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Lower East Side: hot nabe

SINCE THE LATE 1990s, the lower East Side has been a hip place to go bar-hopping or shop. Fancy apartments were not part of the picture — until now.

After all, this is a tenement neighborhood — where the housing stock's mostly walk-up rentals that have sheltered generations of immigrants, public housing projects and blocks of old-fashioned co-ops that couldn't be sold on the open market until recently.

But in the past two years, luxury condo development is starting to take hold — as developers try to capitalize on the city-wide housing boom that's been going strong since a brief chill right after 9/11.

"They're looking for affordable development sites so they can deliver apartments for well-heeled, first-time buyers," said broker Andy Geringer of Prudential Douglas Elliman.

Builders who have found these relatively cheap locations on the lower East Side are getting busy. Some are high-profile players

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— like Thompson Hotels' Jason, Michael and Lawrence Pomeranc. The brothers are including nine condos and 25 condo-hotel units in the 19-story hotel they've started building on a site stretching from Allen St. to Orchard St., just south of Houston.

"In all business, there's risk — but we feel confidence in a neighborhood that's quickly developing," Michael Pomeranc said.

High-rise construction like theirs may turn out to be a short-lived trend in the area. Community Board 3 has formed a task force that will weigh the possibility of changing lower East Side zoning, "to preserve the character of the neighborhood," district manager Susan Stetzer said.

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154 ATTORNEY ST.

The first five condos here Prudential Douglas Elliman broker Rob Gross put on the market at this development were snapped up the same day. The next five were spoken for within 48 hours. He's increased prices twice in a week and a half of marketing — from \$800 per square foot, to more than \$1,000.

Apartments now available range from a one-bedroom unit with a den for \$795,000 to a two-bedroom for \$1.25 million.

The foundations of the seven-story, 32-unit building are just being laid. Occupancy's expected next spring.

Developers Norm Kaish and Lenny Taub opted for a bold, modern design from architect Dan Bernstein

— which prospective buyers either love or hate. "We want people to feel passionate about it," Gross said.

On the roof, private cabanas are being sold for \$75,000 to \$100,000 apiece. They're fenced-in deck space with electricity and running water — just right for sunbathing or partying.



50 ORCHARD ST.

The nine condos in this newly built seven-story property sold out in two weeks, and prices rose to more than \$900 per square foot, said Elliman broker Andy Geringer.

When the flats are resold, they're going for more than \$1,000 per square foot. Another Elliman broker, Mickey Roth, is now marketing a two-bedroom for \$1.325 million — which originally sold for around \$850,000.

It doesn't matter that the back of the building hangs over a school playground — the noise from recess can't be heard inside the condos because the windows are three-quarters of an inch thick, Roth said.

Developer Barry Strauss will break ground soon on a nine-story, 16-unit companion building at 52 Orchard St. Its apartments will go on sale early next year.



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THE GARFIELD AT 142 HENRY ST.

Instead of building from scratch, architects-turned-developers Ronald Castellano and Christopher Haynes remade a 1912 factory building into an apartment house. Their careful attention to historic detail, and upscale touches like heated towel racks in the bathrooms, kicked lower East Side luxury condo development into high gear.

Four apartments were not sold — they're occupied by artists who lived in the building before the condo conversion, and are entitled to stay for life. Corcoran broker Frank Torre sold eight of the other nine apartments, "at asking price or above, after bidding wars," he said.

Actor Josh Lucas, who stars in the upcoming film "Stealth," reportedly bought one of them. Prices ranged from \$795,000 for a 950-square-foot loft to \$1.76 million for a 1,900-square-foot unit. The last remaining unit recently went on the market — an 850-square-foot space for \$725,000.

577 GRAND ST.

Co-op Village is a neighborhood within a neighborhood along Grand St. It's full of big buildings constructed long ago by unions, whose apartments were sold for tiny prices — on the condition that owners who moved out could only sell them back to their co-op, and make virtually no profit.

In the late 1990s, four of the Co-op Village complexes decided to break free — and allow sales to outsiders. In the past three years, their apartment prices have doubled.

They hit a new high when broker Neal Young of Halstead sold an apartment at 577 Grand St., in the East River co-op complex, for \$695,000. At roughly \$900 per square foot, it set a record for one-bedroom units along Grand St.

The apartment got top dollar because it was recently renovated, Young said — and it has panoramic views from the Statue of Liberty to the Empire State Building.



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