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BIG DEAL

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Raising the Roof

Adding penthouses atop buildings helps conversions make economic sense.

By JULIE SATOW

In today's luxury real estate market, where more is more, and consequently better, developers and their architects have been busy designing penthouse additions to affix atop buildings that they are already converting into condos.

Developers sometimes seek out conver-

sion projects because the structures themselves are historic and of value. Other times they take this route because undeveloped land in New York City is so scarce and can be prohibitively expensive. Adding floors to the building, particularly when they include an expansive penthouse or two, can help increase profits, but the process can be daunting. Constructing additional stories is often complex and pricey, costing as much as 50 percent more than development from the ground up. And in the case of a structure with landmark status, developers must first secure

approvals that can tack on months to the process.

Still, the economics of a penthouse often make it worth the effort.

"The top is the best part of the building — it is where everyone wants to be," said Jared Kushner of Kushner Companies, who is building six penthouses priced from \$20 million to \$60 million atop the Puck Building, a landmark at 293 Lafayette Street. Mr. Kushner, the son-in-law of Donald Trump, hired a former chairwoman of the Landmarks Preservation Commission

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as an architect on the project. Yet winning the commission's approval still took six appearances over nine months and several attempts at scaling down the project.

On the other hand, the commission unanimously on the first go-round approved a two-story white metal addition to the Cast Iron House, a 132-year-old landmark on lower Broadway, where sales are set to begin next month. Shigeru Ban Architects redesigned the interior and created the penthouse floors.

The distinct feature of the two duplex penthouses that will sit at the top of the nine-story building is a Vierendeel truss (named for the Belgian civil engineer who devised it), a cantilever that allows for glass exterior doors to be completely opened, creating an uninterrupted expanse between the interiors and the surrounding terraces.

"Being a great admirer of architecture," said Jourdan Krauss, the president of Knightsbridge Properties, the developer, "I thought it was my opportunity to bring in a contemporary architect that had an avant-garde vision for converting this historic building."

"I find this proposal breathtaking," said Frederick Bland, a landmarks commissioner, during the plan's 2012 hearing. The two-story addition "indicates in a very lyrical, beautiful and rigorous way that the same inspiration that was used in the 1882 building is now being reused here." He added, unbidden, that the design for the interior of the building — which is not subject to landmark commission scrutiny — "is extraordinarily sophisticated and unusual."

Mr. Krauss bought the Cast Iron House in 2002 at the age of 28. Formerly known as the James L. White Building, it used to house commercial tenants and a branch of

Penthouses are always in demand for their views and outdoor space.

Nyack College. After the tenants' leases expired in 2008, Mr. Krauss began a three-year effort to renovate the facade, among other things restoring some 4,000 pieces of ornamental cast iron. In 2010 he brought on Mr. Ban, the Japanese architect known for his use of unusual materials.

"When I told Shigeru I wanted to work with him," Mr. Krauss said, "he listened very politely for about 20 minutes and then he said that while he appreciated it, it's not what he did, that he wasn't a preservation architect. I told him that's precisely why I wanted him to do it — to design a contemporary addition that will work in harmonious dialogue with the existing structure, which to my knowledge, there are no good examples of, at least not in New York City."



The concept behind the building is "a ship within a bottle," said Dean Maltz, a managing principal at Shigeru Ban Architects and the executive architect on the project. The skin of the building is the bottle, while the interior, which has been completely reconfigured to create 11 duplex apartments, is the ship.

The duplexes range from a 2,850-square-foot three-bedroom to a 4,890-square-foot five-bedroom; they have double-height living rooms of 17 to 25 feet. High double-height windows will be operated remotely via electronic switch and motor. The penthouse addition will include a 3,800-square-foot four-bedroom with 1,530 square feet of private outdoor space and a 4,560-square-foot five-bedroom with 1,430 square feet of outdoor space. Although prices have not been set, asking prices for the penthouses are expected to range from the high \$12 millions to \$15 million, Mr. Krauss said.

Shigeru Ban Architects also designed the interiors, which include white lacquer desks in the studies, floor-to-ceiling white lacquer cabinetry, and die-cast aluminum door levers. Amenities in the building will include a garden courtyard with 40-foot-tall bamboo trees; a water room with sauna and steam room; an exercise room; and a game room.

One key reason that penthouses can command such high prices is that they often include outdoor space, a prized feature in the concrete jungle of this city. "If you can create outdoor space that is unique just to that unit, it is like having 50



percent of the value of indoor space," said Ziel Feldman, a developer and the founder of the HFZ Capital Group. For example, if the interior is selling for \$1,000 a square foot, outdoor space is typically priced at \$500 a square foot. "And if you are on the park, with beautiful views," he added, "it can be even more valuable."

Mr. Feldman is hoping to create such outdoor spaces at the Chatsworth, a 1904 Beaux-Arts structure at 340 West 72nd Street, at Riverside Drive. He has sub-

Renderings of the penthouse addition to the Cast Iron House, a 132-year-old landmark on lower Broadway. Large glass doors can be opened to connect the interiors with the surrounding terraces.

mitted plans for a two-story penthouse addition, but they have yet to be approved, so Mr. Feldman hopes to resubmit the plans after revising them to incorporate the commission's comments and concerns.

"The general rule of thumb is that you are not supposed to see the addition from the street," Mr. Feldman said. "Since we are on Riverside Park on the water, we are exposed on all sides, so we are negotiating with them to make it as invisible as possible."

One way to achieve this is to create setbacks from the street. That was the case at the Sterling Mason, a condominium in TriBeCa. "To accommodate Landmarks we have setbacks on all sides," said Dan McInerney, a vice president of Taconic Investment Partners, which is developing the building, "so this has meant that the penthouse additions have a lot of outdoor space." The project includes a 5,620-square-foot six-bedroom duplex penthouse with 2,625 square feet of outdoor space, priced at \$23 million, and a 4,600-square-foot penthouse with 3,459 square feet of outdoor space that is in contract for \$21 million.

Not every building has to create setbacks or otherwise make concessions to obtain approvals for an addition. One case in point is a former parking garage at 12 East 13th Street, which is being converted into a 12-story building with eight units, one of them a three-story glass-enclosed penthouse addition. The project, between Fifth Avenue and University Place, is not a landmark and is not in a landmark district. To avoid having to secure any other city approvals, the developer had to avoid adding square footage to the original structure. So to create the addition, the developer slashed the back of the building off, shrank its floor plates by 25 feet and applied the extra square footage to the top.

"The original building was deeper than we wanted," said Dan Hollander, the managing principal at DHA Capital, which is developing 12 East 13th Street along with Continental Properties, "so by cutting back we ended up with excellent layouts that allowed us to build higher, which provided us with more light and views at the top."

Designed by the architect CetraRuddy, the 5,700-square-foot penthouse, which is asking \$30.5 million, has two terraces and a private elevator. The building will include an automated parking lot on the second floor, with each unit allocated one spot and three spots that will be for sale. The sales office officially opens next month.

"The penthouse market is a unique submarket in the city," Mr. Hollander said. "There are certain buyers that want absolute privacy and must have outdoor space, and they want to be at the very top of the building; those spaces are always in high demand, because there just aren't that many of them."