

THE OBSERVER'S Downtown Living

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The visionary of Battery Park City

Chris Albanese is the CEO of the **Albanese Organization**, the developer behind some of Manhattan's boldest residential buildings. They were the first to build an LEED Gold certified residential tower and their newest development, The Visionaire in Battery Park City, received LEED Platinum certification. Albanese took some time to chat about the benefits and challenges of green building.

How did you get involved in Manhattan real estate?

The company was started 50 years ago by my father, Vincent, and Uncle Anthony. They started building single-family homes in Queens. I worked in real estate after college, and then I joined the family business. I worked for three or four years and then I decided to go back to law school and I practiced law for a couple years doing litigation and real estate law. In 1995, I went back to the family business and we started focusing on Manhattan apartment buildings. My cousin Russell Albanese and I are now partners in the second generation.

How did Albanese

become invested in the process of LEED certifying residential buildings?

Our first green building was The Solaire in Battery Park City which was the first residential tower to get gold LEED certification. To secure the site we responded to an RFP issued by the Battery Park City Authority and one of the requests was to build the site green. One of the reasons why we won the dig was we went further than our competitors in greening the proposed building and so that's what got us started in building LEED certified buildings. Then we went on to build The Verdesian. We strove for LEED Platinum and we were the first residential tower in the country to get it. The Visionaire also received the Platinum rating. We always strove to build green buildings, even back in the 1980s when there was no such thing as LEED certification—making the buildings more efficient. Obviously with The Solaire we were taking that to a higher level.

Is it a difficult process?

I wouldn't say the process has become more difficult. The first one was a learning process. We put a lot of

new technologies into the building at once and a lot of the technologies we used were tested, but no one had ever put all of them into one building. It was a learning curve, and there were no consultants back then to go to to show you how to build a green building, so we had to learn how to do it. It's a lot easier for us to learn to design and build a green building, and we learn from doing it.

Did the post-Lehman market affect demand for green buildings? How did you deal with it?

Our theory is that buildings that are built with higher quality withstand the downturns better than those that don't. We think that building with higher quality insulates you with the downturn. Post-Lehman rents went down about 15 to 20 percent, and in some locations 25 percent. We were at the low end of the scale. Now our buildings are 95 percent occupied and we're getting back to the rents of pre-Lehman. The rental market improved significantly in Manhattan. As far as our condo project The Visionaire, I'd say our prices dropped 15 percent, but other buildings in less desirable locations or our low rent buildings

prices dropped 25 to 35 percent. Right now our philosophy is good given the economy.

What is some of the appeal of living in a green building downtown?

The biggest benefit is the indoor air quality. Our indoor air quality is better than the outdoor air quality. For example, at The Visionaire fresh air is blown in through the roof, filtered and pumped into every room of every apartment. In the apartment, that air is recirculated and refiltered, so the air is filtered twice. People don't need those ineffective air filters and humidifiers that they would typically buy. We've had a lot of people with asthma and allergies that have told us that their conditions have improved by living in one of our buildings. That's the most obvious and important benefit to the people living in our buildings. In a typical apartment building, there's a compressor in every room, so if you have 300 apartments, you have 800 compressors. Our buildings are much quieter because we have one central plant, so all you hear is the fan that blows the air over the

coals. Battery Park City is like its own little oasis. The parks are beautiful, there's open space, and there's a social calendar run by the Battery Park City Authority: concerts, fishing, sports, backgammon, art, music events. You're close to the subway, but you're in your own little oasis and you don't have the traffic and stress of living on Second Avenue. What we find is some people are concerned they'll feel isolated when they come down to Battery Park City; but once they move down there and learn the neighborhood, they love living there. Now there are a lot more services than there were 10 years ago.

What's in the cards for Albanese?

Fortunately, in this downturn, we didn't over-leverage any projects or overpay for any projects. We've been fortunate not to get hurt by the downturn, so we've been actively looking for new projects and development sites. Whenever we buy existing buildings to renovate, we always strive to do it as cleanly and efficiently as possible. We're pounding the pavement for our next few projects.