

Big Condo Buildings Get a Second Life

By MAX GROSS

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The building, which had sold for a staggering \$418 million in 2005, went into foreclosure and sold at auction for a paltry \$20 million to Fortress Investment Group.

Ancient history! At the very least, the 597-unit building (with 95 rentals) has thawed from its deep freeze, changed its name back to the luckier Sheffield, and is selling again. Sales restarted in mid-March, with the Marketing Directors at the helm, and since then 22 units have closed, eight more have signed contracts and another six contracts are out. “We’re trying to create value in this market,” says Jack Levy, senior managing director for Rose Associates, which took over the management of the building. “The prices are on average \$1,500 per square foot — previously, when sales stopped, they were in excess of \$2,000 per square foot.”



In addition to taking prices to the woodshed, about \$10 million will be put into the building’s reserve fund (the subject of a lawsuit) to keep the building on solid financial footing. Moreover, there has been a conscious effort to get buyers more active in managing the building.

“Most sponsors would not volunteer to add resident owners to their board,” Levy says — but that’s precisely what Rose Associates did.

The resident owners formed a design committee to make suggestions for the still-unfinished amenity space.

Amenities on the way include a gym, a lounge with a catering kitchen, an indoor pool and a playroom. And construction on Sheffield’s still unfinished plaza in front has restarted. Levy says it will be finished sometime next year.

When 650 Sixth Ave. was converted to condos back in 2007, the idea was that it would look something like an art gallery. The condos would be delivered to buyers as unadorned white boxes.

But as of early this year, the 67-unit building had only sold 19 units and hadn’t sold any in months. Core, a real estate firm that’s sold many new developments, was brought in to revive the project in March. Suddenly, blank canvas was out, and character and history were in.

“We had a building that was magnificent in so many ways,” says Shaun Osher, CEO of Core. “That’s what had to be celebrated — the fact that it was a true loft building.” Details such as the columns got newfound emphasis; dark wood was put in for the floors. And Core really started pointing to the history of the place: 650 Sixth Ave. was once where famous shoemaker A.J. Cammeyer operated his store and warehouse. Why not expand on this?

“I remember it was the last possible minute, Shaun was looking over the materials,” says John Gomes of Core. “He said, ‘Oh my god! The Cammeyer! That’s the name of the building!’ We had sent everything to the printer — business cards, floor plan — we had to pull it all.”

And the shift seems to have helped.

“We adjusted pricing on some units, but it’s not far off from the original asking,” Osher says.

Units currently range from a 749-square-foot loft for \$925,000 to a 1,793-square-foot two-bedroom for \$3.25 million.

Core has closed five units, with five additional signed contracts. Three more contracts are out. And, Osher says, “Eight other people are bidding actively on other units.”