

COMMON XGUIDE

Construction at Modern 19 Building Reaches Completion, Even as Minor Identity Crisis Persists

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Have you admired, in passing, Israeli developer **Erez Itzhaki**'s luxurious Modern 23 condominium building at 350 West 23rd Street? Do you covet its Daniel Goldner design—its modernist grid of black brick, perforated metal and glass? Are you a fan of organic finishes and flowing spaces? And are you perhaps looking for something similar in lately effervescent Chelsea to rent, or perhaps even to buy? Well, you are in luck. Mr. Itzhaki announced completion today at **138 West 19th Street** of Modern 19, which, he told the *Observer*, will much resemble the earlier construction. But depending on your flexibility on the issue of rent/ownership, it may be luck of a particularly heartbreaking kind. Mr. Itzhaki has not yet decided whether to lease or to sell the six floor-through units in the new boutique building, which he intended originally as a rental.

"The thing is, I really paid very little money for this deal," Mr. Itzhaki said of the property, which he purchased for \$2.9 million in 2011. "We think the market might even go higher for condos. I'm building very very high end, with condo finishes. But we think we can get \$100 a foot for rent in this building. We have some interest from celebrities to lease the penthouse. We are still not sure. We're going to have an offering plan just in case."

A duplex penthouse at Modern 23 sold in 2010 for \$9.5 million, on a site for which Mr. Itzhaki paid roughly the same price as for the parcel on which his new building stands. That is just one of 15 units, and it moved well before Walker Tower entered the conversation, pushing neighborhood prices skyward. Still, as the developer noted, he could always lease the new apartments for a spell before converting them to condos. The dilemma, we believe, represents one of those good problems. (Although the headache of converting a rental to condo has the potential to quickly become one of those bad problems.)

The road to Modern 19 has not been paved with roses, however. A two-story building on the site had to be razed and a new foundation excavated, whereupon an obstacle was encountered. "We bumped into a rock," Mr. Itzhaki said, with a note of incredulity that seemed to belie considerable urban development experience. "There was this huge rock there."

A decision on the rental/condo question is expected in the next two months, completion of interior finishes sooner still. The rock, we were given to understand, has been removed.