

# What to watch in

**2**

**YEAR OF THE PREMIERE: DOUBLE THE NUMBER OF NEW CONDOS**

**2015**

**GETTING BUSY BEFORE RATES RISE**

**PRICES GO POP**

**From sky-high prices to REBNY's executive search, the issues to watch in the year ahead**

**3**

**WILL IT BE QUEENS' TURN?**

By E.B. SOLOMONT

**A**fter the frenzied sales of 2013, New York City's real estate market didn't miss a beat in 2014 — though its pace showed signs of stabilizing, even as prices reached new heights.

Despite the overall market's widely-described return to "normal," the co-op market saw its record for the priciest residential sale toppled three times: In September, hedge-fund manager Israel Englander paid \$71.3 million for a duplex co-op at 740 Park Avenue, on the heels of the \$70 million sale of the late Edgar Bronfman's penthouse at 960 Fifth Avenue to Egyptian billionaire Nassef Sawiris. They were both outdone less than a

month later, when billionaire Leonard Blavatnik dropped \$80 million for the unit at 834 Fifth Avenue owned by New York Jets owner Woody Johnson.

It's no surprise then that there's more luxury housing coming, as developers race to complete condo towers for the super elite on 57th Street, which has come to be known as "Billionaire's Row," while other developments both in Midtown and Downtown reach for the sky, in both price and height. And there are several mega-developments on the rise, from Hudson Yards to South Street Seaport to Astoria Cove. But what else can the industry expect in 2015?

In this last issue of the year, *The Real Deal* takes a look at key topics and trends that will shape the market in the next.

## Boutique boom

Condo developers are bringing a crop of boutique buildings to the market, each crafted with a level of attention and care aimed at drawing discerning buyers.

The trend has already started to take hold.

In November, for example, Rome-based Sorgente Group's 60 White Street launched in Tribeca with eight units, including a 3,078-square-foot penthouse that's asking \$9.265 million. And in September, architecture and development firm Flank launched sales at the six-unit 224 Mulberry Street, selling two condos for upwards of \$3,330 per square foot within weeks. A 3,167-square-foot condo asking \$10.75 million and a 3,392-square-foot condo asking \$11.25 million were put under contract in mid-November.

Then there's developer Edward Minskoff's conversion at 37 East 12 Street in Greenwich Village, which launched in November, where the six units are priced from \$9 million to \$32 million.

According to Corcoran Sunshine Marketing Group, 91 properties were set to hit the Manhattan market in 2014, with an average of 37 units each. That compares with 18 properties launched in 2010, with an average of 84 units per property.

In 2015, several more boutique buildings are set to launch, including Bauhouse Group's 12-unit building at 515 West 29th Street designed by Soo Chan and an eight-unit building at 559 West 23rd Street that's being developed by NY8 Properties LLC.

"I think the new luxury is boutique buildings," said Douglas Elliman's Frances Katzen, the exclusive broker for 60 White Street.

Even as smaller buildings proliferate, some developers are coming up with more "efficient" luxury condos — meaning tight-cut units that offer more bang for the

buck —such as 15 Leonard. There, four-bedroom units measuring 2,621 square feet went into contract for prices ranging from \$6.5 million to \$7 million, according to Wendy Maitland, director of sales at Town Residential, which marketed the property.

The Karl Fischer-designed condos at 432 West 52nd Street also have efficient units, including a 436-square-foot studio for \$610,000, or \$1,399 per square foot; a 640-square-foot one-bedroom for \$995,000, or \$1,554 per square foot; and a 1,189-square-foot two-bedroom for \$1.6 million, or \$1,345 per square foot.

“It’s important that you have a myriad of product in New York, because there are a myriad of people,” said Elizabeth Ann Stribling-Kivlan, president of luxury brokerage Stribling & Associates.

To be sure, the new development market is still seeing larger residences than are typically available in the resale market.

During the third quarter, the average size of a resale unit was 2,675 square feet, compared with an average size of 4,364 square feet among new developments.

“Everything is cyclical. Three to five years ago, there was a dearth of grand-proportioned product,” said Maitland. “Now that the market is being much better served, there’s a tremendous opportunity in building more efficiently.”

And then there are bespoke residences.

At Bruce Eichner’s and Continuum Company’s 45 East 22nd Street, for instance, would-be buyers of the 83 condo units can choose from three wood finishes for the kitchen flooring and cabinetry.

