30-story building at the corner of 95th and Third Avenue, just a block south of the boundary with East Harlem. Called The Kent, sales of 83 luxe two- to five-bedroom residences in a handsome brick structure will hit the market in the fourth quarter. Talk about flooding the zone!



A biker tackles Carl Schurz Park's scenic promenade along the East River.
Photo: NY Post Brian Zim

Note that The Kent, set for completion in the fall of 2017, is replacing a row of walk-up tenements that used to dominate their block. Similarly, Icon Realty spent less than \$50 million for a comparable row on Second Avenue in the 80s, which it is demolishing with the goal of putting up a chic high-rise on the site. It's markedly cheaper than Extell's deal, in part because Icon started assembling properties in 2007. (Icon is working on a second high-rise as well as a shorter rental building in the same neck of the woods.)

Just look at other data and the same trend emerges. In 2010, Yorkville's median sale price was \$663,500, according to real estate listings site

StreetEasy. Compare that to the first seven months of this year — it's 14 percent higher, at \$757,500. But remember, the sub-market remains cheaper relative to the Upper East Side at large, which boasts a year-to-date median of \$1.15 million.

Despite the building boom, some low-rises remain, housing institutions, such as German butcher Schaller & Weber and beer garden Heidelberg, that are vestiges of centuries past when Yorkville was an immigrant enclave.

Let's hope they can hang on: Even more small buildings were razed to make way for star architecture firm SHoP (of Barclays Center fame) to design a tower of 83 condos with Anbau Enterprises at the corner of 89th Street and First Avenue. The building, dubbed Citizen360 because its height will afford many residents an all-around view of the neighborhood, will have 6,000 square feet of amenity space that ranges from music rehearsal



Get your fill of brats and glass boots of Warsteiner at Heidelberg.
Photo: Stefano Giovannini



Schaller & Weber owner Ralph Schaller happily holding his weisswurst.
Photo: Anne Wermis/NY Post

“The site was highly undervalued because it was so far east, and there were no good transportation links, and people just weren't interested or willing to go there. But we saw opportunity,” says Barbara van Beuren, Anbau's managing director. “I think the absolute prices are manageable. This is not a building full of \$10 million apartments.” Still, it points to a future far more expensive than the current data shows.

Just one block from 113-year-old Jewish bakery Glaser's, which churns out delicious black-and-white cookies, Citizen360's shimmering facade will rise 410 feet above street level. But trumping them all will be DDG's under-construction goliath on 180 E. 88th St. At 521 feet, it will be the tallest structure on the Upper East Side north of 72nd Street. Its 48 apartments with 16-foot ceilings and custom lobby

and art rooms to a gym and children's play area. Apartments go on sale this fall, with pricing in the \$1.3 million to over-\$12 million ballpark.



The latest rendering for skyscraping Citizen360.
Photo: SHoP Architects

artwork launch sales this fall, with two-beds starting from \$3.4 million, three-beds from \$4.5 million and four-beds from \$7 million.

It's not all about living among the clouds, though. Michael D'Alessio, president of Michael Paul Enterprises, oversaw the overhaul of two smallish rental buildings east of Third Avenue into boutique luxury projects. "They were prime locations for condominiums catering to families," says D'Alessio of the projects, 225 E. 81st St. (a.k.a. The Justin) and 554 E. 82nd St., which have nine apartments between them. "They are three- or four-bedroom units, with big living and dining areas with fireplaces, and they all have outdoor space." Six have been snatched up, with asks ranging from \$2.25 million for a two-bedroom to \$5.99 million for a four-bedroom.



A fireplace-sporting unit inside 554 E. 82nd St.
Photo: Michael Paul Enterprises

In July, StreetEasy reports Yorkville's median price per square foot was \$1,098, up 5.1 percent from the year prior and a whopping 29.8 percent from the month prior. The Upper East Side as a whole, of course, boasts a higher median: \$1,694 per square foot in July.

"It'll actually be a great investment," Dean says. "Downtown is extremely pricey, and I think there's a lot more upside to the Upper East Side."

Meanwhile, another rental-to-condo conversion — Carnegie Park — attracted first-time buyer Elizabeth Dean, who realized Yorkville offered more bang for her buck after house-hunting in lower Manhattan.

"Originally, I wasn't going to go north of 86th Street. I didn't know what was above there," says Dean, 28, who works in finance, paid \$1,184 per square foot for her one-bedroom and loves the restaurants, bars and grocery stores that dot the area.



