

September 3, 2009

## Village condo conversion gets green light

### Developers, including Mets' Wilpon family, proceed after cutting prices.

In another sign of life in Manhattan's downtrodden residential real estate market, last week the state's Attorney General office approved the offering plan for the conversion of the Devonshire House, a stately pre-war rental building in Greenwich Village.

Earlier this week, the developers of the new condominium-conversion—Cheshire Group and Sterling American Property, the firm controlled by New York Mets owner Fred Wilpon—began marketing units at the building for an average of \$1,436 per square foot.

With an eye on the recession, the developers cut their asking prices by 10% to 15% from levels they cited last year in original plans for the condo conversion, according to Jenifer Steig, a partner of The Cheshire Group. Brokerage Stribling was hired to market units in the building which was designed by famed architect Emory Roth.

“We are going to be realistic about what we can sell at a reasonable pace,” said Ms. Steig. “We are priced for today. No one can say this building is overpriced.”

Sterling and Cheshire acquired the Devonshire from its previous owner, William Felder, for approximately \$120 million in late 2007, with the intention of converting the historic building, with its blend of traditional Italian and English detailing, into a condo. At the time the group was one of the few to complete its financing amidst the credit crisis.

“We were well into the project even before Lehman [Brothers declared bankruptcy],” said Ms. Steig. “Once you start you can't go back.”

Currently there are 54 tenants living in rent-regulated apartments in the 103-unit Devonshire. Some of those tenants recently protested the renovation of the building's stately lobby, with its stained-glass windows, ornate plaster work, and gothic arches, the *New York Times* recently reported.

Despite the grumblings, Ms. Steig notes that they have a good relationship with tenants. The developers have also already decided that renters in the building will have the right to access new amenities in the Devonshire, which will include a children's playroom, roof garden and gym.

The owners now have 15 months to sell enough units to declare its offering plan effective. Ms. Steig is not concerned because she said there are only 45 apartments to sell and each will be unique. "They are not cookie cutter apartments," she added.