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## Real Estate

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**BIG DEAL**

# The Stars Inside the Building

In the luxury market, interior designers now share the limelight with ‘starchitects.’

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By JULIE SATOW

The real estate industry in New York City continues to produce pricey new condominiums, seemingly at the rate of tennis balls spit out of a ball launcher. This market revival has pushed the role of the bold-face architect back into the spotlight, although that position may have to be

shared this time around with interior designers.

With nearly every project under construction intended for the ultraluxury market, it is essentially impossible to develop a building without attaching the brand of a star architect, better known by the eye-rolling portmanteau “starchitect.” Tapping such a person to help sell a building started more than a decade ago, in 2000, when the architect Richard Meier designed the gleaming white towers on the West Side Highway in the West Village that drew buyers like Calvin Klein and

Martha Stewart. That trend persisted until the financial crisis, when building projects stalled and many architects looked outside New York for work.

Now, in TriBeCa, the Swiss firm Herzog & de Meuron is seeing its design of 56 Leonard Street being credited for part of the success of the project. The building is more than 90 percent sold after just 10 months of sales and has racked up more than \$1 billion. The firms Zaha Hadid Architects and Foster & Partners are undertaking their first residential projects in

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# The Stars Are Also Inside the Building

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New York, and in the case of Foster & Partners, its first ever in the United States. Meanwhile, the likes of Robert A. M. Stern Architects, the Bjarke Ingels Group and Rafael Viñoly Architects are also creating designs that will reshape the New York skyline. But it isn't just architects who are busy. A number of interior designers better known for individual homes or even stores and restaurants are now creating the interiors of residential condominiums.

"When I first started in the industry in the 1980s, branding wasn't thought of," said Jonathan J. Miller, the president of the appraisal firm Miller Samuel, "but now it is the basis of the design sensibility." These days, Mr. Miller said, touting a famous name is "the minimum barrier to entry for a luxury development." He added, "If you don't have a name brand associated with a project, it isn't considered in the upper tier of the market."

Because nearly all the development is focused on the high end, there is plenty of competition. Inventory for the top 10 percent of the priciest condominiums in Manhattan has slipped only 3 percent in the

## Advertising materials will emphasize architect and interior designer.

last year, while inventory for the remaining 90 percent has fallen 37 percent, according to Mr. Miller. With so much development focused on such a narrow sliver, developers are under immense pressure to differentiate themselves from their competitors.

"Today, in this new, highly competitive market," said Leonard Steinberg, a broker at Douglas Elliman Real Estate who focuses on luxury, "distinctive, impressive quality designing is critical in obtaining peak pricing. The consumer demands it, and now they have options — innovation without useless gimmicks truly matters."

Yet many developers take issue with this notion of a starchitect and its connection to branding. "It sounds gimmicky," said Izak Senbahar, who is developing 56 Leonard Street. "Choosing an architect isn't like having Elton John singing in your model apartment. It is about hiring a virtuoso, finding that talent."

Greg Gushee, a senior vice president of the Related Companies who is overseeing development of Ms. Hadid's building at 520 West 28th Street, agreed. "The main benefit that we see isn't necessarily a name, or the brand of the architect, but it is the product," he said. And as Robert Puddicombe, Related's senior vice president for design, noted: "A name in and of itself isn't

the reason, it is the quality of their work — you cannot separate the two. If the work isn't there, the name will never suffice."

Developers pay 30 to 40 percent more for a famous architect, whose designs can often add 10 to 20 percent to construction costs, Mr. Senbahar said.

In exchange, the developer is banking on charging higher premiums for the apartments. "It is difficult to quantify with an exact measure," said Susan M. de Franca, the president and chief executive of Douglas Elliman Development Marketing, "but I would say there is a 30 percent to 50 percent premium if a project is completed by a starchitect."

