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Roosevelt Island Pitch: Better than the 'Burbs

NY REAL ESTATE RESIDENTIAL

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The developers of apartment buildings that have been sprouting on Roosevelt Island faced gale-force winds in 2008 when they began marketing their latest condo project amid a weak housing market.

But conditions there have now improved for Related Cos. and Hudson Cos. The two-mile-long strip of land in the East River has turned into a growing residential community, even if it has fallen short of the original planners' lofty targets.

Related says more than 70% of the 123 condo units have been sold, although some are still on the market for less than what they were originally offered. A new 242-unit rental building is nearly full, and developers are phasing out earlier concessions like a month of free rent.

The sales and rental activity is a reflection of what's going on in the broader market, which has recovered from its lows. Nevertheless the developers, which have the right to construct three more buildings on the island to bring their total projects there to nine, haven't yet determined when they will proceed.

The developers also are still courting residents to the new buildings at the southern end of the island, known collectively as Riverwalk. They have sponsored summer concerts series, backed children's programs and even provided rent-free rooms in one of the buildings to a day-care center that opens in September.

The sales effort is the latest chapter for an island sandwiched between Manhattan's Upper East Side and Long Island City, Queens, that has a rich history and is unlike any other community in the city.

While it's home to about 10,000 people and is only one subway stop from Midtown, Roosevelt Islanders say it can feel much farther away.

"We have a rooftop cabana and at night it's a great place to go to let off stress," says Rob Gregor, who lives with his wife in a Riverwalk building and works at a Manhattan law firm.

"We were looking for someplace with a suburban feel but since I work long hours in midtown, we didn't want a long

commute," he said.

The developers say it's been a challenge to generate interest in a place once featured in a 1969 Metropolitan Museum of Art exhibit called, "The Island Nobody Knows."

"Our motto used to be: Manhattan's Newest Village," says David Kramer, a principal at Hudson. "But we realized people considering living here didn't want urban. They wanted open space, water views, something more peaceful."

Island visionaries more than a half century ago promised more than that. While it had served as an insane asylum and prison in the 19th and early 20th centuries—New York politician Boss Tweed spent a year there on corruption-related charges—the city in the 1960s began planning to transform the island.

Architect Victor Gruen said it would be "the first 20th century city" that would "integrate housing with other facilities...unscrambling the melee of flesh

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and machine."

A plan from renowned architect Philip Johnson displayed at the Metropolitan Museum of Art would have banned automobiles from the island, restricting traffic to minibuses and bicycles. It also provided housing for 20,000 low and moderate-income people.

But the island hasn't lived up to that vision. Its population is closer to 10,000, vehicle traffic is allowed and the design for the many of the buildings is unremarkable.

Four affordable housing units were erected in the 1970s in the middle of the island, but units in many of the other buildings go for market rates.

In 1996, Related and Hudson reached an agreement with the Roosevelt Island Operating Corp., the island's governing body, to build nine new buildings.

While the developers were re-

quired to set aside part of the housing as affordable—some of which are occupied by staff of the Weill Cornell Medical College and the Memorial Sloan Kettering Cancer Center on Manhattan's East Side—they also designed luxury rentals and condos aimed at better-heeled professionals with young families.

As with properties throughout Manhattan, the housing crunch caused Related to adjust its expectations on Roosevelt Island. The developers pulled back several of the condos for sale, some of them returning to the market at sharply reduced prices.

A two-bedroom, for instance, initially offered in 2008 for \$955,000 was delisted in April 2009, according to Streeteasy.com. Three months later it was listed at \$800,000, and is still available for about that price today. Rents for a one-bedroom unit in the other new building average \$2,690 a month.

The island isn't for everyone. Retail and dining options are few; there is one supermarket for the entire island, though Fresh Direct delivers. With the tram to Manhattan under repair until early fall, transportation off the island has become limited.

In certain ways, Roosevelt Island hasn't entirely abandoned a utopian vision. It's a racially diverse community, and with many United Nations employees living there—including at one point former Secretary-General Kofi Annan—it has a noticeable international mix. There are no garbage trucks on the island; instead trash is disposed through underground tubes to a collection center on the island and picked up by Queens sanitation workers.

Mary Coonan, a therapist and island resident for 17 years who now lives in a Riverwalk property, says the upscale new buildings helped attract a professional class that didn't usually consider the island before.

But she hopes Related and Hudson never construct the final three buildings across Main Street. "Then I might move," she says ruefully. "It would start to feel too crowded, too much like across the river in Manhattan."



Above, 405 Main St. on Roosevelt Island, with Queensboro Bridge in the background. Developers can add more residential buildings on the island, but haven't decided how to proceed.

Island Information

■ **Names:** Blackwell's (for owners until 1820s); Welfare (in 1921 for poor houses, prisons, other institutions on island.); Roosevelt (in 1973, after President Franklin D. Roosevelt)

■ **Lay of the land:** The 147 acres are owned by New York City and leased to the state until 2068. Officially part of Manhattan but police, fire and sanitation services for the island come from Queens.

■ **Passing parade:** Inmates held on the island have included Mae West, Boss Tweed, Dutch Schultz and Billie Holiday.