



## From Condominiums, Dormitories May Rise



By **MICHAEL STOLER**  
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To meet the housing needs of an increasing student population in the more than 100 colleges and universities in [New York City](#), many institutions as well as private and public corporations are seeking sites to develop dormitories and student housing.

Fordham University is aiming to increase the population at its Lincoln Center campus by 2,500 students, to 10,500; [New York University](#)'s long-term plan calls for 1,000 new students locally, and the [City University of New York](#) has reported record high enrollments for the past eight years, and now claims 230,000 students citywide.

The New York State Education Department reports that more than 475,000 full- and part-time students receiving school credits were enrolled at colleges and universities in the five boroughs last fall, up from 417,000 in 2000.

With the sales of residential condominiums sluggish of late, industry leaders say some will be redeveloped to serve as residential dormitory halls. In March, NYU purchased Gramercy Green, a newly completed 21-story, 300-unit building at 316 Third Ave. at 23rd Street. Originally planned as a residential condominium, the building is slated to open in the fall, providing housing for 900 undergraduate students as well as faculty.

Another property that real estate sources expect to be converted to residential condominiums is the former St. Clare's Hospital, also known as St. Vincent's Midtown. In December, St. Vincent's sold the property to a joint venture of Tessler Development and the Chetrit Group.

According to real estate sources, the joint venture is renovating the former hospital into a dormitory residence.

Construction is scheduled to be completed in spring 2009 for the first dormitory to serve students at CUNY's Brooklyn College. An eight-story residence hall is being built on Farragut Road and Kenilworth Place that will house about 214 students in 115 units. The 60,000-square-foot building is being built by a privately owned development company, New [Brooklyn](#) Development, which has built dormitories for Pratt University and NYU.

"We are presently moving forward with student residences for Queens College, Lehman [Bronx](#), and the College of Staten Island and Graduate School," CUNY's chancellor, Matthew Goldstein, said. "We are actively pursuing the limited opportunity to build a facility in [Manhattan](#) to house

students who attend our college, including Baruch, Hunter, the Honors College, School of Journalism, and John Jay College."

Last month, Brooklyn College hired a consulting firm, Brailsford & Dunlavey, to help plan for future residential housing needs, according to an e-mail message sent out to select students by the vice president for administration and finance at Brooklyn College, Steven Little.

In September 2007, NYU opened a new graduate residence hall in Brooklyn, marking the first time in recent history that the university will offer students housing outside Manhattan. The 26-story residence hall at 67 Livingston St. in the historic neighborhood of [Brooklyn Heights](#) is now home to 115 NYU graduate students.

The university signed a three-year lease on the building, which is near the Court Street subway stop and has access to seven subway lines. NYU will also make a van available at night to take students to the Brooklyn dorm from NYU's Manhattan campus. The building was owned by the Watchtower Bible and Tract Society of New York, a Jehovah's Witnesses organization, which sold to GC Livingston LLC in March 2007 for \$18.6 million. The Watchtower Bible and Tract Society is one of the largest owners of real estate in downtown Brooklyn.

Next year, NYU will open another undergraduate dormitory at 12th Street between Third and Fourth avenues. The 26-story building, which will provide housing for 740 students, was developed by the Hudson Cos. The company had originally pursued a hybrid building consisting of residential condominiums above a boutique hotel.

According to a principal at Hudson, David Kramer, the company decided to pursue a less risky development, with NYU leasing the property under a long-term lease.

"We would love to do more dorm projects, but it's difficult to replicate this transaction for several reasons, one of which is that the timing is always problematic," Mr. Kramer said. "When we finish construction on a condominium project, we send buyers 30-day notices to close. It's that simple. With dorms, there's always a big negotiation in the beginning about when we can deliver the finished project."

Schools don't want to accept finished buildings in October, as they are unusable for that school year, and developers don't want to own a completed building for 11 months if they miss the school's deadline by a month.

In May, the RAL Cos., the developer of One Brooklyn Bridge Park, entered a contract to purchase the Hotel Bossert from the Watchtower Bible and Tract Society. The historic 14-story hotel at 98 Montague St. in Brooklyn Heights, built in 1909, has 224 apartments that served as housing for church members and staff. RAL, which expects to close on the purchase within a few weeks, has been in negotiations with local colleges and universities to lease the apartments for dormitories. According to real estate sources, NYU, CUNY, and a number of other institutions are in discussions to lease at least 50% of the property.

