



REAL ESTATE

Reshaping Midtown East

New Condos Coming to Midtown East

By RONDA KAYSEN OCT. 31, 2014

Every neighborhood has its stepchild, an overlooked swath that does not receive as much attention as surrounding blocks. For Midtown East, that area is around East 57th Street near Bloomingdale's, a strip with neither the commercial bustle found farther south, nor the rarefied character of its decidedly residential neighbors Sutton Place and the Upper East Side. But several new developments could soon give the area a residential flavor all its own.

Spurred by the success of trophy skyscrapers like 432 Park Avenue, developers are planning luxury residential towers that could reshape the area between Park Avenue and Second Avenue from 57th Street to 60th Street.

At the corner of Second Avenue, sales recently began at 252 East 57th Street, a 65-story residential tower. And at 520 Park Avenue, on the edge of the Upper East Side at 60th Street, a 54-story limestone tower designed by Robert A. M. Stern Architects is rising with a triplex penthouse priced at a jaw-dropping \$130 million. Developers are also assembling parcels around Bloomingdale's while new developments rise in the lower 60s, blurring the boundary between Midtown East and the Upper East Side.

"It is an area that has kind of been forgotten and not developed as much in recent years," said Gabby Warshawer, the director of research and communications for CityRealty. "It's finally having its day."

The World Wide Group, which is developing 252 East 57th Street with Rose Associates, hopes to attract Upper East Side buyers looking for new construction, as well as international buyers. The 65-story tower will include 93 condominiums beginning on the 36th floor, so all these units will enjoy desirable city views. The

lower half of the building will include 173 luxury rentals. Prices for condos start at \$4.5 million for a two-bedroom, and the penthouse, which is not on the market yet, will be listed for \$37.5 million. Other units include a five-bedroom listed for \$21.25 million. For another \$250,000, residents can buy a parking spot. Prices have not been set for the rentals, which will begin leasing closer to the time the building opens in late 2016.

“It’s the new start of the Upper East Side,” said Pamela D’Arc, an agent at Stribling and Associates who is marketing the development.

The temptation to draw Midtown into the Upper East Side’s fold can be hard to resist. After all, sellers obtain much higher prices for properties with Upper East Side addresses. In the third quarter, the average sale price for a residential property in Midtown East was \$1.161 million, nearly half of the \$2.236 million during the same period on the Upper East Side, according to data provided by CityRealty. “At this point, East 57th Street is becoming the Upper East Side,” said Tamir Shemesh, an agent at the Corcoran Group who is marketing several new developments in the vicinity. “It’s like Tokyo and Yokohama — they used to be far from each other and now they’re one big city.”

The residential tower at 252 East 57th Street is the final stage of an effort by World Wide, starting in 2005, to redevelop a one-and-a-half-acre site that now includes two public schools and a Whole Foods. With three floors of retail planned for the tower, World Wide hopes the project will transform the unremarkable corner into the East Side’s answer to the Time Warner Center at Columbus Circle. Skidmore, Owings and Merrill, the architects for the Time Warner Center, also designed 252 East 57th Street, which will have an undulating glass curtain wall so every condo apartment and some rentals will have at least one window that curves inward. “We see this as an eastern version” of the Time Warner Center, said Julia Hodgson, the director of development for World Wide. “It’s all one residential corridor.”

Not everyone is convinced that a Whole Foods and a few more shops could reinvent Second Avenue the way that the Time Warner Center invigorated Columbus Circle when it opened in 2004. “We’ve had such big hopes for that Whole Foods, but half of the time it’s empty,” said Victoria Vinokur, an agent with Halstead Property who also lives in Midtown East. “There’s nothing else in the radius.”

A handful of restaurants like the Smith and Crave Fishbar have opened along Second Avenue around 50th Street, replacing check-cashing shops and unmemorable Irish pubs with more sophisticated eateries. But the blocks farther north still feel like an afterthought.

“It’s not an easy street to maintain a business on, because it doesn’t get the foot traffic and the rents are quite high,” said Paul Anavian, the manager of Manhattan Arts and Antiques Center, which has been on Second Avenue since 1975.

Businesses have an easier time farther west. Tres Carnes, a popular downtown barbecue taco restaurant, opened an outpost on Third Avenue and 57th Street this spring. And Spa Castle Premiere 57 plans to open a three-story luxury spa at 57th Street and Park Avenue in late November.

On East 60th Street between Lexington and Third Avenues, World Wide plans to build a residential development across from Bloomingdale’s. “That will also be a tall tower,” said Ms. Hodgson, adding that it would “be a similar type of development” to the East 57th Street project. To make way for the tower, World Wide has been steadily assembling low-rise buildings on the block, including the building that houses the Subway Inn, a beloved dive bar that has been in its location for 77 years. But World Wide did not renew the bar’s lease and on Dec. 2, the storied tavern is scheduled to close and later move to a new location on Second Avenue and 60th street, two blocks away.

“This whole block is changing left and right,” said Steven Salinas, whose father, Arsemio, owns the Subway Inn. “Everybody wants to make a lot of money and the city’s letting them do that, and they don’t care too much about the mom-and-pop places.”

More blocks might soon amass the ubiquitous sidewalk bridges and cranes that have come to symbolize an era of endless construction. On Third Avenue from 58th to 59th Streets, Harry Macklowe, the developer of 432 Park Avenue, bought three properties just north of the Decoration and Design Building earlier this year. He recently partnered with Keppel Land, a Singapore developer, to redevelop the parcel, which will include residential and retail.

“It’s not going to be 432 Park,” said Mr. Shemesh of Corcoran, who is familiar with the Third Avenue development. “You can’t compare a project on Third Avenue with Park Avenue, and it certainly won’t be in that price level.”

In the low East 60s, several residential developments are also underway, including a 30-story tower at 1059 Third Avenue and a 19-story residential development at 301 East 61st Street. Later this year, sales are expected to begin at 337 East 62nd Street, a seven-story, 22-unit boutique condo developed by Yeung Real Estate Development. Prices will start at around \$700,000 for a 600-square-foot one-bedroom, and the largest apartment, a three-bedroom duplex with a garden, will be listed for around \$3 million, according to Mr. Shemesh, who is marketing the property.

Although developers insist they have discovered untapped potential in the area, others see it more as development following the path of least resistance. “I don’t think there’s a strategy other than this is where we can assemble land,” said Jonathan J. Miller, the president of the appraisal firm Miller Samuel. “It’s the site first and concept later.”

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