Architecture

More Side Street Sabotage

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62d Street houses bought by Syracuse University for speculative sale
Can a city that invites destruction at a 15 to 35 per cent return be saved?

ANOTHER chapter in the death of a city is hardly appropriate at the holiday season, but the erosion of New York's urban assets goes on without pause. As we wrote a few weeks ago, with the city's avenues largely rebuilt, New York's real estate operations have been moving to the prime midtown side streets, where block-through sites are being assembled for mass demolition and standard new construction. It is on these small-scale streets that much of the cosmopolitan character and architectural quality of New York can still be found.

Still, neither planning nor preservation nor people nor consideration of style, function or livability can stay the profit-motivated speculator's hand. And no wonder. With the "leverage," as it is called in business parlance, of tax advantages and borrowed money peculiar to the real estate world, leading to returns, generally, of 15 to 35 per cent on investments requiring little of the operator's own money, as opposed to a median return of 11.3 per cent for the country's largest corporations where equity runs much higher, real estate is the closest thing to the proverbial pot of gold. (Argue this with Fortune, please, not with us, from which these unblushing facts of business come.)

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Any city that invites destruction at a return of 15 to 35 per cent plus a few depreciation benefits and capital gains bonuses, can hardly be saved. Interestingly, when real estate men turn to philanthropy, they always do so outside of the building or land buying fields. That would be *too* philanthropic.

And so those who care about what happens to New York—and its future as a city of civilized amenities balances on a surprisingly thin line—put their hopes in those institutions, corporations, foundations and educational organizations that supposedly support noncommercial standards and will balance them against purely economic factors. Again, in business terms, one looks for the "trade-off" between profit and the urban humanities. These institutions, one assumes, will help keep some kind of desirable urban balance. They will preserve. They will build better buildings. They will consider the city's design, function and esthetics, if the speculator will not. And on occasion, they do all of this conspicuously well.

This brings us to the depressing fact that the latest case of serious side street sabotage is the work of an educational institution theoretically committed to an understanding of urban and cultural values — Syracuse University. Obviously, a 15 to 35 per cent return looks good to a university endowment fund, too.

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Since last spring, Syracuse University has purchased 12, 14, 16 and 18 East 62d Street and 15 East 61st Street. It is currently negotiating for the houses at 4 and 6 East 62d. The school already owned 11 East 61st Street, which is operated as an in-town admissions office and cultural center named for its donor, real estate man and philanthropist Joseph I. Lubin. Mr. Lubin, a Syracuse trustee, has been the university's prime mover for the purchases.

Syracuse has now assembled most of the block between Fifth and Madison Avenues on both 61st and 62d Streets, from the Fifth Avenue frontage to the Carlton House apartments on Madison. On Fifth Avenue, the Knickerbocker Club is at 62d Street and the Hartley Marcellus Dodge house is at 61st Street. This building, kept closed and shuttered since the death of Mr. Dodge by his elderly widow, Geraldine Rockefeller Dodge, is clearly destined to complete a large, extremely valuable and negotiable parcel of land.

The houses at 4 and 6 East 62d Street, presently being negotiated for as part of that parcel belong to the York Club, one of the city's private women's clubs. Because Syracuse University is known to be involved in the purchase some club members feel that they should sell for a vaguely altruistic reason suggested by the fact that the buildings are being sought by an educational institution. Others feel that they are simply being subjected to a rather familiar and unpleasant kind of commercial real estate pressure to give up and get out.

The offer for these two houses has gone up from $1.7 million to $2.7-million in a few months, although the five houses purchased earlier were bought for a total of $1,245,000. That, of course, should be the tipoff that nothing else is involved here than the completion of an investment purchase that will be worth a fantastic amount on the real estate market. Yet there has been a strange reluctance on the part of club members who favor selling to entertain open or competitive bids. Ladies, you are being had. Speculation, and only speculation, is what Syracuse University has in mind.

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That fact was confirmed to this reporter by Francis A. Wingate, the university's treasurer. Except for the house that Syracuse now operates at 11 East 61st Street, he made it clear that there is no question of using any of this property for educational purposes. Even if such a use were being considered, which it is not, it would be debatable in that area.

What Syracuse intends to do, after having assembled the land by paying no more than it must, and hopefully not on the open market, is to resell the properties at the highest possible profit for demolition and development. "This is simply an endowment fund investment," Mr. Wingate says. "We have no intention of keeping these properties. We will carry them until such time as we get a good offer."

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The doomed 62d Street block is an unusually handsome and characteristic example of a well-preserved row of elegant five-story stone town houses in the French Renaissance or Beaux Arts style popular after the turn of the century. Their landmark quality is enhanced by the completeness of the block. Nothing like them will be built again. Merry Christmas, New York City, from Syracuse University.

Still another case of side street sabotage is taking place on West 78th Street between Columbus and Amsterdam Avenues behind the Museum of Natural History. Here a row of brownstones has been patiently and privately restored by their owners. They have been renovated with loving care and architectural sensitivity and not much encouragement from the city or its lending institutions, which tend to consider the individual New Yorker's attempt to stay in the city and maintain its human and architectural character as some kind of deterrent to economic progress.

Now the work of these owner-residents is about to be destroyed by an owner-investor who has begun remodeling two of the houses, at 120 and 122 West 78th Street, in a manner that will ruin the scrupulously preserved block. He will extend the frontages of his property beyond the present building line, making damaging, out-of-character "improvements." Evidently banks are rather good about giving loans for this kind of thing, called "modernization," which is supposed to jack up values, rather than for sympathetic restoration, which retains values not in bankers' books. Ultimately, of course, proper historic restoration sends property values way up.

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Advice and help offered by block residents—including an architect — on ways that would do the job and still save the street architecturally and urbanistically, have been summarily rejected. Perhaps in the spirit of the season the city should make the gentleman a gift of an anti-landmark plaque, engraved "owner-saboteur." It would be an appropriate gesture if not much of an addition to Christmas cheer.