First-time homebuyer Elizabeth Dean in a model unit at Carnegie Park. She moves into her own one-bedroom soon.
Photo: Brian Zak



You'll be able to drive up to 20 East End in style via its porte-cochère and motor court. (The latter is depicted in the rendering.)

Photo: Hayes Davidson

Part of Carnegie Park's makeover includes a slate of plush amenities designed by classicist Robert A.M. Stern, the architect behind famously ritzy buildings like 15 Central Park West. (The pool, the roof deck and the in-house "mini-Equinox" gym lured Dean.) Available apartments range from a \$955,000 one-bedroom to a \$7.15 million penthouse.

Stern is also working on a ground-up project at 20 East End Ave. that could pass as a setback-laden prewar, with old-school details like a porte-cochère, which allows residents to enter in a vehicle via an archway from the street and drive right up

to the lobby door in a circular motor court. One of these hasn't been a part of any newly constructed building since the 1930s! About half of its 43 condos, spread across 18 stories, are in contract from \$4.49 million to \$14.25 million.



The under-construction rental at 205 E. 92nd St.

Photo: Brian Zak

Still, three-fourths of New York City residents are renters, and the Upper East Side's new crop of construction has something for them, too. Related has topped out on a 36-story tower at 205 E. 92nd St., where a playground used to sit. The uber-fancy development will have a massive two-story Equinox gym and a private school for kids with language-based learning disabilities on its lower floors.

The apartments above, set for completion and leasing in the spring of 2016, will have layouts that skew in favor of three- and four-bedrooms. "There will be thermostats programmable remotely on all the A/C units, and motorized shades in some of the units," says Bryan Cho, executive vice president at Related Companies. "From the marble bathrooms to the highly designed public spaces and the amenities, it's what's usually in condominiums."

On the rental market sooner is The Rose Modern, a 20-story, 82-unit tower currently finishing up construction on York Avenue. The leasing office will open the first week of October offering "competitive" rents for a luxury building, according to Bond New York's Douglas Wagner, with move-ins slated for November and December.

Want to buy now, and move in immediately? The building most ahead of the curve is The Charles. Previously stalled after 2008's downturn, the 32-story condo at 1355 First Ave. got redesigned to emphasize large full-floor apartments before breaking ground in 2012. And it's paid off. There are four units left out of 27 total, which started at \$5.97 million. A recent sale of the top six floors to two unidentified relatives for a total of \$59 million made headlines. That price? On First Avenue? "The preconceived idea of what was considered prime and where you would build luxury has completely changed," says Jason Karadus of Town, who is director of sales for the Charles along with Ginger Brokaw. "A lot of people in the industry smirked



An art-infused kitchen inside a condo at The Charles.

Photo: Evan Joseph Images

at the pricing — about \$2,500 per square foot ... Now it's not so risky, which is why you're seeing companies like Extell building up what's left to be developed up there."



First look! Once a three-story garage, 302 E. 96th St. will become a 21-story luxury condo.

Photo: Handout

Every developable parcel seems to be getting snatched up. Just take a three-story garage on 302 E. 96th St., which developer Wonder Works bought in March for \$24 million. On the northernmost border with Harlem, the developer plans to put up a 21-story, 48-unit “affordable luxury” condo building — basically right on the approach to the FDR. (Don't worry, the facade will have extra soundproofing.)

“The Second Avenue subway station for 96th Street, which will be one of the first ones opened, is just 200 feet away,” says Eric Brody, Wonder Works’ managing partner, who adds that brokers are recommending asking prices of \$1,500 to \$2,300 per square foot when units go on sale next year. “The buyer is anyone who can't afford to be in all these downtown neighborhoods, but still wants to live in the city and have incredibly close access to a train.”

Public transit of the future is why Andrew Ellis bought a fixer-upper on 95th Street and Second Avenue in 2013. The 31-year-old consultant paid a mere \$430 per square foot for a one-bedroom garden-level duplex. Then came a massive year-long renovation that updated the windows and kitchen appliances. He also completely redid the back yard, adding a rear deck and koi pond. In Yorkville, Ellis discovered a “neighborhood feel” that was a far cry from the raucous scrum of Murray Hill, where he had been renting.

“I had sort of grown out of that,” says Ellis, who is no longer alone in his move uptown. “My high school friends and some college friends are migrating to the Upper East Side. One is two doors down, literally, and two others are a few blocks away. Having that subway there eventually is really what did it for me. This place can only go up.”