

LUXURY LETTER

– September 1, 2004 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.

LUXURY HEADLINES – September, 2004

The arrival of THE GLOBESET

First there was the JETSET, but that's so yesterday (and certainly not as glamorous now that the Concorde is no longer in service)...a new breed has emerged and we call them the GLOBESET, and they don't fly commercial too often....GLOBESETTERS are rather young, they own multiple homes around the country and around the world, they are reachable in New York, London, St.Barth's, on Safari or on their yachts in St.Tropez, via their Iridium 9505's. Their achievements are renowned, their esthetic is cutting edge, their art collections prolific, their intelligence diverse, they look good and dress well.....they live VERY well & enjoy their money, they enjoy the best of each city & circumstance, to extrude 'the best of' at that moment, they view their lives & the world with a global perspective, and they own prime real estate....they are the GLOBESET.

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. This Summer, 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.

It is always a good idea to buy early in 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.

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. Then again, renovating gives you exactly what you want....

OURADVICE:

WORK WITH A GOOD BROKER! As much as that sounds like 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, etc. 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

SEPTEMBER 2004 FEATURED PROPERTY

Sun-flooded Chelsea Loft – 126 West 22nd Street



This exquisitely designed high-floor *Condominium* Loft with Sun-flooded, South-facing exposures, features extraordinary customized Millwork throughout....amazing, engineered storage abounds. With a large, efficient kitchen with pantry, two bedroom suites, built in home office with high-tech wiring and speaker system throughout, customized lighting, and low monthlies, all in a Prime Chelsea location, this loft represents the best of Downtown Luxury. Offered at: \$ 2,7million
Web ID#: 634648

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JACK LEVY DESIGN FEATURED DESIGNER

SEPTEMBER 2004

This month we highlight the work of Jack Levy, an Interior Designer whose work transcends time and trends...Jack's style is luxuriously simple....a concept we subscribe to. He believes in breaking the rules of traditional design: His unique sense of color, and the interplay of the unusual and unexpected sets him apart from his peers. His interiors are dramatic without sacrificing live-ability. Classic, sophisticated and crisp are just a few words to describe his inimitable style.



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Douglas Elliman

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

MINLUXE

Although smaller, luxury is not compromised, priced between \$ 1 and 2 million.

# of properties:	223***
Average price:	\$ 1,477million (\$893/sf) DOWN (compared to August 1, 2004 report)
Average Size:	1,654sf
Factoids:	<ul style="list-style-type: none">* This market is growing, providing manageable luxury, often in 1 bedroom layouts* 69% Condominium, many more co-ops than in last report, hence lower price per square ft.* MANY New Developments, many selling above \$ 1,250/sf (all condo w/doorman)* Some units approaching \$1,500/sf in New Developments

MIDLUXE

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

# of properties:	67 ***
Average price:	\$ 2,606million (\$986/sf) UP MODERATELY (compared to August 1, 2004 report)
Average Size:	2,636sf
Factoids:	<ul style="list-style-type: none">* Keeps rising consistently. Most Condo's over \$ 1,000/sf* 82% Condominium* 56% with Doorman

ULTRALUXE

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

# of properties:	4 ***
Average price:	\$ 4,505million (\$1,095/sf) DOWN (compared to August, 2004 report; 1 raw space)
Average size:	4,065sf
Factoids:	<ul style="list-style-type: none">* 80% Condominium* 75% with Doorman* 50% with outdoor space

MEGALUXE

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

# of properties:	7 ***
Average price:	\$ 7,757million (\$ 1,783/sf) UP (compared to August 1, 2004 report)
Average size:	4,349sf (excluding outdoor space)
Factoids:	<ul style="list-style-type: none">* 100% Condominium* 75% with Doorman* 100% with outdoor space/penthouse* The Martha Stewart Penthouse in the Richard Meier Tower achieved almost \$ 2,000/sf, raw.

HOUSELUXE

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

# of properties:	3 ***
Average price:	\$ 6,223million DOWN (compared to August 1, 2004 report)
Average width:	21feet
Factoids:	<ul style="list-style-type: none">All Greenwich VillageMAJOR shortage of mint, move-in single family houses Downtown

LUXURY NEWS

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 details, **please call (212)727-6164.**

LUXURY HOTSPOTS

RUBIN MUSEUM OF ART: Located in the old Barney's building on West 17th Street and 7th Avenue, this phenomenal collection of Himalayan Art belonging to the Rubin family opens at last: 6 floors displaying over 1,000 examples of bronze Buddhas, tapestries and thangkas. 150 West 17th Street (and certainly the most important addition to an already important part of Chelsea, already home to Janet Jackson, Harrison Ford, Susan Sarandon, Tim Robbins....)

5 NINTH: An alternative to other equally hot Meatpacking District eateries, this is a delight, open till 2am... 5 Ninth Avenue, Tel: (212)929-9460

COMING SOON: **BETTE**, on far West 23rd Street.....Amy Sacco's new eatery.....

LUXURY TRENDS

Bang & Olufsen BeoVision5.....Kate Spade Candles Greek Yogurt Celux, Tokyo Toshiba Transformer Laptop Rare Wines from Sotheby's September 17th Auction..... Freshly pressed sheets, 3x per week J Sisters manicures Asprey anything Lap pool Hermès for your pampered pet pooch Vintage Cocktail shakers Richard Nocera, artist.....

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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
...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