

The Legal Team Behind The Waldorf-Astoria's Transformation

By **Georgia Kromrei**

Law360 (March 10, 2025, 4:55 PM EDT) -- U.S. presidents, stars from Hollywood's Golden Age, and now a legal team from Kramer Levin Naftalis & Frankel LLP have left their mark on the iconic Waldorf-Astoria Hotel in Manhattan.

The famed property recently concluded a 10-year renovation of the original hotel and conversion of a part of the property to retail, a club with amenities, and luxury residential condos. Individual residential condo sales have just started, with three units closing this year for \$1.8 million, \$3 million and \$2.95 million, public records show.

Josh S. Winefsky, a partner in Kramer Levin's real estate practice who worked on the Waldorf-Astoria project, said the firm's real estate practice has expertise in general real estate transactions as well as condominiums. That allows its attorneys to help clients analyze the risks involved in a condo conversion project.

"When you have a condo project that's going to be selling to a group of wealthy people, you have to get it right," Winefsky said. "You don't want to mess around."

The conversion was not without difficulties. In 2018, the CEO of the Chinese insurance company that acquired the hotel, Anbang Insurance Group, was sentenced to 18 years imprisonment on charges of fraud and embezzlement. Kramer Levin worked for Anbang and its successor, Dajia US.

Law360 Real Estate Authority recently caught up with Jay A. Neveloff, chair of Kramer Levin's real estate practice and Winefsky at their office in Midtown Manhattan to talk about their work on the conversion.

This interview has been edited for length and clarity.

The property was bought by your client in 2015. The plans to do the conversion were made public in 2017. When did you get involved with the project?

Neveloff: I was involved before the acquisition. The truth of the matter is I and two other firms were interviewed to represent them in the purchase. We were not hired.

But we stayed involved during the purchase, and right after the closing we were the sole firm working on the project. So I didn't make the business deal, but I was involved in the structuring of the entities that purchased it and then early on in the land use aspects.

The interior was landmarked, and almost all of the renovation work emanated from the landmarks and what the Landmarks Preservation Commission would approve and not approve.

I really was lucky because my role was not just as a lawyer. I was really at the table with the people running the project, with the architects and with our land use partner. They looked at every aspect of the plans. The architects, who were terrific, had grand designs and we had to say, "Well, that's going to get approved, that's not going to get approved."

I learned a lot about the history of the Waldorf. It was a lot of fun.

There were a lot of changes with the developer in the years after the acquisition.

Neveloff: Yes and no. The people in New York who are on the job, people come and go, but it was really the same team. The people they reported to changed.

With all the leadership changes, did you ever feel like the developer wavered in their plan to do a conversion?

Winefsky: It's a months- if not years-long process to get the offering plan approved between when you start preparing for it to the time it's submitted to the New York State Attorney General's Office. After submission there's a back-and-forth process with the regulators to make sure that it meets their requirements.

It was approved in November of 2019. We were working on this in 2016 and 2017 and really starting to plan for the work on the documents that would ultimately become the offering plan. For a project of the size that it is and the vast number of decisions that need to be made, this isn't a ground-up development.

You're literally gutting an entire 1.2 million-square-foot building. It really took a while to get everything together. So this has been baked for many, many years.

Neveloff: Details would change, like where are we going to draw the line between where is the hotel and where does the residence start, how are we going to do A, B or C.

That's no different from any other project.

Like when the transition happened from Anbang, your client, to Dajia...

Winefsky: Nothing that reached our desk.

Neveloff: And by the way, that was just a rebranding of the same entity. There was no sale. There were leadership changes in the mother ship in Asia. [China formed a state-owned entity, Dajia, to take over Anbang.]

Winefsky: There's been turnover over the years because no full team keeps a job for that entire amount of time, but it's a lot of similar faces throughout.

What are some of the things that the attorney general's office looks for in an offering plan? What does the back and forth look like and what were the main hurdles to clear?

Winefsky: The attorney general's office has a set of regulations that any filing is supposed to comply with. And that results in us creating this book. Some of the stuff in it is just kind of formulaic and you're going to see it in every single offering plan. Other stuff is really tailoring these requirements to the specific project that we're working on.

For example, you have to describe the amenities. You have to describe how the board of the building is controlled. You have to describe how the board of the residential component is controlled.

For the Waldorf, it was really interesting having to describe what access rights the residents have to the hotel's amenities. Obviously, you're not going to just get to go to hotel room 804 just because you own an apartment, but you certainly want to be able to access the hotel space through the building instead of having to walk out and come back in.

That's a marketing appeal to a buyer, to be able to say I could just go straight into the Waldorf Hotel from my home up in the tower. So in the offering plan, we had to describe how that access works. We had to describe how cost sharing works between the two components. There's parking in the building. How do we structure it? Who's entitled to the parking spaces? How many are being allocated to the residential component? How many of them are being set aside for the retail component? Because maybe there's a retailer that you're going to want to make sure always has a spot because it's going to be some super high-end retailer and you always want to make sure that a VIP could always park.

So these are all kinds of things that we had to describe in the offering materials and to the extent that the AG thinks that we're not necessarily describing it the full way or if there's an additional disclosure that they think a buyer might want to or should know, they'll say, update it to reflect this. And let me just kind of speak to that.

The role the AG plays is wearing the hat of protecting the buyer off the street to make sure that they're getting a disclosure document that adequately discloses the risks, value and economics of the investment they're considering making. So they're making sure that the prices and anticipated common charges and real estate taxes are stated correctly. That's the back and forth.

It's like, OK, they've reviewed our submission, and they think there is a quirky thing that exists in our building. So they would say, "Hey, maybe add a few more explanatory sentences about what's going on here," so that when a buyer or their lawyer was reading it, they can see that here's how you would have access.

