

LUXURY LETTER

-NOVEMBER 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: we offer an alternative. We are brokers working in the 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.

Presented by Leonard Steinberg & Hervé Senequier (Douglas Elliman): the *luxuryloft* team

LUXURY HEADLINES - November 1, 2004

BUYER BEWARE!LETTERS OF INTENT

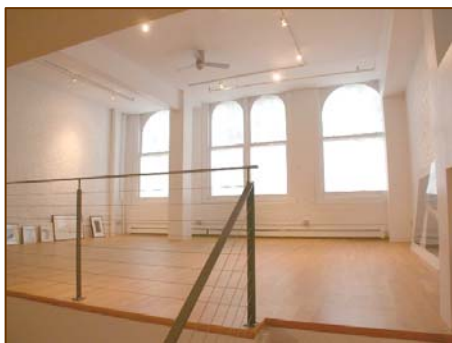
Some New Development projects open their doors to 'allow' you an opportunity to be the first in line for their product.....you get a sneak peak of a wonderful condominium building downtown, and you identify a unit you'd like to buy.....but BUYER BEWARE: *LETTERS OF INTENT* (A letter indicating your intent to buy a specific unit before it officially comes on the market) have virtually zero legal leg to stand on. They are a waste of your time. And they will work against you.

LETTERS OF INTENT are used by developers (at your expense) to gauge interest levels and pricing. If the developer receives many of these letters of intent, he'll determine that his product is more desirable than he thought initially, raise the prices, and then re-offer the product to you (if he is represented by an upstanding broker): HOWEVER, recently, buyers who spent their time and energy and thought they were committing to a project, found their letters of intent ignored, and other buyers were sold the product they thought they were promised.....DIRTY BUSINESS!

And now for the conspiracy theory: The *LETTERS OF INTENT* could very well have been used to artificially inflate the value of the product: Makes you think, doesn't it? Sound too devious to be real? Well, if you under-price something initially, and create an overwhelming (and artificial) demand.....that usually hypes pricing upwards, mostly artificially: think INTERNET STOCKS.....

BUBBLE UPDATE

No signs of a bursting bubble.....tremendous open house attendance, low (although rising) inventories, steady pricing, low interest rates, numerous transactions at all price-points, high-end buyers out in force, the promise of strong Wall Street bonuses.....all indicators of STRENGTH.



81 WHITE STREET \$1,495,000.00



58-60 GREENE STREET \$ 4,85million



771 West End Avenue \$ 595,000.00

Douglas Elliman

NOVEMBER 2004 FEATURED PROPERTIES

Fabulous Tribeca Find - 81 White Street 4W



Don't miss this superb, recently finished-out Tribeca Condominium Loft, over 1,800sf in size...With an exceptional, elevated Living room featuring enormous arched windows, hardwood floors and soaring ceilings, a 2-3bedroom (or 2-bedroom plus home office) layout is possible, exquisite, sleek kitchen (adjoining a generously proportioned Dining area) and abundant closet space.....Central Air is the bonus! Offered at: \$ 1,495million

Sun-flooded Chelsea Loft-126 W 22nd Street



Magnificent, sun-flooded Condominium Loft with huge span of south-facing over-sized windows. Numerous immaculately installed custom details have been installed throughout with huge frosted glass pocket doors and outstanding lighting and sound system. \$ 2,495million Web ID#: 634648

Union Square's finest - 115 Fourth Avenue



The Petersfield: One of Union Square's few quality, Condominium Doorman buildings...and this is the best one-bedroom, 2 bathroom 1,200sf+ unit. On a high floor, on a corner with dramatic views and light, not only is this the ultimate location...it's quiet too! \$ 1,15million Web ID#: 644245

Gramercy Park Jewel/26 Gramercy Park South



Chic, petite one bedroom perched above town-Houses with open, protected southern views affording sensational sun and light all day. Arched windows with protected views are but a few of the attributes of this gem with a KEY TO THE PARK.

