

# LUXURYLETTER – August 1, 2004 [luxuryletter.com](http://luxuryletter.com)

**An up-to-the-minute report on Manhattan's Downtown Luxury Real Estate market.**

Other Real Estate Reports provide information that may not be current enough to fully assess the state of the market: that's where we come in. We are brokers working the Downtown New York Luxury Residential Real Estate market on a daily basis, giving you an insider's perspective to understanding the market as it is...today.

While other reports focus on average, we choose to focus on luxury: Our specialty is Downtown New York Luxury.

Presented by Leonard Steinberg /Hervé Senequier (Douglas Elliman): the luxuryloft team.

## LUXURYHEADLINES – August, 2004

### NEW DEVELOPMENTS: THE REAL STORY

Many new developments have come on the market in recent weeks, delivering either brand new construction projects or existing buildings (mostly commercial lofts) converted to residential homes. The past few weeks, traditionally a slow time in Real Estate, this market has been overwhelmed with interest, especially from buyers seeking to profit by buying early in the marketing program. Some developers have chosen to pre-market their properties prior to their Offering Plan's approval by the Attorney General's office.....prospective buyers chose specific units and submit a letter of intent to buy, at a price that may or may not rise. Once the Plan is approved, these buyer's are supposed to be contacted to go to contract. The reality has proven to be disappointing for many.

Once a developer has gauged the interest levels by the volume of letters of intent, he has the legal right to raise prices.....or, he can sell the unit a buyer had wanted to 'friends or family', raise the prices, and then sell another, higher priced unit to this buyer, automatically insuring that his 'friends and family' benefit by the increased pricing.

It is always a good idea to buy early in the marketing program of a new development....in a rising market. The risks and costs should also be weighed against the potential gains: The majority of owners in new developments sue the developer within 24 months of moving in.....mostly for shoddy workmanship, or not delivering that which was promised. The majority of New Developments are delivered late....some even 24 months late! This can become extremely costly in a rising interest rate market. Then again, if prices are rising, your investment escalates too.

Many developers are requiring 20% cash down within 90 days of signing the contract. If you buy early, there is little chance of locking into an interest rate.....one should evaluate the cost of a 2% rate hike when buying.

THE UPSIDE: In the extreme, escalating market we've experienced over the past 8 years, virtually everyone who bought in a new development has made significant profits on their purchases.....certainly averaging better returns than most Wall Street funds....and when comparing "building teething troubles" to doing a renovation of an existing apartment, the picture is certainly prettier.

### OURADVISE

WORK WITH A BROKER! As much as that may seem to be a pitch, a smart broker can guide you away from the sometimes deceptive tactics employed by developers....selling the 'amazing 2-bedroom'...above the loading dock, but not reminding you of such. A good broker knows the history of developers, knows good layouts from bad, knows what the market will bear upon re-sale, etc, all information that is critical in making good decisions.....BUYER BEWARE!



**Douglas Elliman**

**AUGUST2004**



**Greenwich Village Prime (3,200sf) – SOLD**



**Chelsea (2,200sf) – SOLD**



**Tribeca Prime (3,200sf) – SOLD**

**Lincoln Square – SOLD  
Penthouse**



**Lower Fifth Avenue Penthouse - SOLD**



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## THE AUGUST 1, 2004 REPORT: Our 5 classifications of luxury property:

### MINILUXE

Although smaller, luxury is not compromised, with a high cost per square foot, priced between \$ 1 and 2 million.

