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BLOCK PARTY | By Shelly Banjo

Upper East Side Shows Its Age (Younger)

Once considered the upper crust of Manhattan neighborhoods, the Upper East Side these days can often evoke "Animal House" as often as "Breakfast at Tiffany's."

Although Park and Madison avenues have retained their elite status and multi-million-dollar penthouses, the scene east of Lexington Avenue has been inundated with college graduates and young families looking for bigger spaces at more affordable prices.

When Laura Coleman and her husband decided to buy a two-bedroom apartment in the Manhattan House—a 600-unit building on 66th Street and Third Avenue that was converted into condominiums in 2008—she says she thought the historically "fancier part of the city would be reserved and snobby."

"I was surprised by how mixed the neighborhood actually is now," says Ms. Coleman, who has a 1-year-old son. Even so, the Colemans say the area still lacks trendy restaurants.

With the proximity to Central Park and the concentration of the city's top private schools and foreign consulates, the Upper East Side was once known as the "Silk Stocking District." Gracie Mansion, the only remaining villa overlooking the East River, became the home to New York's mayor in 1942—although Mayor Michael Bloomberg has chosen to live nearby on East 79th Street.

"It used to be if you were in your 20s you had to live below 23rd Street or don't live in New York at all," says Dan Marrello, senior managing director at real-estate brokerage firm Citi Habitats. "No one at that age wanted to live in the Upper East Side."

He says at the height of the market in 2005 and 2006, "prices Downtown went through the roof and young people were priced out, so they started to flock uptown to the Upper East Side."

Second and Third avenues gave way to bars, and restaurants that attracted recent college graduates. And new developments such as 515 E. 72nd, the Lucida, Georgica and the Azure popped up, adding more housing units to the area.

As with the rest of the city, prices in the Upper East Side began to slip during the recession. Median home prices in the area fell from \$975,000 in 2008 to



New Upper East Side buildings include the Georgica, left, and the Lucida,

\$850,000 at the end of last year, compared with \$800,000 for Manhattan as a whole according to Property Shark.

Meanwhile construction on the long-planned Second Avenue subway line began in 2007, disrupting businesses, restaurants and long-time residents.

The Metropolitan Transportation Authority estimates that the first of four phases of

construction, which involves an extension of the Q line between 59th and 96th streets, will be completed by 2016.

But the completion of a full subway line that would run between Lower Manhattan and 125th Street along Second Avenue is likely still decades away.

Brokers say buyers with a long-term view who are willing to put up with the construction in favor



Ross Mantle for The Wall Street Journal (4)

top, both on East 85th Street, and 515 E. 72nd, right. Second Avenue subway work, center, is a negative.

of the proximity of a subway line can benefit now.

"The inconvenience of it all and the unknown time frame definitely causes frustration but these apartments are priced to sell and when the subway is done residents will really be able to take advantage of it," says Gary Malin, president of Citi Habitats.

The bargains are even better for renters who can pay an

average of between \$1,600 and \$2,200 for a studio or one-bedroom apartment in the area, according to a January rental report from Citi Habitats.

When Jen Johnson moved to New York from Dallas this month, she began looking for studios in the West Village and Murray Hill but quickly headed north to the Upper East Side.

"There was no way I could live

alone in the West Village and Murray Hill for what I could afford and the apartments were just so little and so much more expensive," says Ms. Johnson, 26.

Drawn to the plethora of happy-hour signs, yoga studios and coffee shops, Ms. Johnson signed a lease on an Upper East Side studio.

"I feel like it's a fun, hopping, young place to live," she says.