\$ 449,000.00

Web ID#: 643996

SOHO'S Ultimate full-floor loft-60 Greene Street



Nothing compares to this exquisitely attired condo loft with every conceivable luxury and amenity. With three bedroom suites, featuring bathrooms of a caliber unknown to Downtown, a kitchen that inspires haute cuisine, a study worthy of a mogul, and so much more.

\$ 4,85million

Web ID #: 593922

For Information Contact: Leonard Steinberg/Hervé Senequier, Telephone: (212)727-6164

Douglas Elliman

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

MINILUXE

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

of properties: 183***

Average price: \$ 1,449million (\$844/sf) UP (compared to October 1, 2004 report)

Average Size: 1,728sf

Factoids: * Pricing up, sizing down.

* 59% Condominium: significant rise in percentage of co-op sales as buyers are priced out of condominiums, or see better values in co-ops...if they can pass the board.

* Significant rise in number of New Development 'affordable' units available as Developers see the supply for this product virtually extinct. These units are profitable to developers.

MIDLUXE

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

of properties: 83 *** UP SIGNIFICANTLY

Average price: \$ 2,695 million (\$984/sf) UP SLIGHTLY (compared to October 1, 2004 report)

Average Size: 2,713sf

Factoids: * Slightly Larger volume of co-ops

* 76% Condominium

*Richard Meier's 3rd Tower producing sales prices around \$ 2,000/sf and up.

ULTRALUXE

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

of properties: 1 ***

Average price: \$ 4,95million (\$2,150/sf)

Average size: 2,300sf (swayed average as only 1 property reviewed)

Factoids: * 100% Condominium, exceptional light, views + finishes

* 100% with Doorman

MEGALUXE

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

of properties: 12*** UP SIGNIFICANTLY

Average price: \$ 6,077million (\$ 1,470/sf) UP (compared to October 1, 2004 report)

Average size: 3,734sf (excluding outdoor space) (DOWN)

Factoids: * 100% Condominium

* 100% with Doorman

* 90% with outdoor space/penthouse

* Significant up-tick in MEGALUXE market:

HOUSELUXE

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

of properties: 5 ***

Average price: \$ 4,93million UP (compared to October 1, 2004 report)

Average width: 20feet

Factoids: MAJOR shortage of mint, move-in single family houses Downtown

Douglas Elliman

LUXURY *NEWS*

Mega-Architect designed buildings are certainly a trend, with new ones on the horizon by Phillip Johnson, Frank Gehry, Gwathemy-Siegel, and another Richard Meier Tower?.....The jury is still out as to whether the staying power exists for this product, always priced at a premium. The quality of design in the Meier towers certainly shows most other Manhattan residential structures to shame: Quality, modern residential architecture is a rare breed in New York....till recently, it has been virtually extinct! So this has to be good news....

LUXURY *HOTSPOTS*

GREAT JONES SPA: Don't miss this spectacular, 15,000sf NOHO co-ed Spa....in the making for several years. The three story oasis features every imaginable treatment, and the buzz is that it will be the celeb. attraction as it is fitted out with a private elevator + suites to avoid adoring fans, or pesky gawkers depending on who you are.... 29 Great Jones Street. Tel: (212)505-3185

ODEA: Located on the edge of Little Italy, this bar named after the enigmatic island in Shakespeare's THE TEMPEST serves up a mix of Tapas, cocktails and more in an intimate and stylish setting: private bottle 'lockers' add to the cachet... 389 Broome Street Tel: (212)941-9222

LUXURY *TRENDS*

BEOCOM 2 (the most-est home phone ever!) ... BOSE SOUNDdock (dock your I-pod into a Bose speaker/charger next to your bed) ... radiant heated floors Teak Wood flooring in bathrooms/shower enclosures ... SIEDLE intercom/letterbox for ultra-chic townhouses DOUBLESIGHT DS-1500, 2-screens-in-one monitor ... Cardok (stack 2 cars on top of one another if space is limited)

Contact information: Leonard Steinberg Telephone: (212)727-6164
Hervé Senequier Telephone: (212)727-6162
lsteinberg@elliman.com

Leonard Steinberg and Hervé Senequier are consistently 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 too can benefit from the ultimate real estate guidance and expertise.

***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