

# The New York Times

## Luxury Living in Old Temple of the 5 and Dime



Keyur Khamar/Bloomberg News

The Woolworth Building, in Lower Manhattan, was completed in 1913.

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The Woolworth Building's neo-Gothic tower, one of [New York City's](#) most recognizable landmarks, is about to be turned into luxury condominiums, a transformation that would be second only to placing penthouses atop the Chrysler Building or the Empire State Building.

The world's tallest building when it opened in 1913, the Woolworth Building was called the "Cathedral of Commerce," its copper-domed tower soaring 792 feet into the skyline. Now, in a \$68 million deal made final last week, the tower will be turned into about 40 luxury apartments, including a five-level penthouse in the cupola.

In a condo market still recovering from the Lehman Brothers crash in 2008, some developers have focused on conversions as a way to create new luxury apartments that cater to an eager, astronomically wealthy clientele who in the past few months have spent tens of millions of dollars on sumptuous apartments. With its historic status downtown, the Woolworth Building has the cachet to give it an edge over its competitors.

An investment group led by Alchemy Properties, a New York developer, bought the top 30 floors of the landmark on July 31 from the Witkoff Group and Cammeby's International, which will continue to own the lower 28 floors and lease them as office space. "It's very exciting for us," said Kenneth S. Horn, president of Alchemy Properties. "We've done a lot of historic buildings in the city, but this is 'the mama,' as they say."

The agreement promises to reinvent the tower that telescopes up at 233 Broadway, between Park Place and Barclay Street, as one of [Manhattan](#)'s most sought-after addresses, adding yet another chapter to the history of this Cass Gilbert-designed monument to Frank W. Woolworth and his five-and-dime empire.

Apartments will begin at 350 feet above ground level, offering panoramic views of Lower and Midtown Manhattan, [Brooklyn](#) and [New Jersey](#). The condos, with ceiling heights of 11 to 14 feet, are expected to be completed by 2015.

Penthouses will be among the highest-altitude residences in the city, soaring above 700 feet.

An abandoned 55-foot-long basement swimming pool, originally part of a health club, will be restored as an amenity for residents. A new entrance on Park Place will serve residents with an elevator bank separate from that used by the office tenants on the lower floors.

“Not many people in the world would get to say they live in the Woolworth Building — one of the city’s most recognizable buildings,” said Andrew Geringer, an executive for the Marketing Directors, a New York development, leasing and marketing company. “I think they’re coming on the market at the right time to do this.”

The trick to a successful conversion, he said, will be designing the large apartments the downtown luxury market prefers, despite the constraints imposed by the building’s infrastructure.

The project will cost approximately \$150 million, including its \$68 million purchase price, a spokesman for Alchemy Properties said. Although apartment prices have not been set, they may sell for as much as \$3,000 a square foot, said Howard Lorber, chairman of the brokerage firm Prudential Douglas Elliman. That could mean \$7.5 million for a 2,500-square-foot unit. The penthouse at the pinnacle could command more.

By comparison, the average price per square foot of apartments sold in the second quarter of 2012 in the Woolworth Building’s ZIP code — 10007 — was \$1,250, according to data from Miller Samuel, a real estate appraisal and consulting firm.

Mr. Geringer described \$2,000 a square foot as “the new normal for iconic buildings,” noting that the Woolworth tower apartments will begin on higher floors than most traditional prewar buildings.

“You’re already raising the bar to begin with,” he said.

In 1998, the Witkoff Group and Cammeby’s International formed a partnership to buy the Woolworth Building for \$126.5 million. They at one point considered remaking the tower as office space with country-club exclusivity. As part of that plan, the top 25 floors, ranging from 3,500 to 8,000 square feet, were gutted. They have been vacant for several years.

There has been much speculation over the years about potential buyers, including Italian businessmen and an Israeli investor group. In the end, four serious buyers looked at the property, according to people with knowledge of the deal who spoke on the condition of anonymity.

The deal has been kept quiet since negotiations began in April. But after it was finished, Mr. Horn, of Alchemy Properties, said, “I walked out of the signing and said, ‘Did this really happen?’ ”

Nothing Alchemy has done quite compares with the challenge of transforming a signature piece of Manhattan real estate into residences, but the physical size of the project, at roughly 100,000 square feet, is similar to other developments the group has handled.

“It’s our sweet spot,” Mr. Horn said.

Alchemy has developed 30 properties in the New York metropolitan area, and most of its residential projects have been boutique buildings with just a few dozen apartments.

Even owners of newer skyscrapers that tower over the Woolworth Building seem in awe of it. Bruce Ratner, chairman of Forest City Ratner Companies, which developed the 870-foot, Frank Gehry-designed residential rental at 8 Spruce Street — currently the city’s tallest residential building — marveled at the view of its shorter neighbor from a penthouse window at the Gehry building recently.

“The Woolworth Building is what is really extraordinary,” Mr. Ratner said. “What I always say to Frank is that this building dances with that building.”

*Alexei Barrionuevo contributed reporting.*