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Real Estate

Up-to-Date Homes in Antique Packaging

By ALISON GREGOR



Renovating or converting a historic building can be difficult and costly, but the city's supercharged condominium market is enabling some developers to go far beyond merely sprucing up interiors.

Two developers have bought rows of old buildings — one on the Upper East Side, the other on the Upper West — and, while restoring their historic facades, will reconfigure and rebuild their interiors from the ground up, creating a brand-new series of multimillion-dollar condos.

In both developments, which went before the Landmarks Preservation Commission and received significant community comment, developers had to modify and scale back parts of their initial plans, particularly with respect to the rooftop additions.

Daniel E. Straus, the chief executive of CareOne, a company that operates nursing and assisted-living facilities, said the decision to reinvent the interiors of a row of brownstones on Madison Avenue — part of a project called 33 East 74th Street

— was less about market conditions and more about being able to deliver the type of high-end real estate product he envisioned.

“This project was conceived in 2010, when market conditions were less than robust,” Mr. Straus said. “It’s possible that the difficulty of a project like this would dissuade other developers, but that’s what excited me — the uniqueness of the property.”

The Whitney Museum was the seller of the six brownstones at 933-943 Madison Avenue, built in 1876 in the Italianate and Greek Revival styles, along with two buildings right around the corner: the brownstone at 31 East 74th Street and the 33-foot-wide Grosvenor Atterbury mansion at 33 East 74th, built in 1901. Mr. Straus paid about \$95 million in the transaction, which took place in 2010. The museum had used two of the buildings for office space; some had had retail space on their ground floors.

All are in the Upper East Side Historic District, so Mr. Straus, working with the architects and preservation specialists Beyer Blinder Belle, sought and received Landmarks Preservation Commission approval last summer to create 10 condo units. This will entail creating a stepped-back three-story rooftop addition over all the buildings and a connecting structure between buildings on Madison and East 74th, as well as rebuilding the brownstone closest to the Whitney Museum, 943 Madison, a building deemed of no value to the historic district.

Demolishing all the brownstone interiors enabled Mr. Straus to create the layouts that he believes will best appeal to his target buyers. The three- to five-bedroom condo units will have 10-foot ceilings; the smallest will have 3,850 square feet of space, the largest more than 10,000. Each will also feature an entrance gallery over 20 feet long, while each bedroom will have an en-suite bath and an entry vestibule.

Champalimaud, the interior design company on the project, is employing custom millwork and materials like polished Calacatta and honed Bardiglio marble, and zircote wood.

The four-story Atterbury mansion, which has a structural system separate from the brownstones, is being gutted but will retain its floors, its giant second-floor arched windows and its 13-foot ceiling heights. There will be two elevators for condo owners, but the mansion and the three-story penthouse planned atop its roof will each have private elevators.

Prices will range from \$14 million to more than \$30 million, said Katherine Gauthier, an agent with Douglas Elliman Real Estate, which is bringing 33 East 74th Street to market in mid-November. The project should be completed by early 2015, Mr. Straus said.

With little competing new construction in the area, the project is seen as attracting Upper East Siders, or even Upper West Siders, seeking something traditional-looking but not in need of renovation, said Karen Mansour, a Douglas

Elliman executive vice president. “Or because of the location and its proximity to shopping on Madison Avenue and Museum Mile,” she added, “it could be a pied-à-terre for an international buyer as well. And it could also appeal to families who are sending their children to school on the Upper East Side.”

On the West Side, at 182 West 82nd Street, Miki Naftali, the chief executive of the Naftali Group, is already marketing a similar if less pricey project. Mr. Naftali bought four Romanesque Revival apartment buildings, five stories high and built in the 1900s, for about \$17 million in 2012. He has demolished the interiors of the buildings — again, with the assent of Landmarks Preservation, as they belong to the Upper West Side/Central Park West Historic District — and is rebuilding them as one structure with 11 condo units, called 182 West 82nd Street.

Neither Mr. Straus nor Mr. Naftali would reveal the cost of their projects, though Mr. Straus acknowledged that 33 East 74th Street had cost more than anticipated. Mr. Naftali, a veteran New York City developer with an engineering background, says that working with old buildings can often involve unforeseen costs, particularly when rebuilding their interiors from the ground up while bracing their facades.

“These types of projects are so unique, so it’s very hard to estimate the entire cost,” said Mr. Naftali, who is working with the architecture firm ODA. “They’re challenging in a way that we like, and frankly, we’re not the only one that can do it, but it requires a lot of expertise to deal with these projects — dealing with Landmarks and everything.”

While the team at 33 East 74th Street cut down the number of bedrooms in favor of features like column-free grand rooms, galleries and entry vestibules, the team at 182 West 82nd Street worked to design efficient units with lots of flexibility, with bedrooms convertible to libraries, and dens to bedrooms, said Alexa Lambert, an agent with Stribling & Associates, which is marketing the project.

Ranging in size from 1,900 to 5,200 square feet, and offering three to five bedrooms, the units include two 37-foot-wide townhouses, each with three levels and a rear garden, and two penthouses in a two-story addition atop the entirety of the complex. Ceiling heights are 9.5 feet, though the townhouses have some reaching 10.5 feet, Ms. Lambert said.

The units have large master bathrooms, and kitchens are open-plan; both have fixtures by the high-end German company Dornbracht, along with expensive slab marble accents. The penthouses and townhouses have working fireplaces. Prices for units now being marketed range from about \$4.5 million to \$6.6 million, and the project will be completed in the summer of 2014, according to Mr. Naftali.

“At the end of the day,” he said, “we’re creating a mix between the Old World and the New World, because everything is completely new inside, but you still get the Old World charm.”