

[Property Report]

The Brave New World of Recycled Real Estate

SOARING WAREHOUSES with minimalist decor, textile factories transformed into chic spaces for the wealthy and stylish ... these days there's really nothing that unusual about real estate makeovers.

Or at least that's what Hadya Khawaja, a research technician in Albuquerque, thought before she laid eyes on her new home: the gymnasium of the old Albuquerque High School. Yes, while preserving maple flooring from 1938 and bleachers that once held students cheering on the home team, developers recently turned the school into 124 condos, including her 700-square-foot open-style loft. "I was apprehensive at first," says Khawaja. "A lot of people wouldn't consider living there. But I was really drawn to the building."

The last gasp of the real estate boom is leading to some delightfully weird projects. Like an insane asylum in Dover, N.Y., which will be turned into a 1,300-unit residential village with a golf course. Or the corporate headquarters of a defunct steel company, which developers are trying to rezone for luxury condos. Or the land that housed the Eveready battery plant in Ohio, which will soon be carved up for hundreds of housing units. "Adaptive reuse has gotten big," says Rob Dickson, the Albuquerque developer who is overhauling the old high school. "Extending infrastructure is expensive and drives housing prices up. A lot of developers like me are saying, 'We need to fill in.'"

One of those developers is National RE/sources in Greenwich, Conn. The company recently forked over almost \$6 million to purchase an old riverfront power plant in

Wiscasset, Maine, in addition to 431 acres of land that used to serve as a buffer zone for Maine Yankee, a nuclear power plant that has been decommissioned. They have two projects underway. On the Maine Yankee land, the company is building an office and technology park. A quarter-mile up the

Houldin, who is managing the project for National RE/sources. "Our goal is to recreate that feeling."

That feeling apparently resonates in the Midwest as well, where a Hopkins, Minn., developer recently completed converting an old torpedo factory into a tech center and its parking lots into houses. Some 360 miles away in St. Louis, development company McGowan Walsh is transforming an old Packard auto showroom into 33 lofts.

But perhaps the strangest rehab of all is in Bethlehem, Pa., where a development partnership is planning to remake Martin Tower, the 21-story former headquarters of Bethlehem Steel, into 170 luxury condos ranging in price from \$700,000 to \$1.4 million. Says Lynn Farris, a local resident who used to visit her husband at his Martin Tower office before the company went under: "The views from way up high are spectacular." Local RE/MAX agent Sarah Kates agrees, "It's going to sell bigtime. There's a historical factor to Bethlehem Steel, and people want a piece of it."

But what might happen to some of these oddball condos if the market cracks? After all, when location is everything, places that aren't ideally situated are harder to unload. On the other hand, St. Louis developer Kevin McGowan argues that his downtown rehabs have appreciated twice as fast as the rest of the city and that in a slowdown the suburbs should suffer first. "People want to engage in life. They're tired of pressing the garage-door opener, driving out, driving back in, and going into the house." No danger of that when you live at the gym. — *Ellen Florian Kratz*



THEN VS. NOW

Ohio's Eveready battery factory is on the drawing board.

In Albuquerque, a former gym houses the home team.

Maine event: From power plant to waterfront village

Sheepscoot River, the power plant eyesore is being turned into eye candy—an old-fashioned waterfront village filled with shopping, art galleries, condominiums, and cottages, and 281 slips for those who wish to park their boats in the river. "Wiscasset has a maritime history," says Scott

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