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The Mantena, on 37th Street near 10th Avenue, started leasing last month; a fourth of its 98 units are leased.

West ASSURED

Midtown sees a rental boom

By KATHERINE DYKSTRA

BROOKFIELD Office Properties is known for developing office space. This makes the recent announcement that Brookfield is considering devoting a portion of an upcoming, four-tower project to residences something of a surprise. The huge site will span from 31st to 33rd streets and from Ninth to Dyer avenues.

"Everyone was thinking that it was going to be office space, and now they're thinking about 900 units of residential," says Jeff Katz, CEO of Sherwood Equities, which develops both commercial and residential properties.

Katz points to the Brookfield announcement as a bellwether, while implying that, to anyone who has followed the trajectory of the surrounding neighborhood — specifically, the

blocks on the far west side sandwiched between Chelsea and Hell's Kitchen — it's really no surprise at all. This area has historically been a no-man's land quilted with parking lots and laden with exhaust fumes, but within the past five or so years, it's become known more for rental apartments than rental cars.

"[Our land is] across from what will be Moynihan Station," says Phil Wharton, senior vice president of development at Brookfield. "So, one of the rationales for residential development is that you're across from the biggest transport hub in the US, for convenience to the subway, Amtrak, NJ Transit, all of that. There's also the proximity to Chelsea. It's a block north of the High Line."

Add to those the upcoming 7-train extension, as well as access to the Hudson River Greenway



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Alexis Stawarz

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and eventually Related Companies' redevelopment of Hudson Yards.

The sheer number of residential — mostly rental — units that have come or are coming to the area from so many of the city's biggest developers in recent years is staggering. We're talking in the thousands: TF Cornerstone constructed 394 rental units at 45W37 and 835 units in 505W37's two towers; Emerald Green, two towers developed by Glenwood on 38th Street between Eighth and Ninth avenues, has 569 rentals; the first tower at Related's MiMa on 42nd Street between Dyer and 10th avenues had 566 rental units; and the 98-unit Mantena on 37th Street between Ninth and 10th avenues just started leasing.

Add to those in existence the thousands of apartments yet to come.

At 509 W. 38th St., Iliad Development is working on 200 rental units. The Gotham Organization is building 1,238 rentals (both market-rate and affordable) in four buildings on nearly a full city block from 44th to 45th streets and 10th to 11th avenues. Glenwood's latest building is Crystal Green, which will have 200 rental units on 39th Street between Eighth and Ninth avenues, to begin leasing later this year. Sherwood owns two swaths of land — including one at 10th Avenue and 35th Street, where 200 residential units are planned.

And One MiMa Tower, adjacent to MiMa, which was originally slated for condos, will now be 151 rentals.

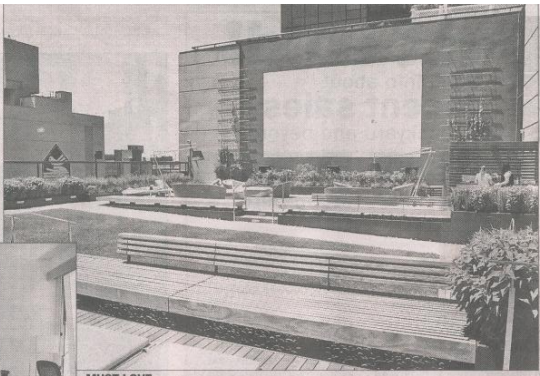
"We are about 30 percent rented right now," says Daria Salusbury, senior vice president at Related, which developed MiMa, says of One MiMa Tower. "We ended up at about \$80 a square foot for MiMa, [those in One MiMa Tower] are a little more than that, in the \$90s per square foot."

Indeed, those units start at \$4,500 and go up to \$19,500 a month. MiMa, though, is something of an outlier when



Ariel Shwartz

MUST LOVE DOGS: Brent and Megan Langston are hooked on MiMa's amenities like the outdoor screening room (above). Bosworth prefers MiMa's Dog City area.



it comes to pricing. "[Midtown West is] 30 percent less, sometimes 40 percent less than the apartments in Chelsea," says Khashy Eyn, CEO of Platinum Properties.

