

LUXURY LETTER

-December 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: the *luxuryloft* team

LUXURY HEADLINES - December 1, 2004

As 2004 draws to a close, here is our tongue-in-cheek, luxuryletter 'in and out' list...the "NOW and NEXT" list.....

NOW

Lower East Side

Square Footage

Viking

Glass

Miele Dishwasher

Paris + Nicole

Development

Euro-chic

SPA-day

Nuclear

Space

Philippe Starck

BOTOX

The Olsen Twins

Barbara

NEXT

HUDSON MILE

Cubic Footage

Gaggenau

Hi-Tech Glass

TWO Miele Dishwashers

Lourdes + Apple

Architecture

Global-chic

SPA-home

Solar

Efficiently Engineered Space

Philip Johnson

Expression

Julia Robert's Twins

Dottie

THE MARKET REMAINS STRONG

Contrary to many predictions, the Downtown Manhattan real estate market remains stronger than ever, with price escalations evident across the luxury market. We can explain this because of the following:

- ▶ Low inventory, especially on quality properties.
- ▶ Interest rates remain low, although indicators point towards continued escalation: This does not affect the luxury market traditionally....up to a point.
- ▶ Dismal returns on the equity markets are driving money into the real estate market....Does too many speculators spell disaster? Only time will tell.
- ▶ The Dollar's slide makes Euro- and Yen-rich buyers see BARGAINS. (Remember when we were buying up the French Riviera for 89c=1 EURO?)
- ▶ The rich keep getting richer: the volume of cash in the market is unprecedented, with many purchasers buying property with 50% and more down-payments. Numerous all-cash transactions are evident at all price-points.
- ▶ Owning only one home is becoming increasingly scarce amongst the wealthy.
- ▶ Manhattan is an island: You can build property, but you cannot build land.
- ▶ Compared to other large cities, even domestically, New York is relatively well priced: A luxury condo in Miami Beach costs \$ 1,300+ per square foot!
- ▶ Bonus Season is looming: A tremendous flood of cash should be anticipated in the first quarter of 2005, making that possibly the best time ever to sell any real estate in Manhattan.



Douglas Elliman

DECEMBER 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

WANT TO BUY IN A NEW DEVELOPMENT/BUILDING? USE A BROKER-CONSULTANT.

Are you thinking about buying in one of the numerous New Developments currently on the market? Or maybe you'd like to know about the many others in the planning stages? BUYER BEWARE: The difference between these buildings is not only in the finishes of the bathrooms.....different developers have different standards and histories. Use a broker who truly understands this, and construction, proportions, locations, developers, builders and architects to give you an insider, industry-savvy perspective no sales office will ever provide. Understand not only the pro's and con's of each building, but also the individual apartments within each building: Buying the best is always wisest.

For more information on the services we provide, call Leonard Steinberg at: (212)727-6164.

There is NO BROKER FEE for this service.

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

Douglas Elliman

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

MINILUXE

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

of properties: 209***

Average price: \$ 1,469million (\$901/sf) UP slightly (compared to November 1, 2004 report)

Average Size: 1,641sf (Apartments are becoming smaller in this category)

Factoids: * Number of sales UP.

* 66% Condominium: More new development sales and 98% of them are condominium.

* 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 and also appeal to investors seeking units to buy to sub lease.

MIDLUXE

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

of properties: 85 ***

Average price: \$ 2,696 million (\$1,031/sf) UP SLIGHTLY (compared to November 1, 2004 report)

Average Size: 2,608sf (smaller)

Factoids: * 82% Condominium

*The Gwathemy-Siegal designed Astor Place Tower produced a record sales price in this classification....over \$ 2,000 per square foot! A record for the area too!

ULTRALUXE

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

of properties: 7 *** (UP significantly compared to November 1, 2004 report)

Average price: \$ 4,688million (\$1,297/sf)

Average size: 3,615sf

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

* 85% with outdoor space and doorman

MEGALUXE

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

of properties: 9***

Average price: \$ 7,177million (\$ 2,035/sf) UP significantly (compared to November 1, 2004 report)

Average size: 3,526sf (excluding outdoor space) (DOWN)

Factoids: * 100% Condominium or Condop

* 100% with Doorman

* 90% with outdoor space/penthouse

* RECORD SETTING PRICE: In Soho, a penthouse is in contract for over \$ 2,600/sf, a record for all of Downtown.

HOUSELUXE

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

of properties: 4 ***

Average price: \$ 7,36million UP (compared to November 1, 2004 report)

Average width: 22 feet

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

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LUXURY NEWS

HUDSON MILE: We are officially naming the 'front row' of property stretching from Tribeca through Chelsea on the Hudson River as *HUDSON MILE*, possibly the hottest, most fabulous stretch of real estate in all Manhattan, home already to the infamous Richard Meier Towers (all 3 of them), Morton Square, the new Barry Diller Interactive Tower (Frank Gehry-designed) currently under construction. And there are so many more coming....

WE HEAR: WE HEAR that Jay-Z has bought a spectacular penthouse on Hudson Street in Tribeca.....WE HEAR that a major movie mogul is in contract to buy in SOHO..... WE HEAR that a gorgeous townhouse on Bank Street is in contract for \$ 11 million plus with a super-secretive, mystery buyer ...

LUXURY HOTSPOTS

TRIBECA RESIDENTS: good news...**66**, the Jean-George Tribeca hotspot will start delivering (as in take-out!) in December....at last, quality Chinese food in bed! Days + Hours: Monday through Thursday: 12pm - 11pm
Friday + Saturday: 12pm - 6pm
Sunday: 12pm - 10pm

Telephone: (212) 925-0221
66 Leonard Street

66

LUXURY TRENDS

Wood mixed with concrete....caramel mixed with lilac or acid yellow accents...Gucci fireplace Accessories ...Boffi Bathroom, especially the "Swim" bathtub ... ULTI light switches (www.ulti.biz) ... Ullmayer Sylvester Architects Photo imaging on cloth; think upholstery, wallpaper.....

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Leonard Steinberg and Hervé Senequier are Douglas Elliman's most respected 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.**

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