



Part 4 of 6: No man's land to NoMad: The invention of a neighborhood

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Condo Boom

Residentially, the NoMad area has always been a nondescript place, in between "real" neighborhoods like Murray Hill and Chelsea. Where rents used to be affordable and condos were few and far between, the situation is rapidly changing. Numerous luxury residential developments are underway, starting with One Madison: the 50-story glass tower resurrected from foreclosure by a partnership between HFZ Capital and Related. One of the first noteworthy major condo conversions was the Grand Madison by The Elad Group (which converted The Plaza Hotel). The property formerly known as the Gift Building at 225 Fifth Ave. overlooks the park, and was first built in 1906 as the Brunswick Hotel. The Sky House was built in 2008 at 11 East 29th St., a 55-story luxury condominium with 139 residences where units are now selling for prices as high as \$1,600 per s/f.

More recently, Mitchell Holdings completed The Whitman at 21 East 26th St., a boutique conversion of a former block-through plumbers' union building facing the park. Full-floor units there have reportedly sold to the likes of Chelsea Clinton and NASCAR's Jeff Gordon for upwards of \$10 million, and there is still a 7,000 s/f duplex penthouse with 4,000 s/f of outdoor space available for \$25 million. In reference to the neighborhood, David Mitchell of Mitchell Holdings commented that "NoMad has become a mecca for food, wine & hospitality." 241 Fifth Ave., a 45-unit building roughly a block north of Madison Sq. Park, is already 70% sold. On the periphery at Park Ave. South and 28th St., there are two major residential projects in final stages of development: 400 Park Ave. South, a 40-story undulating steel & glass hybrid rental/condo by Equity Residential and Toll Brothers, and the Huys Condominium, a 58-unit luxury loft conversion by a Dutch developer that starting marketing in March and is over 50% in contract.

The other highly-anticipated residential project is 10 Madison Sq. West located at Broadway & 24th St., being co-developed by The Witkoff Group. "We have huge confidence in the NoMad area," said Steven Witkoff in a Financial Times article in July 2013. He is converting half of the International Toy Center into 125 one-to five-bedroom condominiums, priced between \$1.5 and \$25 million. The FT article went on to state that 10 Madison Sq. West is indicative of NoMad's thriving real estate market - which now commands more than \$2,000 per s/f, up from roughly \$1,500 in 2010. In a conversation as recent as December 2013, Witkoff stated that 93% of the units have already been sold, with pricing surpassing their projections by as much as \$1,100 per s/f. It has also been reported that prices there have hit a \$5,000 per s/f for select units. The building's penthouse is reportedly in contract for \$37 million and 30,000 s/f of retail was sold in October to investment group Savanna for \$60 million.

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