Robert A. M. Stern Architects, for example, designed the condominiums Superior Ink in the West Village and 15 Central Park West, and both buildings regularly outperform competing buildings in the same areas, Ms. De Franca said. "It is like an Hermès Kelly bag: they are coveted and can't continually be reproduced. At the end of the day, it is a proven strategy; otherwise developers wouldn't keep doing it."

While there may be a payoff in hiring a famous architect, the trend has shifted a bit since the era before the financial crisis. It is now nearly as much about the interior design as it is about the exterior. And this has meant that in many cases, the interior designer is sharing the star billing.

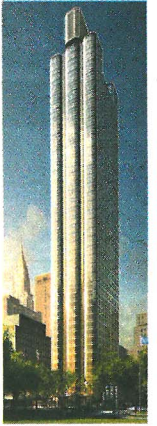
"The trend used to be about one famous starchitect, a single name brand, and we do still see that," said Elisa Orlanski Ours, a trained architect who is the senior vice president for planning and design at Corcoran Sunshine and Citi Habitats. "But we are also seeing the concept evolve into more of a collaboration."

When for example brokers began marketing the Sterling Mason, a condominium at 71 Laight Street in TriBeCa, the advertising materials emphasized not only the architect but also the interior designer, Gachot, a husband-and-wife team. The architect, Morris Adjmi, a respected and prolific firm here in New York, is not a household name, and that may have helped Christine and John Gachot, who were previously responsible for the NoHo restaurant Acme and the West Village townhouse of the fashion designer Marc Jacobs, edge into the limelight.

Other interior designers who are taking on condominiums include William Sofield, who is doing the interiors and exteriors for 135 East 79th Street but is perhaps best known for designing fashion boutiques for Gucci, Yves Saint Laurent and the jeweler Harry Winston. Tony Ingrao, who designed the New York City townhouse of Donny Deutsch, the TV personality and advertising executive, and a home for the fashion designer Lisa Perry, is undertak-



RENDERINGS FROM RELATED COMPANIES AND ZAHA HADID ARCHITECTS



ZECKENDORF DEVELOPMENT



In inaugural residential projects in the United States, Zaha Hadid Architects is designing 520 West 28th Street, top left and above, and Foster & Partners is behind 50 United Nations Plaza, rendering top right.

ing his first large-scale corporate client with the condominiums at the new Baccarat Hotel and Residences in Midtown.

"If you look at the most high-profile, high-priced projects," said Ms. de Franca, who is marketing the Sterling Mason development, "you will see that everyone has a named architect or a named interior designer, and often both."

Interior design has become more important because many developments are being sold in the preconstruction phase, with buyers choosing their units from floor plans. That means they often must wait many months after buying to move in, so the concept of waiting even longer to com-

plete the interiors is often anathema. And when buyers are paying as much as \$10,000 a square foot for an apartment, the desire for turnkey units in move-in condition is even stronger. Developers generally loathe modifying an apartment's interiors because of the associated costs, and in today's seller's market, they are even more unwilling to accommodate buyers on this issue, Mr. Steinberg said.

"When the building is under construction and you are selling off of a floor plan," said Jill Mangone, the director of sales at Zeckendorf Development, "it gives people a sense of confidence that they are buying a high-quality project." Zeckendorf is partnering with Global Holdings to build 50 United Nations Plaza, the first United States residential project designed by Foster & Partners, the firm founded by Sir Norman Foster.

For his part, Mr. Senbahar said he had visited or studied nearly every building that Herzog & de Meuron had built before hiring the firm for 56 Leonard Street. "The fact is, Herzog & de Meuron definitely played a role in shattering all the price expectations we had for the project and creating this kind of velocity of sales that I have never seen before."

But notwithstanding this success, Mr. Senbahar is willing to buck the trend for his next project.

"I'm in the market now for another architect, in fact," he said, "and I would like to take someone from outside the realm of names you hear. If you said to me that you have a cousin who designed two buildings in Canada, I would fly there tomorrow and take a look. I have the confidence to go with a no-name and know we would create an excellent product."