



The Cooperator

Museums, Mansions, and Millionaires

Life in Manhattan's Carnegie Hill

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On Manhattan's Upper East Side, embracing world-class museums, exclusive private schools, foreign embassies and just steps from Central Park, lies one of New York City's premier "status" neighborhoods. Commercial truck clamor is rarely heard here—the noise and bustle of downtown replaced with a liberal dose of baby strollers and small, well-groomed dogs. Carnegie Hill has been called New York's 'quintessential residential neighborhood' and is home to some of the city's most lavish real estate properties. There is a waiting list for just about everything here, but an address in this affluent enclave imparts a sense of history and continuity that's sometimes hard to find in other, trendier neighborhoods.

Carnegie Hill's exact borders depend on whom you ask, but the area is generally thought to stretch east from Central Park to Lexington Avenue and from around 70th Street to the high 90s uptown. Whatever the borders, however, the area's history is redolent with colorful characters and amazing architecture.

Carnegie Hill's distinctive topography—situated as it is on a hill—creates a unique sense of place. According to neighborhood preservation group **Friends of the Upper East Side Historic District**, this historic district includes roughly 400 buildings representing architectural styles ranging from Federal to Georgian, and including low-rise brick and brownstone townhouses from the late 1870s to 1890s. The area also features large freestanding townhouses, mansions, deluxe residential hotels, and larger apartment buildings, all built between 1900 through the 1930s.

Titans of Industry

Carnegie Hill's namesake is Andrew Carnegie, legendary industrialist of the late 19th and early 20th Centuries. Carnegie was a self-made man who immigrated flat broke from Scotland and then made millions in the American steel industry. Carnegie sold his steel interests in 1901 and gave most of the proceeds away. His money went toward founding free public libraries across the country and to the establishment of Carnegie Hall, New York City's famed concert hall.

According to historical records, Andrew Carnegie hired the architectural firm of Babb, Cook and Willard in 1898 to "design a stone and brick home, with quoined corners and a tall chimney on a rusticated base." The L-shaped mansion had an entrance on 90th Street rather than Fifth Avenue, with a large surrounding garden. The 64-room structure was designed to accommodate "personal living quarters, servants' quarters and space for Andrew Carnegie's

philanthropic efforts.”

Carnegie purchased land for his home in what was then referred to as “Prospect Hill,” an area occupied mostly by row houses, with a few modest apartment houses and tenements here and there. Carnegie’s purchase inspired the construction of other mansions and luxury apartment buildings in the immediate area. Other industrialists in the area included Carnegie’s business rival Henry Clay Frick—another millionaire who became the nation’s largest producer of coke from coal. Frick was an avid patron of the arts, and the museum that bears his name and houses his collection occupies his former marble mansion at 70th Street and Fifth Avenue. Frick died in 1919 leaving the home and works of art to the public—Carnegie’s home became the National Design Museum.

By the end of the 1890s, dozens of massive, palatial homes had been erected on Fifth Avenue, including the immense mansion of Caroline Schermerhorn Astor, wife of real estate heir William Backhouse Astor, Jr. Located slightly below the others at 65th Street, its extravagant features typified the exuberant design that abounded on Millionaire’s Row at the turn of the last century. The Astor home’s French Renaissance style was designed by Richard Morris Hunt and included a ballroom that doubled as an art gallery and could hold 1,200 guests.

But why did New York’s most fabulously wealthy denizens choose to build their palaces along this particular stretch of Fifth Avenue? The reasons are manifold, actually; the opening of Central Park in 1876 had a lot to do with it—having the park on one side of Fifth Avenue cut cross-town traffic to almost nothing, as well as giving residents unobstructed views of greenery on one whole side. Putting all their homes in such proximity to each other also enabled the city’s elite to see and be seen while strolling along Fifth Avenue’s wide promenades.

They Really Don’t Build Them Like That Anymore

As the population in Manhattan increased during the Industrial Revolution and pre-WWI era, the need for more practical living arrangements began to assert itself—and not even the steel barons and kings of industry on the Hill were immune to the pressure. Around 1910, many of the freestanding, single-family mansions along Fifth Avenue were razed and replaced with new, neo-Renaissance Italianate apartment buildings. These new, taller residential buildings were attractive and well-built, and appealed to the wealthy nearly as much as their more opulent predecessors had. By the time World War II was heating up in Europe, nearly all of Fifth Avenue’s “silk stocking” set had made the switch from mansions to luxury apartments—many of which are still occupied today.

Preserve and Protect

Of course, in recent years there has been an incursion of a few boxy, modern-era high-rise buildings on Carnegie Hill, but recognizing the architectural and cultural treasures in their backyards, neighborhood residents—among them the **Friends of the Upper East Side**—are doing all they can to make certain the old things stay just the way they are. The Landmarks Preservation Commission (LPC) designated Carnegie Hill a landmarked historic district in 1973, and the **Friends of the Upper East Side** publish a neighborhood newsletter and informative Web site to raise awareness of architectural and cultural preservation issues.

