

June 2007

## Posh Fifth Avenue drifts north

October 25, 2007  
By Alison Gregor

East Harlem and the Upper East Side make unlikely neighbors, one an up-and-coming neighborhood and the other long established as home to some of the most desirable city blocks in the country.

The adjoining but wildly disparate worlds have long been marked by the clear boundary along 96th Street from Central Park to the East River.

But in terms of residential real estate prices, there are signs that the once inviolable border is shifting northward.

It has already pushed to the north along Fifth Avenue, perhaps as far as 111th Street, a strip bordering Central Park that some brokers now include as part of the Carnegie Hill area of the Upper East Side.

Perceptions have been easiest to change along Fifth Avenue, which has a few grand co-op apartment buildings north of 96th Street. Currently, apartments at 1200 Fifth Avenue, an Emery Roth-designed building between 101st and 102nd streets, have been marketed for a year for as much as \$19.5 million for a triplex penthouse — the highest price ever asked for an apartment north of 96th Street. The price for the penthouse, which is still raw space undergoing renovation, has gone up, and it is gaining interest among buyers, said Carrie Chiang, a senior vice president with the Corcoran Group, which is marketing the apartments.

Almost 80 percent of the condo apartments at 1200 Fifth Avenue have sold for prices ranging from \$1.3 to \$6.5 million, Chiang said.

Asking prices are averaging about \$1,500 to \$1,550 a square foot, while apartments facing the park and the rear view to the east have sold for \$1,650 a square foot, Chiang said.

“That sounds really exceptional, and I’m not surprised,” said Valerie Dominguez, a vice president with the Corcoran Group. “The reason is that, even though it’s a little bit higher up, it’s still Fifth Avenue, and the look of that area is still very similar to what Upper East Siders are looking for.”

The edge of Manhattan’s most famous park could be the new edge of top-end Upper East Side prices as well, Chiang said.

“People are saying [the new border] could be Central Park North,” she said, “because you still have that entire Central Park view, and there’s the Conservatory Garden and Museum Mile. And what I would say is, as long as you stay on the Fifth Avenue side, it’s still very, very attractive to families with kids.”

At least two other developments may be built north of 96th Street along Fifth Avenue. Bids went out recently on Mt. Sinai Hospital’s 15-story, 76-unit apartment building at 1212 Fifth Avenue near 102nd Street, which comes with 315,000 square feet of development rights. Both the Related Companies and Extell Development Company were among the bidders for the property, which was expected to go for more than \$200 million.

Chiang said she has spoken with bidders and believes the new development will have to bring in about \$2,000 per square foot to be profitable.

Another development will go up on five parcels, including 1280 Fifth Avenue, owned by the Museum of African Art. Two developers, Brickman Associates and Sidney Fetner Associates, plan to build a tower of 115 luxury condominiums above the new location for the museum. Because there are public housing projects to the east along 109th and 110th streets, brokers said, developers may have a harder time fetching \$1,000 a square foot.

“If it’s over the Museum of African Art, and it’s a tall building, which I’m sure will have a lot of views west and south, I would think they could probably get in the area of \$1,000 a foot,” said Hal Henenson, executive director of the development marketing group at Prudential Douglas Elliman. “One block to another block in the city can be a big difference.”

East of Fifth Avenue, it remains to be seen if a spate of new developments — including the Magnolia Mansion at 309 East 108th Street, the Crown at 2132 Second Avenue near 110th Street and the Roosevelt Lane Condominium at 227 East 111th Street — will drive the Upper East Side boundary north to the east of Fifth Avenue.

A developer of the Roosevelt Lane Condominium, between Second and Third avenues at 111th Street, believes the time is ripe to try. Gary Silver, a principal in Gary H. Silver Architects, is now moving even farther away from Central Park with an upscale, 38-unit development called the Observatory, at 104th Street and First Avenue, planned for completion in spring 2008.

East Harlem “is an area that has tremendous upside,” Silver said. Roosevelt Lane, with about two dozen units marketed two years ago, “sold in the range of \$450 to \$500 a square foot. They’re reselling some of those units, probably at \$650 to \$700 a square foot,” he said.

With the Observatory, Silver said he believes he is pushing the bar for luxury development in East Harlem by offering a doorman, a “green” roof with a recreation area, a gym, individual storage space and washer-dryer hookups, not to mention terraces and balconies on most units — all located well east of Central Park. “I expect this to be very successful,” he said. “It will bring people north to Harlem.”

Apparently, they have already arrived. According to data from Prudential Douglas Elliman, average prices for apartments in Harlem and East Harlem,

from studios to three-bedrooms, hovered around \$639 a square foot in 2006. Two years before, they were closer to \$350. And at least one standout development, 111 Central Park North, a condominium tower near Lenox Avenue that overlooks the northern end of Central Park and is admittedly in Central Harlem, has reportedly been selling units at more than \$1,000 a square foot.

That price, which is breaking records in Harlem, is somewhat comparable to the average prices on the Upper East Side, where condominium apartments have an average price per square foot of \$1,236, while co-op apartments sell on average for \$988 a square foot. The condominium complex may be helping to drag the Upper East Side border northward, brokers said.

“What we’ve seen in the last couple of years in East Harlem is that the Upper East Side is spreading a little north,” Henenson said.

Willie Kathryn Suggs, of Willie Kathryn Suggs Licensed Real Estate Brokers, said prices have shot skyward in recent years as developers have worked hard to change perceptions about Harlem and its borders.

“The condo developers have decided that Harlem doesn’t start until 125th Street,” she said. “We have customers call us and say, ‘I don’t want to be in Harlem. I want to be south of 125th.’ I say, ‘Hello? What do you mean?’”

[Go to map: New condos on Fifth Avenue north of East 96th Street](#)

For NYC real estate updates provide email below



Email

**SUBSCRIBE**