It's true that during lease-up at many of these buildings — because of their sheer size and their developers' desire to fill the buildings quickly — renters have benefited from concessions that offset part of their rent.

But in truth, rents aren't that much lower than in neighboring areas.

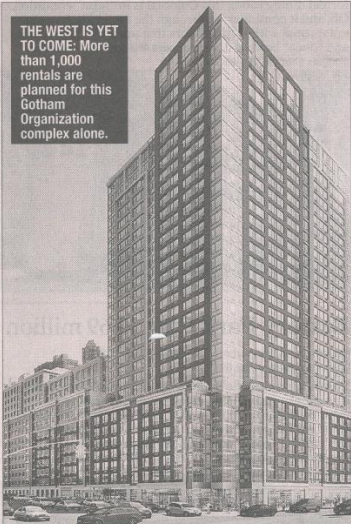
"You used to only take a budget client to this part of Manhattan," says Clifford Finn, president of new development marketing at Citi Habitats. "But as Chelsea pushed north and Hell's Kitchen pushed south, suddenly there are more people who are open to this neighborhood."

Finn is part of the team leasing Mantena, where studios go for \$2,625 to \$2,900. One-bedrooms start at \$3,775, two-bedrooms at \$5,675 and three-bedrooms at \$9,200.

According to the MNS Manhattan Rental Market Report for April, these numbers are on par with rents in doorman buildings across the city, if not above them. MNS says Manhattan studios overall average \$2,629, one-bedrooms \$3,722 and two-bedrooms \$5,831.

Mantena offers one month

THE WEST IS YET TO COME: More than 1,000 rentals are planned for this Gotham Organization complex alone.

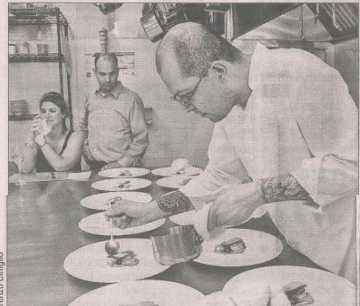


Lorenzo Chigio

free on a 13-month lease as a concession, and about a quarter of its 98 apartments have rented. But if other buildings are an indication, this concession will only be available this first year.

So if not prices, what's making renters stay in the area?

For a certain kind of professional renter, whose eyes sparkle at the thought of amenity spaces galore, these mega-buildings are a dream.



FARE WELL: Gourmet grocer Brooklyn Fare will open on the West Side; Cesar Ramirez (above), cooking at the store's roundly lauded Chef's Table will oversee its restaurant.

"I've entertained more in the last 11 years," says Shara Mendelson, 38, who rents a one-bedroom apartment in MiMa. "I had Thanksgiving in the larger space downstairs. I can have private dinners for 10 or 12 people and not worry about cleanup in my apartment; I mentor several young companies, and I've had brainstorming there, which are casual. There's a lounge. We're having a barbecue for my office, and I'm reserving the game room and the poker tables and pool table."

Says Mendelson: "If I didn't use those spaces, I wouldn't have renewed my lease. It's an extension of my apartment."

These amenity packages often make up for the services that the area still lacks. Though they are coming, one by one.

There are two hotels going up on 37th Street between Eighth and Ninth avenues: a Courtyard by Marriott and a Homewood Suites. And in even bigger news, Brooklyn

Fare, a gourmet grocer and restaurant that's found huge success in Downtown Brooklyn, is making its first foray into Manhattan by opening up a 10,000-square-foot store, including a restaurant and wine cellar, in the Mantena.

That restaurant is the second outpost from chef Cesar Ramirez, whose Chef's Table at Brooklyn Fare has three Michelin stars and was recently named the city's best restaurant by GQ.

"We've been thinking about expanding in general, we just wanted it to be in the right location," Brooklyn Fare owner Moe Issa says. "That area really needs a store. The buildings are going up everywhere, and there's nothing there."

Like Brookfield's potential residential component, Issa's interest is only an indicator of what's to come.

"There are signs of life; there are buildings that have been completed," Katz says. "But it's really not even a drop in the bucket compared to what is going to happen."