The New York Times

May 8, 2015

First Manhattan Condo by a Chinese Developer

By C. J. HUGHES

The 38-story tower planned for 118 East 59th Street. Credit Williams New York

A 38-story tower rising on a busy block in Midtown is being billed as the first condominium project in Manhattan developed entirely by a company from China.

Euro Properties, based in Hong Kong, recently unveiled 118 East 59th Street, a 29-unit high-rise between Park and Lexington Avenues. In recent years, Chinese companies have flocked to build in New York, but typically partnered with local firms, and in those rare cases where they have flown solo, it has been in the outside boroughs.

While 118 East 59th Street may be a pioneer, brokers say its developers still have to convince buyers that its location, wedged between office towers, can fetch the same gold-plated prices as nearby Billionaires' Row.

"It's a location that's in transition," said Tamir Shemesh, an associate broker with the Corcoran Group who is marketing a new 22-unit condo at 337 East 62nd Street. "But the towers that are coming up could change a very commercial area."

Designed by SCDA Architects of Singapore, whose principal is Soo K. Chan, the narrow tower will have a facade that recalls the pressed-down buttons on an old-fashioned tape recorder, with sections that are beveled, at slight angles. Each of the 29 units will occupy at least a full floor, making them feel spacious despite the skinny site, said Neo Que Yau, the chief executive of Euro Properties. Most apartments will be configured with two bedrooms, he said, and about half will have views of Central Park. Units will start at about 1,400 square feet.

Finishes will include marble for kitchens and baths; there will also be bidet-style toilets, the kind that are popular overseas. But while Mr. Yau said that he welcomed foreign buyers, who have taken a shine to the neighborhood in the current boom, he would not market to them specifically. "It's a consideration," he said, "not the most important factor."

Demolition of the four-story building that once stood at the site, which Euro Properties bought from the Rudd family for $49 million in 2013 and which once contained a tuxedo-rental company, is complete. Yet the condo, where foundations are scheduled to be poured in June and sales set to begin in September, is a work in progress.

As of early this month, Euro Properties was still hammering out details about building amenities, which will include a fitness center, treatment rooms for massages and a lounge with outdoor gardens, Mr. Yau said.

He said that prices “will be consistent with ultraluxury developments in the area.” The much taller and more perk-laden 432 Park Avenue, from Macklowe Properties and the CIM Group, for example, has averaged about $8,000 a square foot for its units so far, according to data from StreetEasy.com.

The new condo by Euro Properties is not that large by Chinese project standards. Oosten, a 216-unit complex that Xin Development Group International is developing, spreads across a full block in South Williamsburg, Brooklyn.

Likewise, at 100 East 53rd Street, a team that includes the Chinese investors Vanke Holdings and China Cinda Asset Management, alongside Hines and RFR Holding, is creating a 61-story, 94-apartment high-rise next to the Seagram Building. (The project was previously billed as 610 Lexington Avenue.)

Zoning on the site of 118 East 59th allowed a tower of only about 30 stories, according to Mr. Yau, meaning there would have been only a few floors with park views. Yet Euro Properties was ultimately able to climb several floors higher after buying unused development, or “air” rights, from the building next door, at No. 116. That kind of transaction has become fairly common, but the neighbor is hardly ordinary. It is the Argosy Book Store, which has refused to sell its home to developers for decades, even as skyscrapers swallowed up similar buildings around it, according to Naomi Hample, an owner.

But as the Argosy tries to survive in a battered industry, Ms. Hample finally decided that her family-owned store could part with a bit of its property after all, or at least the air above it, which sold for more than $6 million. “It was very fortunate,” she said.

Would there be other upsides, like the condo’s residents dropping by to snap up hardcovers? No, Ms. Hample said.

“The buyer will be a billionaire who will use it for six weeks a year,” she said. “A hotel would have been much better.”