# of properties:	35 ***
<b>Average price:</b>	<b>\$ 1,581million (\$1,015/sf) EVEN (compared to 1<sup>st</sup> half 2004)</b>
Average Size:	1,558sf
Factoids:	* This market is growing, providing manageable luxury, often in 1 bedroom layouts * 85% Condominium * 40% New Developments, many selling above the average pricing * 79% with Doorman

### MIDILUXE

Mid-sized luxury properties, priced between \$ 2million and \$4million

# of properties:	64 ***
<b>Average price:</b>	<b>\$ 2,588million (\$914/sf) UP MODERATELY (compared to 1<sup>st</sup> half 2004)</b>
Average Size:	2,832sf
Factoids:	* 148 properties currently on the market for sale (DOWN SIGNIFICANTLY) * 75% Condominium * 56% with Doorman

### ULTRALUXE

Larger, luxurious properties priced between \$ 4million and \$5million

# of properties:	4 *** (52% Soho, 19% Tribeca, 19% Chelsea)
<b>Average price:</b>	<b>\$ 4,743million (\$1,378/sf) UP SIGNIFICANTLY (compared to 1<sup>st</sup> half 2004)</b>
Average size:	3,444sf
Factoids:	* 100% Condominium * 75% with Doorman * 100% with outdoor space

### MEGALUXE

Large, exceptional properties, priced over \$ 5million.

# of properties:	4 ***
<b>Average price:</b>	<b>\$ 6,962million (\$ 1,833/sf) UP SIGNIFICANTLY (compared to 1<sup>st</sup> half 2004)</b>
Average size:	3,798sf (excluding outdoor space)
Factoids:	* 100% Condominium * 75% with Doorman * 100% with outdoor space * 81 properties currently on the market for sale, with average asking over \$ 1,600/sf.

### HOUSELUXE

Large, Single family townhouses are a rare breed in the Downtown market.

# of properties:	3 ***
<b>Average price:</b>	<b>\$ 6,416million UP SIGNIFICANTLY (compared to 1<sup>st</sup> half 2004)</b>
Average width:	25feet (One house surveyed was a double-width house)
Factoids:	All Greenwich Village 13 Available on the market, average asking price: \$ 6,416m



# LUXURYNEWS

NEW PROJECTS OPENING IN THE FALL : Several exciting new development buildings are opening for sale in the Fall in the Gramercy/Flatiron area, Chelsea, SOHO, Wall Street, Astor Place, etc.... Most fall within the classification of LUXURY, with doorman and a host of other luxury features setting new standards for Downtown.....for more detailed information, please call (212)727-6164.

# LUXURYHOTSPOTS

**THE GANSEVOORT HOTEL:** Unusually Modern architecture for the area, this hotel features fabulous rooms, restaurants, and a rooftop bar with swimming pool that is quite the item du jour in the gossip columns. 18 Ninth Avenue, Tel: (212)414-1008

**SILK SPA:** A Gorgeous Spa that has arrived....tucked behind the never-ending subway ventilation construction site at 13<sup>th</sup> Street and Sixth Avenue. Tel: (212) 255-6457

# LUXURYTRENDS

Blue Tooth.....wireless technology.....Loro Piana Cashmere Throws ..... Prouvé furniture ..... Mallorca .... Surlatable.com, for the kitchen ..... Rasa Candles .... Chelsea Passage, Barney's.... Agent Provocateur.... Lap pool .... La Cornue .... Cymbidiums .... David Barton Gym, 23<sup>rd</sup> Street

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**Leonard Steinberg and Hervé Senequier are Douglas Elliman's #1 brokers specializing in the Downtown Luxury Real Estate Market. Their clientele relies on their advice, judgment and expertise for all their real estate transactions, capitalizing on their broad knowledge and information-based service...a service un-paralleled in the industry.**

**For more information about 'full service brokerage', please view: [www.luxuryloft.com](http://www.luxuryloft.com) ...or call (212)727-6164 to learn how you can benefit from the ultimate real estate experience.**

\*\*\*While every effort has been made to provide accurate, up-to-the minute information based on closed and contract-signed transactions, the information is provided subject to errors, omissions and changes. Our criteria for luxury may be different to other's. Some prices are estimates only as they have not closed yet. For 100% accurate information, please consult a legal professional to perform the necessary due diligence.

## Douglas Elliman