

# Colossal Condos

*As Prices Rise in New York City, So Does Square Footage*

By  
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A view of the main living-room area in one of the condominiums at 11 E. 68th St. in Manhattan. *John Taggart for The Wall Street Journal*

Manhattan developers are building increasingly large condos, New York City's upscale answer to the suburban McMansion.

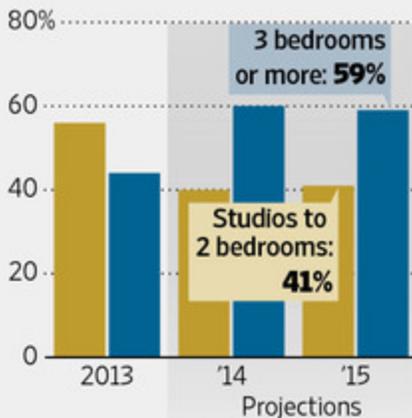
At the peak of the Manhattan real-estate boom in 2007, the average new condo—from studios to penthouses—was 1,265 square feet. Now, new condos average 1,564 square feet, a 24% increase, said Kelly Kennedy Mack, president of Corcoran Sunshine Marketing Group.

The big condos, increasingly expensive and brimming with high-end details and amenities, are being built in converted garages and walk-ups, as well as part of new, ground-up construction across much of Manhattan.

"The premium for larger contiguous space drives all development now," Jonathan Miller, an appraiser and market analyst.

## Building Them Big

The mix of apartments in projects of at least 50 units coming on the market in prime Manhattan neighborhoods



Note: As of August 2013

Source: Nancy Packes

The Wall Street Journal

When work on the Charles, a 32-story glass and limestone tower designed by Ismael Leyva, resumed earlier this year on First Avenue on the far Upper East Side, it had fewer condos: only 29 four-bedroom apartments of at least 3,100 square feet each. Building plans filed in 2008 called for 51 units.

The developer, Bluerock Real Estate, announced last week that buyers had signed contracts on \$73 million worth of apartments, with interiors designed by the late David Collins.

This included five apartments on the top six floors of the building, for more than \$10 million each, including a \$16.5 million duplex penthouse with two terraces.

At another time in New York history, the apartment mix would have seemed risky, said Wendy Maitland, a senior managing director at Town Residential, which is marketing the building. Now, "it is proving to be the most wise and prudent course of action," she said.

This demand in turn is driving land costs higher, making it difficult to build smaller condos economically in many neighborhoods, they say.

One measure of the change: The average apartment size at One57, the huge tower on West 57th Street, was 3,600 square feet, about 70% larger than the average at another

premier condo, the Time Warner Center, when it went on the market in 2001, Ms. Mack said.

"In New York, space is the ultimate status symbol," she said.

Developers say that they are responding to the market—strong demand by the buyers in the upper end of the 1%. The new buyers, say brokers, include international clients looking for investment-grades properties, and local families, who after years of falling crime improving quality of life, want to stay in New York to raise families, or return there when their children head off to college.

The trend toward bigger condos unfolds amid a changing political tone in New York, with Mayor-elect Bill De Blasio seeking new attention to economic inequality and voters this week citing worries about affordability.

Lee F. Mindel, an architect and designer, said he shared that concern.

"I don't know where everyone else is going to live," said Mr. Mindel. He has re-designed the new four-, five-, and six-bedroom condos at the Marquand at 11 East 68th St. Over the decades, many floors had been cut into smaller apartments, and Ziel Feldman and HFZ Capital are now combining and converting them into larger condos.

Mr. Mindel said that buyers, including many from the baby boomer generation near retirement age, now want highly finished living spaces, full of services, support staff and amenities—spaces they can walk into "with a toothbrush." What they want "is almost like pre-assisted living," he said.



The exterior of 11 E. 68th St., which features four-, five-, and six-bedroom condominiums. *John Taggart for The Wall Street Journal*

Another sign of the times: When construction of a new neighborhood on Riverside Boulevard began in the 1990s, 22% of the condos had three or more bedrooms and the largest apartment was 2,200 square feet. Now, Extell Development is about to launch sales

at a new building down the street called One Riverside Park. Forty percent of the apartment have three or more bedrooms.

The new-era condos are surfacing in many parts of the city. A few years ago, the Whitney Museum sold a row of small buildings and a mansion near its Madison Avenue space for \$95 million. Now these buildings have been combined and are about to go back on the market as 10 condominiums, designed by Beyer Blinder Bell, including one penthouse with a 32-foot-long entrance gallery.

"There was a craving for a new development with larger residences," said Karen Mansour, executive vice president at Douglas Elliman Development Marketing.

In the Flatiron district, Gale International is building three 100-foot-wide condos next to and on top of a parking garage at 21 W. 20th St., that will be listed at between \$15 million and \$17 million.

Another space on East 13th Street near Fifth Avenue in Greenwich Village is being transformed into eight apartments with prices at \$7.5 million to \$28.5 million. Daniel Hollander, managing principal at DHA Capital LLC, the developer, said: "The focus is on large homes for the Village buyer."

At 432 Park Ave., small condos were combined and the number of apartments in the building was cut to 104 from 123, brokers said. The least expensive apartment is now about \$17 million.

This trend is likely to continue. Nancy Packes, a marketing consultant, found that in recent projects on the market, 44.8% of condominiums in prime neighborhoods had three or more bedrooms. She forecasts that figure could rise to 59% by 2014.

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