

LUXURY LETTER

DECEMBER, 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.

THE NEW ERA OF CONSCIOUS LUXURY

The past few months have heralded a very significant shift not only in the financial markets, but also in the consumer's mindset. We firmly believe that the days of excessive, conspicuous consumption and excessive displays of wealth are a thing of the past. So how will this translate to luxury real estate? The reality is that the wealthy will always have money, possibly a bit less now than before (and certainly some have lost fortunes) but the PARIS-HILTON-FLAUNT-MY-CASH-IN-YOUR-FACE era is over and a new era has begun where the wealthy will be more conscious of their spending and tone it down (in appearance) quite significantly. Flashy is now very un-vogue: We think the luxury levels will continue, but they will be better disguised. 'Hiding' wealth in your home will certainly be more socially acceptable than flashing it in the face of those on the streets who are unemployed and barely making ends meet. So spending gobs on a new Rolls may be replaced by spending on a beautiful study filled with great books, or a well concealed sound system, or some really great art (that may hold its value better than stocks over time). Design-wise, architects and designers (and developers when they return to the luxury market) will be challenged to deliver all the technology and conveniences this market expects while playing down the appearance and cost. In the new OBAMA-ERA, social consciousness and personal responsibility will spill over into all arenas. Anything excessive, wasteful or damaging to the environment will appear tacky, and anything that is discreet and conserves will be heralded as brilliant and responsible.

A very exciting future awaits us possibly: one where the wealthy tap into their resourcefulness and innovative genes to produce a quality of life that meets all the needs of the luxury market while undoing past excesses with a stylish and elegant new tone.



WE WOULD LIKE TO TAKE THIS OPPORTUNITY TO WISH OUR 10,000 PLUS MONTHLY SUBSCRIBERS A VERY HAPPY HOLIDAY SEASON AND A 2009 FULL OF GREAT HEALTH, MUCH HAPPINESS AND CONTINUED PROSPERITY – Leonard, Hervé, Terry + Lois



CONSUMER ALERT: In January, 2009 the consumer will be bombarded with really bad statistics about the state of the New York real estate market: brace yourself. Sales volume and pricing in areas are down quite significantly, and it will only be clear to the world in January when the fourth quarter results are released.....unlike LUXURYLETTER that lets you know what is happening as it happens. Be warned that many of these statistics will be averaging far fewer transactions, many of which were 'forced' or urgent sales. Also remember that most times 'bottoms' are only clearly visible in the rear view mirror. Pricing is definitely down in areas. This is fact. We adjust to this and move on just like all other markets do. Remember the headlines about the CRASH OF OIL PRICES? Yes, oil prices too are significantly off their highs, but the highs were definitely inflated. So were many stocks.

Now is as important a time as ever to not buy into averages and look at each property on a case-by-case basis.

DECEMBER 2008 FEATURED PROPERTIES

<p>160 W 87th STREET – CLASSIC 5 AT ITS BEST</p>  <p>This pristine 1300-sf Prewar Classic 5 apartment located in a prime UWS neighborhood is as unique as it is sophisticated with its striking high beamed ceilings, rich hardwood floors, and wonderful original details. Featuring a sleek gourmet eat-in kitchen.</p> <p style="text-align: right;">\$1,45M</p>	<p>200 ELEVENTH AVENUE – THE LAST REMAINING UNITS</p>  <p>200 Eleventh Avenue offers just 3 remaining collector item residences featuring the En Suite Sky Garage, double-height ceilings and oversized glass doors that open to outdoor glass balustrades facing CHELSEA COVE and the Hudson River. 3 bedroom, 3.5 baths. Priced from \$6.25M For more information visit: www.200eleventh.com</p>
<p>24 WEST 11th STREET – THE ULTIMATE TOWNHOUSE</p>  <p>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.</p> <p style="text-align: right;">\$17,5M</p>	<p>59 WEST 12th STREET – A RENOVATOR'S DREAM</p>  <p>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 renovator's dream come true.</p> <p style="text-align: right;">\$4.65M</p>
<p>21 ASTOR PLACE- UNRIVALLED CHECKLIST</p>  <p>Everything you would want from a Condo: Doorman, prime location and building, south facing, prime floor, mint, move-in condition, numerous upgrades, Central Air, great storage, top finishes, low monthlies, the list goes on....</p> <p style="text-align: right;">\$2.5M</p>	<p>175 W 12th STREET – OPEN WESTERN VIEWS</p>  <p>This unique property in a prime location in the heart of the West Village, boasts a full length terrace with open western exposures and extraordinary light. The condominium building also features a 24 hour doorman: A very special property indeed.</p> <p style="text-align: right;">\$1.25M</p>
<p>390 WEST BROADWAY – SLEEK, STYLISH & SPACIOUS</p>  <p>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.</p> <p style="text-align: right;">\$1.95M</p>	<p>300 EAST 71ST STREET – UPPER EAST SIDE OASIS</p>  <p>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.</p> <p style="text-align: right;">REDUCED to \$600,000</p>

