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# Bloomberg

June 6, 2013

## NYC's Zeckendorfs Embrace Global Buyers With UN Condos

By Oshrat Carmiel

The [United Nations](#) Secretariat building is visible from every floor of 50 UN Plaza, Arthur and William Lie Zeckendorf's latest [Manhattan](#) luxury-condominium project. It's also a potential source of buyers.

The development, a 44-story tower under construction on First Avenue near 46th street, will be the Turtle Bay neighborhood's first new residential project in a dozen years and is poised to set price records for the area. It's located across the street from the UN, which is built on land assembled by the Zeckendorfs' grandfather more than half a century ago.



The 50 UN Plaza building stands under construction in New York during April 2013. Photographer: Victor J. Blue/Bloomberg

"If you're a UN ambassador posted here, you can't get a better location than this," said Arthur Zeckendorf, standing in a hard hat on what will be the 19th floor of the condo building.

The project is a departure for the Zeckendorf brothers, whose dual limestone towers at 15 Central Park West set the standard for trophy apartments favored by Wall Street bankers and the rest of Manhattan's local elite. At 50 UN Plaza, they are seeking to lure some of the wealthy buyers from around the world who are fueling demand and price increases at towers such as One57 and 432 Park Ave.

The latest project's look also will be different, trading the signature style of Robert A.M. Stern -- the [New York](#) architect who designed 15 Central Park West and the Zeckendorfs' 18 Gramercy Park -- for stainless steel and glass. For 50 UN Plaza, the developers turned to Foster + Partners, the London-based firm run by [Norman Foster](#), whose credits include the UK capital's city hall, [Singapore's](#) Supreme Court and a terminal at Beijing Airport that's among the world's biggest buildings. The firm is also designing Bloomberg LP's European headquarters in [London](#).

## International Style

“It was definitely a decision to do a very modern, international-style building, whereas 15 Central Park West and 18 Gramercy are Stern-designed, traditional Park Avenue, Fifth Avenue-type buildings,” said Arthur Zeckendorf, 53. “That was a major decision point: How to design the outside to appeal to your buyer.”



William Lie Zeckendorf, co-chairman of real estate firm Terra Holdings LLC, left, and Arthur Zeckendorf, co-chairman of Brown Harris Stevens Inc., walk through the 50 UN Plaza



The exterior’s stainless steel and “highly reflective” fritted, or textured, glass give the tower a jewel-like appearance, Co-Chairman of Terra Holdings LLC William Lie Zeckendorf said during a tour of the site in April. Source: Foster + Partners

On the exterior, bay windows are stacked on top of one other, threaded together by a horizontal grid of stainless steel and forming three columns that run the length of the building. “Highly reflective” fritted, or textured, glass panels run vertically between the bays, giving the tower a jewel-like appearance, William Zeckendorf, 54, said during a tour of the site in April.

The windows offer residents the “perfect architectural angle” for viewing the UN Secretariat, his brother said as he stood at the edge of one of the bay protrusions, shielded at the time only by orange netting.

### Five Bedrooms

The tower is Foster + Partners’ [first residential project](#) in the U.S., William said.

Zeckendorf Development Co.’s plans call for 88 apartments, with prices starting at \$2.8 million for a one-bedroom unit, according to documents filed with New York State Attorney General Eric Schneiderman’s office, which reviews the details of condominium projects. Two-bedroom units range from \$3.6 million to \$9.4 million.

A 9,700-square-foot (900-square-meter) duplex penthouse spanning the 43rd and 44th floors will be listed for \$55 million. The property includes five bedrooms, two of which abut the kitchen and are designed for staff, as well as a pool and terrace on the top floor, according to preliminary plans.

Sales will begin in the third quarter, the developers said.

### Price Records

As the Turtle Bay neighborhood’s first new residential project since Trump World Tower was completed in 2001, 50 UN Plaza would set price records in the area, with all deals probably falling within the top 10 percent for Manhattan, said [Jonathan Miller](#), president of New York-based appraiser Miller Samuel Inc.

The Zeckendorfs’ marketing is unique because “the other buildings all seem to be downplaying international buyers,” Miller said. “For them to say it, and embrace it, makes it somewhat different.”

The project is a return to family roots for the Zeckendorfs. Their paternal grandfather, William Sr., assembled the land on which the UN complex was constructed with intentions to build a Rockefeller Center-style “city within a city” including an opera house, hotel, apartments and a convention hall on an elevated platform, according to “Capital of the World: The Race to Host the United Nations,” by Charlene Mires. Their maternal grandfather, Trygve Lie, was the first UN secretary general, from 1946 to 1952.

