

LUXURY LETTER

OCTOBER, 2008

the only monthly market report on downtown new york luxury real estate

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 Residential Real Estate market on a daily basis, giving you an insider's perspective to gauge the market as it is...today. While other reports deal with average, our focus is luxury.

2 OPPORTUNITIES (in the NEW, new market)

OPPORTUNITY # 1: IN A MARKET LIKE THIS, IF YOU HAVE THE CASH, THE CREDIT RATING AND THE ASSETS, THIS IS AN OUTSTANDING TIME TO UPGRADE OR UP SIZE YOUR APARTMENT.

Why? If you are selling a \$ 1 million apartment today and you have to discount the selling price by 10%, your 'loss' is \$ 100,000.00. You could also possibly benefit with your capital gains tax exposure reduction by lowering your profits. It is possible that this price point of the market could be less affected than higher valued properties as this is a good market for first time buyer financing (see below). If you then decide to expand simultaneously, and buy a \$ 4 million apartment, that is equally impacted by market conditions and is discounted 10%, hence a dollar deduction of \$ 400,000.00, the benefit is obvious, and significant. And it is the first time in almost a decade that this is possible to achieve.

OPPORTUNITY # 2: FIRST TIME HOME BUYERS CAN GET SOME REALLY GOOD FINANCING, UP TO A POINT.

If you were to buy an apartment under a million dollars, you can get a Fannie Mae/Freddie Mac mortgage up to \$729,000.00, but only until December 2008 (This could be extended beyond this date). Until recently, this amount was significantly less and prevented many first time home buyers from buying. The rates for this are excellent if you have great credit scores with solid income and a stable job.

Something to ponder...

This is probably not the best time to bring up the subject, BUT let's compare a \$ 1 million investment in the DOW JONES Industrial average to the same investment in an average condominium in Chelsea: From a big picture perspective, one has to remember the long term value of real estate, especially real estate in a prime location, quality building and a desirable unit within the building is always a solid investment and not day trading material.

- \$ 1 million invested in the DOW in January 2002, had a value on January 2, 2008 **UP 18%**. (That's when the Dow was about 12,000, so we are being kind + generous)
- \$ 1 million invested in an apartment at 252 Seventh Avenue in 2002, has a value in 2008 **UP 85%** (that's factoring in a 20% price decline, which hasn't happened) ...makes you think, doesn't it?

OCTOBER 2008 FEATURED PROPERTIES

47 MERCER STREET – SOHO AT ITS FINEST



Exceptional full floor classic SoHo masterpiece with superb original Corinthian Columns, 14ft ceilings and no-expense-spared finish out. Combined with a superb lobby and large elevator, this is THE SOHO PRIZE. 3 beds + study.

\$7.5M

200 ELEVENTH AVENUE – ONLY 3 REMAINING UNITS



Designed from the inside out, 200 Eleventh Avenue offers 16 residences. Homes feature double-height ceilings and oversized glass doors that open to outdoor glass balustrades facing CHELSEA COVE and the Hudson River. Only 3 remaining Units priced from \$6.25M

For more info visit our web site at:
www.200eleventh.com

24 WEST 11th STREET – THE ULTIMATE TOWNHOUSE



This is Central Greenwich Village's most desirable block, and this house is the most exquisitely presented re-built and renovated masterpiece, including a NEW YORK FIRST: services that include allowing for deliveries. Nothing has been compromised, and nothing compares.

\$17,5M

59 WEST 12th STREET – A RENOVATOR'S DREAM



Rarely, if ever, does a large combination of 2 apartments become available in this elegant, 24-hour doorman pre-war Bing and Bing condominium. Perched on a high floor with open views, 3 exposures (North, East and West) and a lovely terrace, this apartment is on the quiet side of the building. With 2 fireplaces and an abundance of windows, this is every renovators dream come true.

\$4.7M

133 WEST 17th STREET - PENTHOUSE PERFECTION



Everything you should want from a Chelsea penthouse: Views, light, charm, an extraordinary landscaped terrace and a prime location. With 3 bed, pre-war detail with exposed beams and brick, and superbly proportioned rooms with volume.

\$3,35M

40 EAST 20th STREET – FLATIRON TREASURE



This gorgeous 2 Bed / 2 bath full floor pre-war loft features exposed brick walls, hardwood floors. An interior study is a definite bonus. The entire apartment was recently renovated, in a newly finished out condominium with brand new lobby.