The historic grandeur of the neighborhood is without doubt its most powerful draw. “There are more co-ops than condos here, and many of the prewar buildings were co-opted in the ‘50s and ‘60s,” says Daniela Kunen, executive vice president of Manhattan real estate brokerage firm Insignia Douglas Elliman. “Today, the intrigue of these prewar homes [are the] architectural

details, including high ceilings, larger windows helping to bring in more light, and no more than two apartments per floor. The construction on these buildings was much better—you had many inches of concrete between floors, reducing noise above and below.”

In addition to one-of-a-kind architecture, the neighborhood is flush with legendary educational and cultural institutions, including the women’s private Spence School—founded in 1892 on West 48th Street, now located on East 91st Street—and the 92nd Street Y School of the Arts, which offers outstanding programs in visual arts, music, dance and educational outreach to children and adults. There’s also the famed Marymount School—occupying three townhouses on Fifth Avenue across from the Metropolitan Museum at 84th Street—and the Lycée Français on Fifth Avenue at 72nd Street.

A bevy of international restaurants feeds the neighborhood, including Sarabeth’s—a country-inn bakery serving breakfast, brunch and light dining—the French Bistro du Nord, Vico’s, Pascalou, and the always-busy Petak’s. High-end retail clothiers and designer consignment shops dot the high 80s on Madison Avenue, as well as master jewelers, antique booksellers, and florists.

The Locals

With prices starting in the several hundreds of thousands, it’s not surprising that it’s the wealthy who are putting down roots here. Current Carnegie Hill habitués include Katie Couric, Bette Midler, Paul Newman, Woody Allen, and others who can afford the Hill’s dizzying price tags. A strong economy in the mid-1990s helped triple co-op and condo purchase prices from only a decade earlier, boosting homes that would have sold for under a million dollars to the \$3 million to \$4 million dollar values they command today.

“The prices were lower in the early 1990s, and the volume was significantly lower,” says Ron Tardanico, sales manager at Bellmarc Realty in Manhattan. “It wasn’t unusual for apartments to languish months before being sold. In January 2000, there were ten buyers for every apartment; January 2001 there were five buyers for every five apartments, but in January 2002, there are 11 buyers for every apartment. It’s stronger now than it was two years ago—and we haven’t seen this phenomenon since the early 1980s.”

This is quite an improvement from the 1960s, when riots in Harlem made this luxurious area a less than desirable place to live, says Patricia Warburg Cliff, a real estate broker with the Corcoran Group in Manhattan. “Prices were considerably depressed south of 86th Street. Back then they were only \$65,000 to \$75,000. There’s been a real metamorphosis in that area since then, and now those same apartments—depending on their condition—would ask two million and up.”

According to Elizabeth Stribling, president of Manhattan-based brokerage firm Stribling & Associates Ltd., Carnegie Hill is hot, and there’s no cooling off period in sight. “The pace is very strong, and there is such a lack of inventory and a tremendous demand from buyers,” says Stribling. “There is a premium for apartments in good condition.”

That’s if you can find one at all. “Apartments on Fifth Avenue are hard to come by,” says Barbara Schwartz, an associate broker with the Corcoran Group. “There are multiple bids and bidding wars.” Some one-bedroom condos can be found slightly under the \$1 million price tag, says Schwartz, but the average price for two bedrooms is from \$2 million up to \$2.8 million.

My Other Home is a Condo in Palm Springs

But who's buying? Although most residents are young families, the latest demographic to migrate to Carnegie Hill are second or third-time homebuyers, according to Schwartz. "More empty-nesters and second-time home buyers are putting their money into real estate and not the stock market," she says. "They [also] see the cultural advantage of having a house in New York."

Kunen agrees. "Twenty years ago people were leaving Manhattan, but today, many are coming back, finding boredom in the suburbs and the commute too hard. The schools are better, it's a great place to live now, and it's clean and safe."

Despite waiting lists and bidding wars for co-ops and condos, the rental market on the Hill has been soft, with inventory high and rental prices commanding, for example, a steep-but-uninspiring \$6,000 a month for a two-bedroom apartment with formal dining room. Purchasing has its own financial requirements, of course; in some cases a highly restrictive board may demand a substantial amount—or even all—the payment in cash up front. Some boards may require several million in cash or bonds, evidence of tax returns, and proof of income stability. "They can turn you down for any reason if they want," said Kunen. "And if you rent out your home—if it's allowed—the renter may have to be just as qualified as the purchaser."

The story of Carnegie Hill is pretty much that of Manhattan as a whole below 125th Street; everybody wants in, and there's just never quite enough to go around. In the rarefied, parkside atmosphere of the Upper East Side, this seems doubly true. No matter what chic things are happening downtown, there will always be a market for the century-old architecture, park views, and peace and quiet offered by the grand old homes on the Hill. n

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