Renovations are under way at a former residential tower known as Booth House, at 318 E. 15th St. In February, Arun Bhatia Development Corp. paid \$56 million to New York Downtown Hospital for the 129,000-square-foot property.

The New York Sun has learned that the developer plans to convert the property into dormitory space to house students and faculty of the New School, a university comprising eight schools with a total of 9,400 undergraduate and graduate students. In addition to the student residence halls that the university owns and rents, it leases 62 bedroom apartments to house 180 undergraduate and graduate students at Stuyvesant Town Apartments, on First Avenue between 14th and 20th streets.

On the Lower East Side, home of Whole Foods and several new boutique hotels, construction is nearly complete on a new dormitory for the School of Visual Arts. The 20-story, 80,000-square-foot building is situated at Delancey and Ludlow streets on the former site of a Duane Reade. The new dormitory will house 350 students in a building that will be leased to the school for 40 years with an option to purchase at the end of the lease.

In April, Queens College announced an agreement with the Alabama-based developer Capstone Development Corp. to build and manage the first dormitory on the Flushing campus. The New York City Housing Development Corp. closed on \$72 million in tax-exempt financing for the

construction of the 144-unit student housing development, which will provide housing for 506 students.

The project will be at 65-30 Kissena Blvd., which presently serves as outdoor tennis courts, and the building is to include housing for undergraduates, as well as apartments for graduate students, faculty, staff, and resident advisers. The 155,738-square-foot building will have an underground garage for about 89 cars.

The City University is seeking approval from Community Board 2 in Long Island City for a development that includes a 13-story residential development and a six-story dormitory. The proposed development is at 5-11 47th St. across from the [Queens West](#) development in the Hunters Point section.

In a recently published Request for Proposal issued by the City University, it was announced that CUNY is seeking a qualified developer or developers to construct new, or renovate existing, buildings and operate student residences with a total of between 400 and 600 beds. The project should be within the five boroughs, with a particular focus on locations in Manhattan, Brooklyn, and Queens.

In February, the president of the College of Staten Island, Tomás Morales, announced the college would be building housing to accommodate up to 600 more students. Construction is scheduled to begin in the fall on three residence halls. Individual units will have between one and four bedrooms, with some housing for faculty members.

The 204,000-square-foot buildings will be erected on or about nine acres where the current outdoor basketball and handball courts stand. The Texas-based American Campus Communities is to construct and manage the housing on the 204-acre campus. American Campus Communities is a publicly traded REIT, with a total market cap of close to \$2.5 billion.

In August 2007, American Campus Communities opened its \$72.9 million student housing project across the street from the New Jersey Institute of Technology and two blocks from the Rutgers University campus in [Newark](#), N.J. The facility, named the Village at Newark, is an 838-bed community consisting of two residential buildings with an adjacent parking garage and is the only off-campus project in the area specifically designed as student housing. The need for student housing in Newark is as critical as in New York City. The Village at Newark was opened less than a year after the college completed a \$51 million, 13-story dormitory with a capacity for 600 students.

In April, Fordham broke ground on two seven-story residence halls on the southwest corner of the Rose Hill campus in the Bronx.

One of the residences will be known as Campbell Hall, named in recognition of Robert and Joan Campbell, whose gift of \$10 million to Fordham is among the largest in university history. The buildings will encompass 166,000 square feet and accommodate 460 students when they open in 2010.

Major development is taking place at **[St. Johns University](#)** campus in Queens.

In December, the Rev. John B. Murray, C.M. Priest Residence was completed to serve as a residence for priests in the university community. In the fall, three-story student townhouses will open on the campus with occupancy for 294 students.

As I reported in March, St. John's has signed a 10-year lease for a dormitory building on Henley Road in the Jamaica Estates section of Queens. The six-story building with 66 rooms is expected to accommodate 485 students when completed in August 2009.

The demand for student and faculty housing is expected to continue to grow.

With the sluggish economy and slowing sales of condominiums, expect developers to evaluate the opportunity to convert these properties into housing. The biggest problem facing the universities and colleges is the lack of development space required to build these facilities, coupled with the lack of available financing.

*Mr. Stoler, a contributing editor to the Sun, is a television and radio broadcaster and a senior principal at a real estate investment fund. He can be reached at*

*mstoler@newyorkrealestatetv.com.*

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