\$2.595M

390 WEST BROADWAY – SLEEK, STYLISH & SPACIOUS



This extraordinary floor-through home in the heart of Soho is a loft-lover's dream come true! Authentic pre-war detailing is mixed with contemporary flair providing every modern convenience in this prize location.

\$2.25M

300 EAST 71ST STREET – UPPER EAST SIDE OASIS



With charming treed exposures facing a quiet and sunny townhouse garden, this perfectly proportioned 1 bedroom apartment is located in a full service building in a superb location, with renovated kitchen and bathroom and lots of closets.

\$650,000

► FOR FURTHER INFORMATION ON ANY OF THESE PROPERTIES: (212)727-6164

OCTOBER, 2008 REPORT: Our 5 classifications of property:

MINLUXE - SALES VOLUME DOWN, PRICING SOLID

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

of properties sold: 196 SIGNED AND CLOSED (DOWN COMPARED TO PREVIOUS MONTH)

Average price: \$1,470m (\$1,239/sf.....UP compared to previous report)

Average Size: 1,201sf (EVEN compared to previous report)

OUR ANALYSIS: * Activity levels dropped notably from previous month but these figures include multiple closings in new buildings where contracts were signed many months ago.
* Pricing remains strong, although we are seeing more negotiability than ever before.
* We do see price drops, but mostly on exaggerated asking prices.

MIDLUXE – SALES ACTIVITY DOWN & PRICING STRONG

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

of properties sold: 118 SIGNED AND CLOSED (EVEN compared to previous month)

Average price: \$2,787 million (\$1,488/sf... EVEN, SLIGHTLY UP compared to previous month)

Average Size: 1,877sf (UP compared to previous month)

OUR ANALYSIS: * Pricing rises slightly, but number of signed contracts is down.
* These figures include several new development closings where contracts were signed many months ago.

ULTRALUXE – VOLUME DOWN / PRICING STRONG

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

of properties sold: 10 SIGNED AND CLOSED (DOWN NOTABLY compared to previous report)

Average price: \$ 4,373 million (\$1,786/sf, DOWN SLIGHTLY from previous report)

Average size: 2,450sf (DOWN compared to previous month)

OUR ANALYSIS: * Price per square foot rises very slightly, but this is attributed to contracts that were signed many months ago that just closed in September.
* Sales volume drops notably again, un-surprisingly.

MEGALUXE –VOLUME SLIPS, PRICING VERY STRONG

Large, exceptional properties, priced over \$ 5million many with private outdoor space

of properties: 20 SIGNED AND CLOSED (DOWN SLIGHTLY from previous month)

Average price: \$10,654million (\$ 2,988/sf. UP NOTABLY compared to previous month)

Average size: 3,577sf (UP SLIGHTLY compared to previous month)

* Pricing is swayed up due to several penthouse signed contracts that command a premium
* Two \$ 30 million+ properties went to contract, one at 145 Hudson and the other at 176 Perry Street
* Activity levels for signed contracts was not bad at all, considering. Possibly high end buyers were placing cash that is vulnerable to inflation into real estate?

HOUSELUXE – A DECENT PACE

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

of properties: 7 SIGNED AND CLOSED (EVEN slightly compared to previous month)

Average price: \$ 5,743 million (DOWN compared to previous month)

Average width: 22 feet

OUR ANALYSIS: * Decent activity, but no prize houses went to contract this month
* The volume for September was quite stable.
* 9 1/2 Jane Street, a TINY house, went for about \$ 2,700/sf.....nicely renovated + a record.

LUXEFIND – FOLD AWAY WORK STATION/HOME OFFICE

With the prospects of job changes in recent and coming months, not to mention limited space in apartments, this OFFICE/WORK STATION is transportable and chic simultaneously. And who likes to see office clutter in a home anyway? About \$7,500, so recession-budget-friendly....and available on AMAZON in Japan.... www.amazon.jp.co



LUXEFIND – CAFÉ SELECT - SOHO

A fabulous little place with a Swiss/German flavor on the outskirts of Soho that will serve what is probably one of New York's very first ALPINE wine lists, including a strong focus on organic wines is opening October 10th....212 Lafayette Street T: 212-925-9322



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Leonard Steinberg & Hervé Senequier, Terry Nye and Lois Planco are consistently Downtown's leading brokers specializing in the luxury real estate market.... with a track record for integrity, professionalism and results. For more information about our unique full service brokerage, view: www.luxuryloft.comor contact us at: (212)727-6164 to learn how you can benefit from our **REAL ESTATE SOLUTIONS**.

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***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 others. 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.