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Markets

Greetings From the \$6 Million Penthouses of Asbury Park

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- ▶ Where others failed, iStar says it can bring back Jersey town
- ▶ Springsteen rocks house as \$6 million penthouses go on sale

Bruce Springsteen defined Asbury Park as a working-class crucible in the imaginations of millions of fans. Now a real estate developer is hoping the rock star can attract attention to its luxury condo project on the Jersey shore.

Springsteen performed Monday night at Asbury Lanes, a bowling alley and music venue recently reopened by the commercial real estate lender and developer [iStar Inc.](#) “I walk down the boardwalk now, I feel like the Ghost of Christmas Past,” he told a cheering crowd that included New Jersey Governor Phil Murphy. “But that’s OK, because it’s fun to watch Asbury’s future unfold in front of me.”



Springsteen performs in Asbury Park on June 18. *Photographer: Kevin Mazur/Getty Images North America*

IStar has ambitious plans for the city's waterfront. In addition to the music venue, it is launching sales on oceanfront condos with prices at the top of the local market. The two projects represent its attempts to find "a creative way to tie the past and the future together," Chief Executive Officer Jay Sugarman said in an interview.

"We never wanted to lose what Asbury has been, but we wanted to make it clear where Asbury could go," he said.

Years of Failure

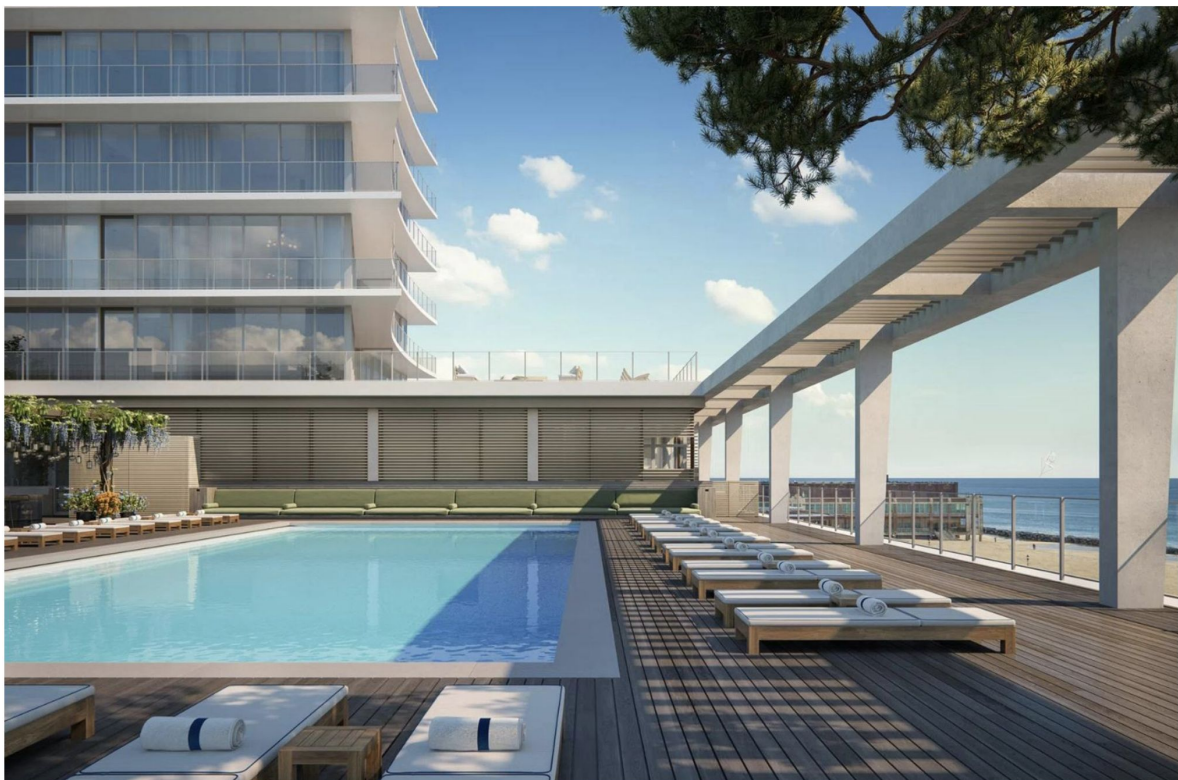
IStar's condo project, the Asbury Ocean Club, sits on a site first approved for redevelopment in 1984. Two previous builders got construction projects out of the ground, only to abandon their efforts. IStar took control in 2009 when a developer fell behind on its loans. The aftermath of the financial crisis was hard on iStar too: A mistimed bet on commercial real estate loans left it with a large portfolio of land that it has spent years selling off.

But Sugarman kept the company's property in Asbury Park, acquired more and set to work building a pair of townhouse projects and a boutique hotel. Today, it owns 35 acres (14 hectares) in the city and has spent more than \$300 million on its efforts, which included reopening Asbury Lanes at the end of May.



Asbury Ocean Club (rendering) Source: *IStar*

For the Lanes, iStar hired concert promoter the Bowery Presents to book national acts. Sugarman, who said his company is the world's largest owner of bowling alleys, directed designers to fabricate a plexiglass wall at the end of the lanes so bowlers can watch the pin-setting machines in action.



Ocean Club pool (rendering) Source: *IStar*

“There’s something very tangible and human about throwing something and knocking something down,” he said.

A \$6 Million Penthouse

The Ocean Club project, a bolder bet, will feature 130 condo units on top of a 54-room hotel, with asking prices starting at \$900,000 for an 800-square-foot (74-square-meter) one-bedroom and stretching to \$6 million for each of two penthouse apartments.

“That’s pretty high,” said Peter Reinhart, director of the Kislak Real Estate Institute at nearby Monmouth University. “Most people aren’t going to be primary residents. You have to ask, how deep is that market?”

Sugarman said he’s confident there’ll be plenty of interest in the Ocean Club condos as well as in iStar’s future residential projects. He’s hoping the progress he has made so far will give high-end homebuyers, as well as development partners, confidence that the city’s comeback will last.



Ocean Club kitchen *Source: IStar*

“You’re not betting or gambling on whether something will happen -- it’s already happened,” Sugarman said. “There will be more of it. But with these last pieces that we’ve put in place, it feels like it’s sort of the tipping point.”