“They’d be very proud, very excited that we’re creating a great building to go with what they created,” Arthur said.

### **City ‘Oasis’**

The entrance to 50 UN Plaza’s 6,000-square-foot-lobby, currently a tangle of cinderblocks, will feature a waterfall that will cost as much as \$1 million to design and construct, William said.

“Fire and water are the elements of life,” Arthur said. “You come in from the city and it’s an oasis.”

The developers are in talks with a “top restaurant operator” to occupy a 2,000-square-foot venue at the base of the tower, with an open-air terrace facing the UN. The restaurant would provide room service and a private dining area for residents, William said.

The Zeckendorfs are seeking to build “a perfect project” as buyers have been paying unprecedented prices for New York trophy condos. The current record for the most expensive residence in Manhattan was set at 15 Central Park West in February 2012, when former Citigroup Inc. Chairman Sanford Weill sold his full-floor penthouse for \$88 million. The apartment was purchased for the daughter of Russian billionaire [Dmitry Rybolovlev](#).

### **One57 Penthouses**

That benchmark is set to be topped next year when deals for two penthouses at One57 are completed. Both units are under contract for more than \$90 million, according to Extell Development Co., which is constructing the 90-story tower. [Bill Ackman](#), the New York hedge-fund manager who founded Pershing Square Capital Management LP, is part of an investment group that purchased one of the apartments.

At 432 Park Ave., which [Harry Macklowe](#) and CIM Group are building, buyers have come from around the world, including [South America](#), the [Middle East](#), [China](#) and [Russia](#), the developers said. The tower is slated for completion in 2015.

New York is No. 1 on a list of “cities that matter” to high-net-worth individuals, according to the 2013 “[Wealth Report](#)” by [Knight Frank](#) LLP, a London-based real estate consulting firm. The city’s real estate has come “to epitomize the so-called safe-haven market, with overseas buyers looking to escape currency, economic, political and security crises by putting equity into tangible assets,” according to the report.



William Lie Zeckendorf, co-chairman of real estate firm Terra Holdings LLC, left, and Arthur Zeckendorf, co-chairman of Brown Harris Stevens Inc., stand for a photograph in New York. Photographer: Scott Eells/Bloomberg

## Reviving Projects

New York's appeal to global investors has been helped by the "growing availability of high-quality new-build developments," according to Knight Frank. "This contrasts with the dearth of stock in the years after the financial crisis."

Proposals for new Manhattan condos plunged 79 percent in 2009 from the prior year as developers waited for a glut of new and unsold units to clear the market following the recession. Builders revived projects in 2011, filing plans to to sell 2,267 new condos in the borough, more than the previous two years combined, according to the attorney general's office. They added plans for 1,695 units in 2012.

The Zeckendorfs acquired the 50 UN Plaza site in 2007 for \$152 million and delayed plans for development as credit markets began to freeze later that year. They revived the project in December, obtaining a \$280 million loan from HSBC Holdings Plc. Israeli financier Eyal Ofer is also backing the project.

## Gramercy Park

Builders throughout Manhattan have been raising prices on their unbuilt condos as demand intensifies. At the Zeckendorfs' almost-completed 18 Gramercy Park, for example, the combined value of all units for sale climbed 5 percent since they went on the market in May 2012, documents filed with the attorney general show. A 4,500-square-foot second-floor apartment originally listed for \$15.5 million was increased to \$16.2 million a few months later.

Closings began last month at the building, where the residential units have at least four bedrooms. Owners will get a key to the private, gated Gramercy Park and must pay \$6,000 a year to the trust that holds title to it. Other amenities include a pet grooming area and artwork in the lobby by [Damien Hirst](#), according to the offering plan.

As of June 3, half of the 16 condos were under contract to be sold, including the penthouse for \$42 million, developers said. None of the buyers so far are from outside the U.S.

Uptown, at the UN site, the Zeckendorfs see interest coming not just from overseas but from across the street. Standing in their not-yet-finished project, Arthur looked north to Trump World Tower at 845 UN Plaza, and the twin cooperative buildings that his grandfather conceived at 860 and 870 UN Plaza.

"There will be some buyers from all of them," he said. "We want to be the trade-up building in any given submarket."

<http://www.bloomberg.com/news/2013-06-06/nyc-s-zeckendorfs-embrace-global-buyers-with-un-condos.html>