

New Tower to Join 'Billionaires Row'

Building to Join Others in District for the Uber-Wealthy

By JOSH BARBANEL

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Park Avenue soon will have a new limestone tower to join the ranks of the street's architecturally noteworthy buildings, from Lever House to the Seagram Building.



A rendering of 520 Park Ave., one of at least eight condo towers in the works near or along 57th Street.*Zeckendorf Development LLC and Seventh Art*

Unlike those glass office buildings in the modern International Style, the 51-story building at 520 Park Ave. will feature vertical mansions clad in traditional stone at the edge of a neighborhood real-estate

people have begun to call "Billionaires Row."

The would-be district of the uber-wealthy extends from Broadway on West 57th Street to Park Avenue, as well as to a few other midtown locations.

The building will join at least seven other condominium towers under construction or planned near or along 57th Street in Midtown, raising a concern by some brokers too many mega-condos may be coming on line in what has been the city's hottest real estate sector.

It also will have a penthouse priced at considerably more than \$100 million, according to a person familiar with the project, making it the city's most expensive apartment.

"It is a new market category, it is being called Billionaire's Row," said Jonathan Miller, an appraiser and market analyst and president of Miller Samuel Inc. of the new development area. He said the demand for hard assets in the U.S. is so strong—especially among international buyers—that the market is likely to remain warm far into the future.

But he added too many buildings coming to market at the same time could temporarily limit prices. Already, some brokers say sales have slowed at some fast-selling buildings after they repeatedly raised prices last year to levels that may be unsustainable. At the same time, Mr. Miller noted that the sheer size of the new apartments will effectively limit their supply—and support their high prices.

The new building at 520 Park, designed by Robert A.M. Stern, the dean of the Yale architecture school, was assembled by brothers Arthur and William Lie Zeckendorf and much of the same team that created 15 Central Park West.

It grew to 178,000 square feet through the combination of several lots and the \$30.4 million purchase of air rights from Christ Church at East 60th Street and Park Avenue.

It also purchased the right to cantilever over much of the Grolier Club, a club of bibliophiles on East 60th Street. The developer obtained additional building rights by providing funding to build affordable housing on the Upper East Side as well as meeting the requirements of a city green building program, Arthur Zeckendorf said.

The smallest of the tower's 31 apartments will sprawl over full floors of about 4,600 square feet. They will each have their own elevator landings and are set to list at \$27 million or more. There will also be

seven duplex apartments, each with six bedrooms. The largest apartment, a 12,400-square-foot triplex with a private terrace, will be priced at as much as \$10,000 per square foot.

A rendering circulated to lenders showed an 85-foot wide building with views of Central Park. It has floor-to-ceiling windows of varying sizes topped by another detail recalling buildings built in Manhattan before World War II: a temple-like structure on the roof to hide a water tower and mechanical equipment. "Our market is probably a lot of people who could get into a co-op, but don't want to live in a building that is 95 years old," Mr. Zeckendorf said.

In the new project, the Zeckendorfs formed a development company with two groups of real-estate investors: Rafael and Ezra Nasser, who had earlier purchased a six-story office building on the site with the Zeckendorfs; and Israeli investor Eyal Ofer, who had owned another building there. Foundation work is under way and the apartments are scheduled to go on the market in several months.

But the large number of expensive apartments on the market is causing pause for some brokers. Although the number of listings in Manhattan shrank to the lowest levels in at least a decade, there is now about a 31-month supply of apartments and houses priced at more than \$10 million, based on listing and sales figures provided by Greg Heym, an economist at Brown Harris Stevens and Halstead Property. These don't include high-priced apartments at new developments that aren't routinely shown in New York's main broker listing system. "In the midtown corridor you are entirely saturated with inventory," said Donna Olshan, a broker who issues a weekly report on luxury apartment deals in contract.

Still, she said that the new Zeckendorf project on East 60th Street would do well, since it is on the lower fringe of the Upper East Side, where demand for large apartments remains strong by local New York buyers. Since the success of 15 Central Park West, she said, the Zeckendorfs have a track record and a following among apartment buyers.

Although the new building will have a Park Avenue address, now used by the church, its entrance will be located a few doors down from Park, on East 60th Street, toward Madison Avenue.

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