A good example is at the Waldorf, a unit owner in the residence can get housekeeping services from the hotel. But you have to pay for it.

So we have to clearly state that this is not included in your common charges. This is an a la carte expense that if you want to get, it's available to you, for a cost. And I can't promise what that cost is. The building is going to set a rate and if it's good for you, you could go get it and it's delightful. If it's too much for you, then go get your apartment cleaned somehow else.

Was there any project that you used as a blueprint? The Plaza conversion happened right before this.

Winefsky: We looked at that a lot in terms of the components of a building. If you think about it, just to take a big picture snapshot of the Waldorf, you have a hotel unit. The newly redesigned Waldorf-Astoria

Hotel is its own condominium unit in the building, at the base of the building, for the most part. Then, coming out of the base, you have the two towers where all of the residential apartments are, and that's about 372 individual units. Then you have retail spaces, and that's a unit.

Then there's a club, which is more like a spa and amenity service that is shared by the residence and the hotel, which is its own unit as well. So those kinds of components existed also at the Plaza. So there was this blueprint for it.

However, no building, especially one as wildly intricate as the Waldorf and wildly intricate as the Plaza, there's no "Let's dupe and revise the plot." Everything is bespoke at this caliber.

Neveloff: One of the things that Josh is referring to in describing the different use components is how costs were allocated.

At the Waldorf, just like at the Plaza, the residential component had its own cost. But there were also buildingwide costs. There was insurance, buildingwide employees, buildingwide systems.

We worked on the Plaza as well, so that provided guidance as to how to allocate the cost and who should be responsible for what and how it should be split.

I didn't know that, actually. That kind of answers my question.

Neveloff: It's a similar analysis in any mixed-use building. If you look through all the mixed-use buildings, hotels are somewhat unique in that they provide on a holistic basis hotel services to residential owners. It's a nuance of what we do.

Converting a hotel to condos for residential use seems much more straightforward than converting a big office building to residential. But I haven't seen as much excitement from policymakers for converting hotels to residences. What do you attribute that to?

Neveloff: I attribute that to the fact that there are an enormous number of empty or nearly empty office buildings or office buildings that may have outlived their usefulness because the ceilings are too low. They don't have enough light. The systems that go through the building are outdated.

You don't see a lot of hotels — the type of hotel that would be converted — as really underutilized. You'll see a lot of people looking at converting offices to residential throughout the city. Not all of them work, but there are a lot that do.

There was legislation prompted in part by the Plaza conversion. Policymakers were concerned about converting large hotels to condos and the impact that would have on jobs. A moratorium on those conversions lapsed in 2019, right before the pandemic.

Neveloff: I think that's a reflection of how enormously powerful the hotel union is in New York as opposed to policy decisions. It reflected the fact that if you reduce the number of hotel employees, you reduce the number of members of the hotel union.

Have you heard more interest in doing such conversions in the last few years, since the ban lapsed?

Neveloff: I think it's just property-specific, honestly, so it's hard to give you a generalized answer to that.

It's hard to think of two New York City hotels that are more iconic than the Plaza and the Waldorf Astoria.

Neveloff: Correct.

Winefsky: But because they were iconic, it meant that if you converted a portion of the rooms to residential, people would want to say, I live in the Waldorf. And hotels that are very, very big have their own challenges because then you have to fill a thousand rooms.

You talked about this a little bit before, but all of the changes that happened with Anbang and Dajia, how did it impact your role as the attorneys?

Winefsky: I think it only enhanced it. Whenever anyone leaves a project, there's institutional knowledge that is lost.

We've been the constant throughout. There have been other people that have been there as well, but we can recall, "Here's why we structured it like this. Here's why this decision was made to pass on that." So as we were getting ready to start having closings in December, we had weekly and sometimes more than weekly meetings for about six months leading up to that.

You're going from this abstract thought of, there are going to be people living in this building one day to, "We have people who are going to be moving in."

We have to make sure that they're staffing and that all the services are up and running and that jobs are filled, that they know how to do their jobs, that services are being delivered in the way that they're required to be delivered and there's a budget that works.

In doing that, we had to kind of go back and — it wasn't the first time we had to reread everything — but we had to go back and say, "OK, what do the documents all say that we prepared in 2017, 2018, 2019?" Let's make sure that we are executing on all of these specific things that we were thinking about when we were describing this in the abstract when it was still just like, "Hey, let's get all the people out of this building so that we can start this renovation project."

We were that institutional knowledge that I think the client thinks was invaluable. We know we are.

So you've seen this project through now. I guess it doesn't necessarily mean you'll never do any more work on it. But what do you do after?

Winefsky: I was literally late today because I was on a call about the Waldorf.

The reality is that when you could tell someone that your closing is going to be in six weeks as opposed to in three years, there's a pickup in sales.

So it's been exciting. Right now is actually the part of the process where they've got this building that's now operational with 50,000 square feet of amenities there for the residents only, not the hotel. Now the sales can kind of hopefully have their foot on the gas, and we're helping with that.

When a new buyer comes in and a new deal is struck, we get the term sheet and we start negotiating

that contract. And there are 372 units. So we're working through all of the contracts and closings.

We cleared an inflection point with having had our first closing in December. Now is when you can really just go and crush it because the building's open, operational and the ability to sell is more organic because you can show a product that someone can move into. So that's where the attention is turned. We're still very involved in that and will be for some time.

One thing that seems to happen when you get a bunch of really wealthy people all in one place is litigation...

Neveloff: I will tell you, putting aside 432 Park, I've had very few litigations on condos. Maybe that's a reflection of our clients. And at 432 Park there never should have been litigation. It was just silly.

--Editing by Haylee Pearl.