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A Developer Picks Up Where Others Leave Off



Robert Wright for The New York Times

Larry Korman, left, with his brother Bradley at the AKA United Nations, one of several extended-stay properties owned by Korman Communities. The company is finding a new niche in turning former condominium projects into luxury lodging.

With LARRY KORMAN Published: March 25, 2007

WHILE some other developers may be having second thoughts about New York City's residential real estate market, Larry Korman seems to be making himself at home there.

His Philadelphia-based company, Korman Communities, where he is co-president alongside his brother Bradley, is finding a new niche in turning former condominium projects into luxury extended-stay lodging.

Since 2005, the company, which also builds homes, has bought four residential properties in Midtown Manhattan that were slated for condo conversions.

Two of those properties are now operating as extended-stay hotels, under the name AKA. They are the AKA: United Nations, at East 46th Street and Second Avenue; and the AKA: Sutton Place, formerly the Sutton Hotel, at East 56th Street between First and Second Avenues.

This spring, Korman Communities will also open the AKA: Central Park, formerly the Wyndham Hotel, at 58th Street, near Fifth Avenue; and the AKA Times Square, at 44th Street, near the Avenue of the Americas.

That will bring to nine the number of AKA extended-stay properties, which also include two in Philadelphia and one each in Washington, Arlington, Va., and Westchester County, N.Y. The properties were originally intended for condo conversions.

The AKA name is a play on words, standing for "also known as — your home away from home," said Mr. Korman, who is 43.

"It took me 10 years to come up with the AKA name," he said, explaining that it also stood for "A Korman Accommodation."

The guests at the AKA properties, which are the size of boutique hotels, typically require lodging for 30 days or more.

The residences provide technological amenities like Internet service and other conveniences like kitchens, fitness centers and pools, along with hotel services like housekeeping, he said. Rates are usually about half of what a boutique hotel in the neighborhood would charge and vary with the length of stay, Mr. Korman said.

Mr. Korman oversees the general operations of Korman Communities, handling duties ranging from deliberating with architects on design issues to ensuring that the curbs near his properties are clear of trash. He leaves the acquisitions to Bradley Korman, 42, while another brother, Mark, 39, is working on building up the company's commercial real estate division.

The company — founded in 1909 by his great-grandfather Hyman Korman — is a family affair: His father, Steven Korman, 67, is the chief executive. Larry Korman's wife, Korin, who owns two spas, develops spa products for the AKA residences.

Larry Korman said he knew from a young age that he wanted to run Korman Communities someday.

"From age 3 on, we all used to go on the weekends with my father to the properties," he said. He went directly into the family business after graduating from Duke University in 1986, where he majored in business and political science.

"This is something that to do well, you have to have a passion for what you do," he said.

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Larry Korman says he believes the concept of extended-stay lodging will take hold in New York City. The AKA: United Nations has 95 one-bedroom suites — about 1,200 square feet each — with custom-designed furniture by Nicholas Cardone, vice president and design director of Korman Communities. Current rates are around \$275 a night for a 30-day stay, Mr. Korman said, though they can be higher for shorter stays.

Similar rates are charged by the Phillips Club at Lincoln Square, at 66th Street, which offers units with full kitchens, marble bathrooms and entertainment centers for about \$8,000 a month. Pamela Malkani, a principal of the hospitality division at Millennium Partners, the hotel group that built the club in 1996, said that so far, Korman Communities' entry into the extended-stay market "has had little impact on the Phillips Club."

Mr. Korman says he is opening properties in areas where clients of Korman Communities have voiced a demand.

"Our corporate clients told us they need upscale, extended-stay accommodations in New York City," he said. "We investigated and saw a lack of owner-operated luxury offerings, so we decided to make a big push into Manhattan."

Four generations of the Korman family have built more than 30,000 single-family homes, 12,000 apartments and town houses, some furnished, mostly on the East Coast, along with six million square feet of industrial and commercial space in Pennsylvania and [New Jersey](#).

Some of the company's operations, like its move into furnished housing, were a result of trial and error.

In 1966, Samuel Korman, Larry Korman's grandfather, had a fanciful idea to build a white marble circular tower with apartments in Philadelphia. He soon realized that nobody would rent the units, which were shaped like pie slices, because it was hard to find furniture to fit them.

It took a little publicity on the part of a priest at a nearby church to get them filled. When Samuel Korman offered to minimize construction noise on a development project, the priest was so grateful that he began recommending the odd-shaped apartments to any parishioners seeking a place to live.

"It was as if a wand had been waved, and the building started to fill up," Larry Korman said. "They took these pie shapes, and people started saying, 'Well, can we rent it three months?' or 'How about six months?'"

Soon, at the request of tenants, Samuel Korman began including rental furniture with the units. He also started providing things like plates and toasters — even serving breakfast to accommodate residents.

By 2010, Larry Korman said, Korman Communities plans to have 20 AKA properties throughout the United States and overseas.

BUT for now, he is working closer to home — in fact, on his childhood home, a contemporary house designed by the architect Louis I. Kahn in the early 1970s in Fort Washington, Pa., a Philadelphia suburb. Mr. Korman now lives there with his wife and three children.

He took over its meticulous renovation about six years ago.

"No detail goes unnoticed by Larry," said Julia Moore Converse, the director of the architectural archives at the [University of Pennsylvania](#) and an assistant dean of the School of Design.

"Larry grew into this house in terms of his understanding of its architecture and its design and the importance of Louis Kahn on a global scale."

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