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Title: Shvo and Starck Aim To Create 'Chelsea East'

With four floors of penthouses and two levels of duplex "sky houses" just beneath them, the Philippe Starck-designed Gramercy is out to lure young, moneyed, design-savvy buyers into an otherwise bland patch of East 23rd Street between First and Second avenues.

Scheduled for completion later this year, the 21-story building is one of the first new luxury developments in the neighborhood, far closer to Peter Cooper Village and Stuyvesant Town than to its namesake, Gramercy Park. The project's marketer, Michael Shvo, said that despite being at least a 10-minute walk from the exclusive private park, the project was named Gramercy because that is the area's "closest attraction."

But as land available for luxury residential development in Manhattan becomes more and more scarce, brokers say Mr. Shvo's project could help to catalyze bigger changes for the far East Side.

A Corcoran broker who specializes in Chelsea, Susan Singer, said she is starting to see the same opportunities on East 23rd Street that existed on West 23rd Street a few years ago. "I think you'll have smaller buildings being built at higher price points," she said. "It will start to boutique in the same way that happened in Chelsea."

With more market-rate tenants expected to move into Stuyvesant Town and Peter Cooper Village, one of the most immediate effects of the Starck project is likely to be on the area's underdeveloped high-end restaurant scene. Because many luxury buyers prefer not to cook, it is a natural opening, said broker Richard Skulnik of RIPCOC Real Estate, a retail specialist.

"Fast food or fast-casual restaurants won't satisfy the new residents," Mr. Skulnik said. "I think restaurants start looking now, if they haven't already."

If the building is successful, brokers say more projects will soon break ground. Two years ago, a luxury tower near Lexington Avenue, Crossing 23rd, expanded the neighborhood's price point, with prices topping \$2 million for some units.



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This project will push that threshold far higher. The building's 207 units start at \$440,000 for a 435-square-foot studio with no outdoor space and rise to \$3.44 million for a three-bedroom, three-bath penthouse with more than 1,700 square feet.

And it doesn't hurt to start with a celebrity name, brokers say. "A developer who wants to put up something out of the beaten path has to do that much more to attract buyers," the managing director of the ID Marketing Group, a luxury unit of Brown Harris Stevens, Erin Boisson Aries, said. "The lure of the celebrity architect is there."

Gramercy is the second residential project in the city for Mr. Starck, who also designed the interiors of the former J.P. Morgan headquarters at 15 Broad, which was converted to condominiums in 2004. That lobby features a giant Louis XV crystal chandelier hanging at eye level and decorated with digital picture frames that display photos of residents as they walk by.

Still eclectic, Mr. Starck's new venture includes amenities such as a screening room, game room, bar, rooftop terrace, and gym billed as the city's "wittiest," including floor-to-ceiling photos of ballerina legs that serve as dividers between the elliptical trainers, weight machines, and seating area.

Buyers will be able to customize their unit's finishes with "Classic," "Culture," or "Nature" themes for the cabinetry, bathrooms, and accent walls. For those who want the full Starck experience, packages of Starck-designed and Starck-chosen furniture will also be offered, though prices and other details have not yet been finalized.

"I don't work to please everyone," Mr. Starck said at a preview event this week. "I work to please me, and my mother, and my friends."