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WHAT'S UP DOWN THERE

By JULIETTE FAIRLEY and ALEC APPELBAUM

July 17, 2004 -- Kian Kashani, 24, loves the airiness of his loft-like studio apartment in downtown Manhattan's Financial District. It's a spaciousness introduced by design; Kashani's \$2,550-a-month prewar at 90 Washington St. is in a former office building, once home to Bank of New York's headquarters.

"From the outside it looks like an office building, but the inside is completely residential," says Kashani, who moved there in November 2003. "I don't feel like I'm living in a post office or anything."

The 375,000-square-foot property, located four blocks from Ground Zero, is one of 58 office buildings in lower Manhattan that are being converted for residential use, according to Carol Abrams, spokesperson for the NYC Department of Housing Preservation and Development. It's all part of massive plans to revitalize the Wall Street area.

For years, a short supply of green spaces and services made the neighborhood a distant second to TriBeCa. But now, major park improvements - and thousands of new apartments- could transform the sleepy-after-the-markets-close area and make it fun for the whole family.

Steve Kliegerman, executive director of sales/downtown for Halstead Property, says families have been flocking to the area east of Battery Park City and south of Chambers Street in the past two years.

"As the World Trade Center site gets rebuilt, I see more opportunity there than anywhere else," Kliegerman says. There's definitely room to grow. For now, there's a 24-hour deli and a pizzeria near Kashani, but he uses FreshDirect.com for food because it's cheaper, and the nearest grocery store is a 10-minute walk across the West Side Highway.

"There's no affordable supermarket around here," Kashani says. "The delis sell stuff like toilet paper and milk, but for a lot more money." There are ample amenities, however, at 90 Washington, including parking, a lounge with a pool table, a gym, a sun deck with mini golf range, a spa, and a terrace garden with umbrellas and tables.

Carin Roberts, 28, who has lived in a \$3,000 three-bedroom at 90 Washington since October with two roommates, also likes the old-office feel of her building.

"The long hallways are a nice dramatic way to lead people into your apartment, and the lobby is impressive with its marble floors." It's also a quiet place to live, but of course, this can be a disadvantage too. "You don't have the noise you get on the Upper East Side, with the bars on every corner," Robert says. "But then, dry cleaners and delis close up fast at 6 p.m."

They'll start closing later after 90 million square feet of office space is converted to residential apartments, says Brad Gerla, a commercial leasing broker with CB Richard Ellis. "It's becoming a 24-hour community, with restaurants and stores to compete with Midtown," Gerla says. "These office conversions are creating a seven-day-a-week lifestyle. Only 10 million square feet has been converted to residential. There's plenty of space left."

One factor fueling the conversion trend is a surplus of older class-B offices, which aren't updated enough for today's businesses. "We have a surplus of office space," says Ralph Trionfo, president of commercial brokerage firm **Upside Ventures**. "And a strong housing demand, which in most cases is the highest & best use for such assets if the zoning allows."

As the neighborhood changes, with hundreds of new or converted condos around Wall Street, the typical resident will likely evolve as well. "The population is now 92 percent renters," says James Lansill, senior managing director with real estate marketing firm The Sunshine Group. "In seven years, I expect we would get to a 50-50 split between renters and owners."

Many of these owners are talking less about profit-taking and more about potty-training. Addresses like 26 Beaver St., 130 Beekman St. and 265 Water St., Lansill says, offer ample space, a top school district and good subway access. Between \$600,000 and \$1.2 million, Kliegerman says, can get you more than 1,000 square feet.

Investment manager Alex Wolfman and his wife, Laura, moved into 150 Nassau St., near City Hall Park, about a year ago. The couple's infant son can now make friends in the elevator. "Everybody bought in anticipation of having a family," Wolfman says of his neighbors.

The Parks & Recreation Department is certainly doing its part to make the area family-friendly: It's spending more than \$37 million on the blocks south of Ground Zero.

Old Slip, near the Seaport, is getting new landscaping. Bowling Green Park, the city's oldest park, near the famous brass bull on lower Broadway, got new flowers in June.

Next up: an effort to spruce up Battery Park. With \$8.5 million from Lower Manhattan Development Corporation, the Battery Conservancy has planted new gardens and started landscaping the "Battery Bosque," with 140 London plane trees and a fountain, for a fall completion.

The conservancy also plans a five-acre "town green" - a little smaller than Bryant Park - and a carousel with 28 fiber-optically lit polyresin fish, plus a ferry connection to the New York Aquarium on Coney Island.

An underground connection should open between the R/W and 1/9 subway lines at South Ferry, adjacent to Battery Park, by 2006. Above the subway, a bike path will run through the new Peter Minuit Plaza, in front of the winged Staten Island Ferry terminal, to the East River esplanade.

"There were five traffic islands and streets, and we've remapped the whole area for a park," says architect Frederic Schwartz, who designed the plaza and terminal. "I think it will be a real people-watching place."

Warrie Price, head of the Battery Conservancy, boasts that this conversion of "hard surface" to trees and grass will make the park an acre larger than it used to be. It would also supplant vendors hawking knockoff watches and T-shirts to tourists waiting to visit the Statue of Liberty ferry.

Price sees these improvements as draws for families because they show off Battery Park's unique history. She's trying to raise \$50 million to restore Castle Clinton, the historic site (and one-time aquarium) in Battery Park's upper third.

"Our best residential developments have always come from letting a place be what it was," she says. Wall Street always was overblown, and new buildings honor that heritage. Architect Santiago Calatrava has designed a proposed tower overlooking South Street that resembles a series of boxes.

Lansill is preselling 326 condos at 15 Broad St., J.P. Morgan's former headquarters. Architect Phillippe Starck has his fingerprints all over the building - it's even called "Downtown by Phillippe Starck" - and has designed a bowling alley, basketball court, children's playroom and a lawn above the fifth-floor building next door.

"Whole Foods is talking about moving two blocks from our site," Lansill says.

Kliegerman says Halstead Property will soon offer condos in four projects on Pine Street, on John Street and near the Seaport. He says all the buildings will offer loft-style units, some big enough for three-bedroom configurations, at between \$700 and \$800 per square foot.

The Financial District should see growth at those prices, at least a 20 percent discount compared to TriBeCa.