For further information on any of these properties or to schedule an appointment to view, please telephone: (212)727-6162

DECEMBER, 2008 REPORT: Our 5 classifications of property:

MINLUXE - SALES ACTIVITY DOWN SIGNIFICANTLY

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

of properties sold: 95 SIGNED AND CLOSED (DOWN SIGNIFICANTLY COMPARED TO PREVIOUS MONTH)

Average price: \$1,434m (\$1,228/sf....EVEN compared to previous report)

Average Size: 1,178sf (EVEN compared to previous report)

OUR ANALYSIS: * Activity levels dropped notably from the previous month
* Pricing remains strong although many prices are not disclosed till closing and we suspect the negotiability to be between 8 and 16%

MIDLUXE – SALES ACTIVITY DOWN NOTABLY

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

of properties sold: 73 SIGNED AND CLOSED (DOWN SIGNIFICANTLY compared to previous month)

Average price: \$2,890 million (\$1,516/sf... UP compared to previous month, but we do not have the contract signed pricing yet and suspect it is down around 12%)

Average Size: 1,907sf (UP compared to previous month)

OUR ANALYSIS: * A significant drop in sales volume signals potential buyer build up over time.
* These figures are estimates, and we suspect pricing is down at least 10%.

ULTRALUXE – VOLUME DOWN

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

of properties sold: 6 SIGNED AND CLOSED (DOWN SHARPLY compared to previous report)

Average price: \$ 4,445 million (\$1,761/sf, EVEN from previous report)

Average size: 1,761sf (DOWN compared to previous month)

OUR ANALYSIS: * Price per square foot remains even.
* Hesitation continues and we have heard of significant negotiation, sometimes up to 20% off original asking prices (not adjusted prices).

MEGALUXE –VOLUME DOWN, PRICING DOWN

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

of properties: 11 SIGNED AND CLOSED (DOWN compared to previous month)

Average price: \$9,601million (\$ 2,036/sf. DOWN compared to previous month)

Average size: 3,763sf (UP compared to previous month)

* Pricing is down. Negotiation is up. Great opportunity buys exist in this area. Many Sellers are pulling their properties from the market: they can afford to do so.
* Showing volume is rather strong: the super-prime properties will hold their pricing.

HOUSELUXE – VOLUME DOWN

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

of properties: 2 SIGNED AND CLOSED (DOWN compared to previous month)

Average price: \$ 7,575 million (DOWN compared to previous month)

Average width: 25 feet

OUR ANALYSIS: * Very low activity: There are few, if any, really good townhouses in mint condition for sale under \$ 15million. Buyers are weary of lengthy + costly renovations

**FOR MORE SPECIFIC, DETAILED INFORMATION RELEVANT TO YOUR PROPERTY,
CONTACT LEONARD STEINBERG FOR A PRIVATE CONSULTATION: (212)727-6164**

LUXEFIND – FUME-FREE, SMOKE-FREE, CHIMNEY-FREE FIREPLACE

With the long, cold winter ahead, the dream of having a fireplace in your home is now a possibility with this alcohol burning version that produces a real flame, but produces no fumes or smoke and can be added almost anywhere in your apartment. Not only does a fireplace like this offer an easy and viable alternative to messy, smelly wood-burning versions that require a chimney and lots of hard work, but it also affords a multitude of design possibilities. Added to a bedroom, living room, dining room or kitchen, this eco-friendly item could add a wonderful new dimension to your home as well as enhance its re-sale value. You can design your own fireplace based on architectural needs.



ECO-SMART FIRES

ART ET MAISON located at 31 North Moore Street: T:(212) 226-3665



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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 proven track record for integrity, professionalism and results. For more information about our unique full service brokerage, view: www.luxuryloft.com or call: (212)727-6164
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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.