BIG DEAL

Luxury Apartments for a Little Less

Saul Metnick for The New York Times

Buildings with units designed to sell for $2,000 or less a square foot include the amenity-laden 140 West Street (top row), where 22 floors are to be converted to apartments; and the Printing House at 421 Hudson Street (bottom row).

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For some developers, moderation seems to be the latest byword, and that is helping Manhattan become ever so slightly more affordable.

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Bucking the trend of superluxurious condos with vertigo-inducing prices, a handful of developers are offering more moderately priced apartments in full-service, amenity-laden buildings. Of course, in Manhattan, where the going rate for new construction is about $2,500 a square foot, moderate price is a relative term.

And these builders are not being altruistic as they undercut their competitors and offer apartments at less than $2,000 a square foot.

Manhattan real estate has risen exponentially over the past several years, and with it, the price of land has also surged. Since early 2010, land prices have increased to $800 a square foot from about $200. In very desirable neighborhoods the tab is even higher, said Kevin Maloney, the founder and a principal of Property Markets Group.

Some developers, however, bought sites in the wake of the real estate market crash. With their cost basis lower, they can offer apartments below $2,000 a square foot and still make money. It may seem counterintuitive to charge less than the going market price for apartments, but doing so has the potential to move units at a faster clip. And lest there be any concern that today's historically high condo prices may soon falter, selling out a project quickly can be an appealing strategy. Take 101 West 87th Street, for example. At the corner of Columbus Avenue a block from Central Park, the building was erected in the 1980s as a nondescript rental. When the market crashed, a condominium conversion was in progress. The project stalled, and in 2011 a group of developers and investors acquired the property through a foreclosure, for around $500 a square foot.

The new owners have renovated the building, which has a handful of rent-regulated tenants, creating 62 larger apartments out of the original 95 rentals, and adding amenities like a courtyard garden, a fitness center and a lounge.

"Our mantra was affordable luxury on the Upper West Side," said Sonny Bazbaz, the president of Bazbaz Development, who acquired the building with two partners, Fisher Brothers and BlackRock.

The resulting apartments are relatively affordable for the area, with a three-bedroom recently selling for $2.63 million, or $1,470 a square foot. According to Streeteasy, the median price for a three-bedroom on the Upper West Side is $3.4 million.

The developer of the Halcyon, a condominium rising at 305 East 51st Street, is pursuing a similar strategy. The property was the site of a deadly crane collapse in 2008. The project's debt was acquired in 2009 by the developer HFZ Capital Group, which eventually took ownership of the site. Now, the 32-story condominium has 123 units, with an average price of more than $1,800 a square foot, according to Ziel Feldman, the founder of HFZ.

"I had two choices," Mr. Feldman said. "I could have marketed the apartments at a higher price if I was willing to wait over a longer period of time to sell them. Or I could be more conservative and sell them for a bit less, but at a very healthy velocity." Mr. Feldman went for velocity, and in the first three months since sales began, a third of the building has gone into contract, he said.

The Printing House in the West Village has also been offering units for less than those in neighboring new developments. Once home to a commercial printing business, the building at 421 Hudson Street was turned into a rental in 1978. It was then converted into condominiums, but only about 80 of the 184 units were sold.

A development group bought the rentals in 2011 and is turning them into 60 market-rate units. The group also owns three rent-stabilized units.

“Unlike other properties in the marketplace, we are, in essence, brand-new, even though we are not new construction,” said Myles J. Horn, who bought the units with Belvedere Capital Management and Angelo, Gordon & Co. “We have redone the lobby, the entryways, the hallways — in effect we are selling our units as if they were new condo construction.”

When sales began earlier this year, Printing House units were selling for $1,400 to $1,600 a square foot, Mr. Horn said. Prices have since reached $2,000 to $2,400 a square foot.

“It is only when all of these new condo towers pushed their prices to $3,000 and $4,000 a foot that we were able to increase our remaining inventory,” Mr. Horn said. He was referring to neighborhood developments like 150 Charles Street, which is selling for an average of $3,700 a square foot, according to Streeteasy.

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It is a similar story at 140 West Street, at the corner of Barclay Street, where “the strategy is all price point,” said Ben Shaoul, the president of Magnum Real Estate Group. The company is acquiring the top 22 floors from Verizon and plans to convert them into about 180 condominium units. With some 25,000 square feet of amenity space, the building is to have a swimming pool, a gym, entertainment space and children’s and teen rooms.

“The building is fully loaded with every amenity,” he said, “but the whole premise is approachable pricing.”

The attorney general has yet to approve Mr. Shaoul's offering plan, so he is not allowed to discuss prices, but he said he was aiming to enter the market below $2,000 a square foot. To achieve this, Mr. Shaoul said, "we make the bedrooms smaller and the living rooms a lot more generous." Three-bedrooms will have around 1,800 square feet; four bedrooms, 2,100 square feet; and five-bedrooms, 2,500 square feet.

That 140 West Street was not ground-up construction also helps keep costs down, Mr. Shaoul said. "Because we have a conversion, with an existing building with windows and an elevator, we are able to provide this price point and unit style, whereas a lot of new construction would have additional costs that we avoid."

The bulk of new developments priced under $2,000 a square foot can be found in the financial district. According to Halstead Property Development Marketing, 230 new-development condo units are on the market in Manhattan below $2,000 a square foot, and 149 of those are in the financial district.

That is because the last healthy market prompted a boom in condominium construction there. After the crash, many of these units were rented out. Now that condo prices are surging again, they are again for sale .

At 75 Wall Street, for example, 32 units are for sale at an average price of $1,660 a square foot, Streeteasy says. At 15 William Street, 20 units are on the market for $1,588 a square foot, and at the Setai Wall Street at 40 Broad Street, 16 apartments are being offered for an average of $1,175 a square foot, also according to Streeteasy.

But although circumstances may allow some buildings to be priced below market rate, "most development is simple math," said Mr. Maloney of Property Markets Group. He recently bought a site in the West Village, at Leroy and Greenwich Streets, to develop into apartments for which he hopes to charge $3,000 a square foot. "Land cost and building costs were at the very top of the market," he said.

While 357 new condos in Manhattan come with price tags of more than $2,000 a square foot, there are just 81 new condos with prices below that benchmark — if the financial district is subtracted.

That means that while bargains are to be had, you will need your fine-tooth comb.

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