

Property  
Week

# International

GLOBAL REAL ESTATE SPECIAL

29 September 2017

## Miracle by the Hudson

WELCOME TO NEW YORK'S NEW CITY WITHIN A CITY

**A BRONX TALE**  
HOW THE BRONX  
BECAME HOT AGAIN

**WILLIAMSBURG DERAILED?**  
IMPACT OF SUBWAY CLOSURE  
ON HIPSTER HANGOUT

**ON THE LEVEL**  
JEFF LEVINE TALKS HIGH-RISE  
LIVING NEW YORK STYLE

**FIDI SHADES**  
DOWNTOWN  
MANHATTAN REBORN

# On the Level

**Simon Creasey** talks to Jeff Levine about high-rise living US style

New York has cultivated its fair share of development titans over the years. The names of many of these heavyweights - the likes of Silverstein and Trump - resonate globally. One name those outside the US may not be as familiar with, however, is Jeff Levine, chairman of Douglaston Development.

In an impressive 40-year career, Levine has built an empire to rival that of any of his development peers, creating thousands of residential units throughout New York City, retirement living homes in Arizona and, more recently, masterminding the creation of The Curtain, a hotel and members' club that recently opened in Shoreditch, London.

*Property Week* visited Levine's latest landmark scheme - a 40-storey residential tower in Williamsburg called Level - to find out what makes him tick and what he is planning next both here and in the US.

Levine's career started from modest beginnings. During his college years, he took construction jobs in the summer months and studied architecture in the evening. Then, in 1979, he founded

Levine Builders. Some of the first work his new business undertook was in the Bronx at the most turbulent period in its recent history (see p49). It developed 230 homes in the South Bronx through the NYC Housing Partnership's New Homes Program, for instance.

In those early years, Levine also developed schemes such as the Porter Avenue homeless shelter in Brooklyn, the Union Plaza nursing home in Flushing, Atria Senior Quarters at Kew Gardens and Riverdale, Apex special needs housing in Long Island and the School of Visual Arts dormitories in Manhattan.

He then moved on to more ambitious projects, including luxury condominium developments and private rental homes, which he developed across NYC. His latest project, which Levine hopes will be

fully complete by the end of the year, falls into the latter category.

Level, which is being built on the banks of the East River in an area formerly zoned for manufacturing, boasts 554 units - a mix of studio, one-, two- and three-bed rental apartments and sits adjacent to The Edge, a 565-unit luxury condominium complex, and The Edge Community Apartments, which comprise 347 moderate-income rented units.

## Alternative Olympic legacy

Somewhat bizarrely, he has London to thank for the scheme. "If you remember, New York City was competing against London and you guys got the 2012 Olympics and we lost it," he says. "Had we won the Olympics, this would not be here because the Bloomberg administration identified this

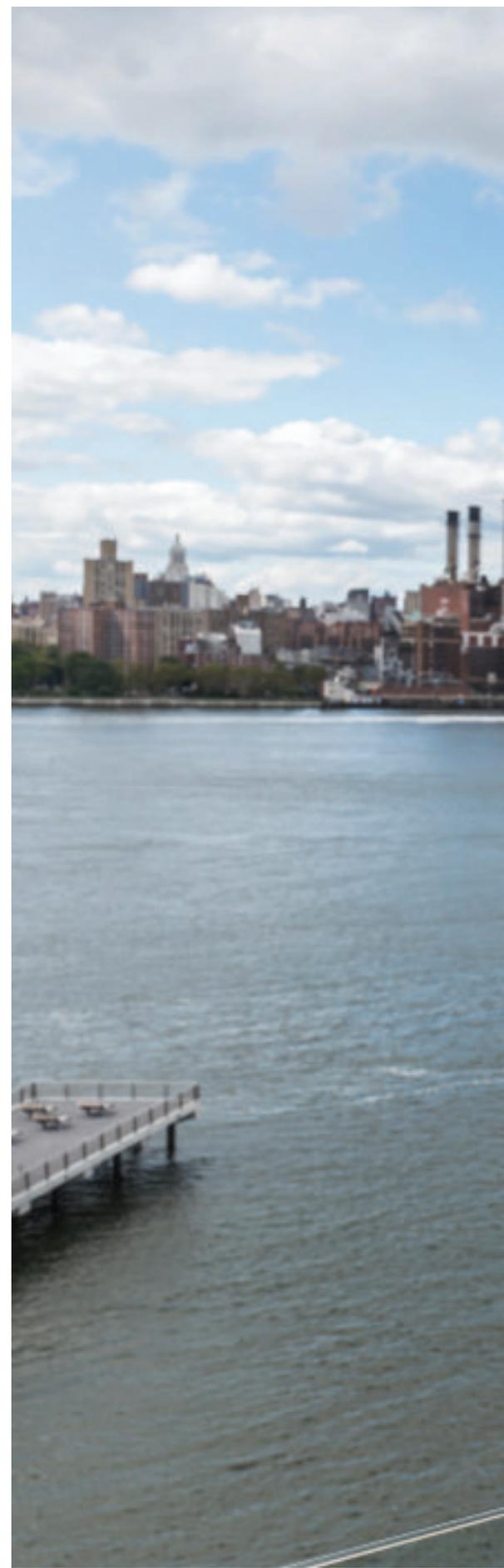
property as a legacy park for Brooklyn, including Olympic facilities for women's archery and beach volleyball. So fortunately for us we lost the Olympic effort, you guys won it, and I got the development site re-zoned in the final outcome."

The re-zoning work started in 2002 and construction finally got under way in 2008. Since then, Levine has delivered more than 2,000 residential units - sales and rentals - in a two- to three-block radius on the Williamsburg waterfront in addition to 80,000 sq ft of retail. "It's been a wonderful journey and this building that you're in right now is the last piece of the jigsaw," he says proudly.

