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## Stars snap up Walker Tower apartments at sky-high prices

In New York's heated property market, \$25m (£16m) apartments are not uncommon. So Verizon, the American telecoms giant, is likely to be regretting its decision to sell one of the city's most prized skyscrapers for a reported \$25.25m just four years ago.



Although it is still being refitted, helped by a \$45m loan, hedge-fund managers, overseas billionaires, film stars and "artists" have already bought up more than a quarter of the building, paying an average of \$3,400 per sq ft. Photo: AFP

By [Katherine Rushton](#), US business editor

Some 50 apartments in the Walker Tower, a soaring art-deco edifice in Chelsea, West Manhattan, which for years served as Verizon's telephone exchange, went on sale this month and are expected to raise around \$550m.

Although it is still being refitted, helped by a \$45m loan, hedge-fund managers, overseas billionaires, film stars and "artists" have already bought up more than a quarter of the building, paying an average of \$3,400 per sq ft.

Cameron Diaz and Blake Lively, the actresses, were among those who expressed interest, although it is not known whether they have signed a deal.

Agents at Douglas Elliman, the skyscraper's realtors, who will collect as much as 6pc of the selling price as a fee, can scarcely contain their glee as they show people around the building.

Michael Stern, 30, who heads JDS Development, secured all but the bottom 10 floors of the building from Verizon, while mobile unit Verizon Wireless is 45pc owned by Vodafone.

At the time, the ceilings had been falsely lowered, making the edifice appear dark and cramped on the inside, but the property entrepreneur – billed as America's answer to the Candy brothers – says he saw it had "good bones".

Verizon's sale process was stymied by the financial crisis. Mr Stern was in the lift of Walker Tower as the investment bank Lehman Brothers collapsed, following its over-exposure to subprime real-estate lending.

The collapse, which marked the start of the financial crisis, shattered investor confidence and sent other would-be buyers of the Walker Tower running.

Now Mr. Stern is set to cash in, alongside Starwood Capital and Property Markets group, which helped to fund the deal.

Only Verizon, which still occupies the lower floors – and possibly the odd billionaire-buyer – will feel like they have been stung.

Verizon has indicated it would like to buy Vodafone out of their Verizon Wireless joint venture, in what would mark one of the biggest corporate deals for years. Analysts predict the US giant would need to offer up to \$140bn to get a deal off the ground.

Vodafone sources have indicated that it is open to discussions at the right level, but Verizon has warned that it is likely to make a hostile approach in any case if it is rebuffed.