

WALL STREET JOURNAL

COMMERCIAL REAL ESTATE

What's the Deal: News Digest

A Roundup of Commercial Property News From Across the Tri-State Region

AKA Tests Condo Concept

A company that owns luxury extended-stay residences for visitors looking to stay in New York for weeks or months is considering selling some of its units as condominiums.

AKA, a division of Philadelphia-based Korman Communities Inc., owns and operates four high-end New York properties, with a fifth expected to open downtown next year. It plans to market a limited number of its furnished apartments at its AKA Sutton Place location, 330 E. 56th St., for sale as secondary residences. AKA will continue to rent the building's other units for extended stays of 30 days or more.

Condo prices will start around \$1 million for a one-bedroom apartment and \$2 million for a two-bedroom residence, said Larry Korman, president of AKA.

AKA seriously began to consider the condo-conversion idea after certain 2011 changes in city regulations eliminated weekly stays at two of its four Manhattan locations. Some of the company's regular customers also have expressed interest in purchasing a suite.

Adding condos to its business model could help AKA compete against other investors when bidding for prime properties in hot markets.

AKA likely will begin selling the residences at its Sutton Place location in late spring or early summer.

—Keiko Morris

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