What is striking about the development is the high-quality fit-out and the onsite amenities package, which Levine describes as "beyond comprehension". In addition to a roof deck offering fantastic views of the Manhattan skyline, there is an indoor-outdoor pool, a state-of-the-art fitness centre and yoga room and a club lounge featuring a demonstration kitchen.

There is also a 24-hour concierge, a valet to >>

*"You enhance the quality of living in a small apartment with the amenities"*





PHIL WEEDON

« help co-ordinate dry cleaning, a dog-walking service and a dedicated room for parcel deliveries fitted with refrigerators to store fresh groceries.

You wouldn't find such facilities in many residential schemes in the UK and that is reflected in the price. One-bedroom (650 sq ft) apartments are available for \$3,700 (£2,750) per month and three beds - 1,200 sq ft - go for \$8,500. But according to Levine, prospective tenants are not as bothered by the square-foot price as the amenities.

"People want to spend \$3,000 for a studio, they want to spend \$4,000 for a one-bedroom apartment and they may have to spend upwards of \$6,000 for a two-bedroom. They're not so focused on the price per foot. So you can get away with a much more intelligent design and a smaller footprint that brings the price per foot higher, but still keeps the overall price point affordable," he explains. "The way you then enhance the quality of living in a small apartment is to give people all the amenities they need."

Levine says leasing activity at Level is on target and that a number of residents have already moved into the building. Unlike some developers, he is not unduly worried by the closure in 2019 of the L train, the main subway line that ferries people between Williamsburg and Manhattan, for vital infrastructure work.

Levine thinks that residents of Williamsburg may even benefit from the subway closure.

"What many people resent here is we have become an international tourist site. People come to Manhattan and they get on the L train and walk into the boutiques, galleries, vintage clothing stores and cheese shops of Bedford Avenue - it's too crowded. Well, those people are not going to be here for a year so the residents of Williamsburg are going to get their old neighbourhood back for a while."

His optimism may not be misplaced. Right outside Level is a ferry stop that Levine built, which takes commuters and tourists up and down the East River and across to Manhattan. During the subway works, ferry operators intend to run a more frequent service. Levine adds that he will also provide a private shuttle service to take residents to other transportation stops to the north and south of the area where they can catch trains to Manhattan.

In the meantime, Levine has a number of other projects in the pipeline. As well as submitting proposals for a 60-storey residential development in West Chelsea across the street from the Ohm - a 369-unit residential scheme he completed in 2010 - he is working up plans for a mixed-use scheme next to Amazon's new 4m sq ft headquarters in Seattle, featuring market-rate residential units and a luxury hotel.

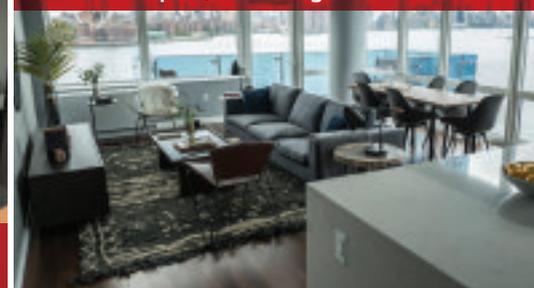
He has also, of course, now made his first foray into the UK with The Curtain hotel, which features a restaurant run by Michelin-star chef Marcus Samuelsson, a private members' club and even a tattoo parlour. "It's an exciting area and the hotel has opened with great success," says Levine.

**Risky business: Levine says you need "nerves of steel" to be a real estate developer**



**Rooms with a view: Level apartments offer fantastic views of the Manhattan skyline**

**Above and beyond: amenities at Level include a pool, club lounge and fitness centre**



"We had Mark Ronson do an impromptu DJ set there the other day."

He is also keeping his eyes peeled for other development opportunities in the UK. "I always look for opportunistic situations," he says. "That property was brought to me through an associate. I thought it was a prime area for the potential development of a boutique hotel, and it was."

### Not afraid

As for other potential projects, Levine says he likes to go where others fear to tread. The most extreme example of this was in New York post 9/11. "The greatest opportunities for me as a real estate developer unfortunately came in the post-9/11 environment," he admits. "When people were afraid for the future of New York, I was not afraid."

"I believe New York is a great city and it was apparent to me that we were going to bounce back quickly, so we very effectively bought this," he says, pointing to Level.

"Then what happened in the great recession was the owner of the adjacent land got cold feet and I bought that at the bottom of the market and built that one [1 North 14th Street] in addition to what I have over here.

"I did the same thing post 9/11 in Manhattan. A major developer, whose name I won't mention and who was not based in New York City, had a significant site in West Chelsea that it ran away from. I jumped in and built a magnificent

condominium of almost 400 units, plus 30,000 sq ft of art gallery space."

It hasn't always proved possible, but Levine says he is primarily looking for projects that can be delivered swiftly. "I'm first generation, so my timeframe is here and now. I'm not warehousing for the future. I'm buying what I can eat."

Although he has developed offices and hotels, his main focus remains residential because, as he puts it, he likes to build things people sleep in.

"Commercial developers eat well and residential developers sleep well," says Levine. "I had a buddy who owned a building that was occupied by a department store that went broke many years ago. One morning he was getting big rent and the next he had a 500,000 sq ft vacant building. I have a 500,000 sq ft building here and I never have more than two or three people who want to move out on any given night, so I don't have to worry about it."

Indeed, you get the impression that nothing worries Levine much. But then, he is a glass half full person. "Do you know what the definition of a real estate developer is? We are cockeyed optimists. You have to have nerves of steel and you always have to believe in a better future to take the type of risks we do, and subject ourselves to the perils of building big buildings in the hope the market will be there when you finish."

Fortunately for Levine, it usually is. ■