

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

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 deal with average, our focus is specifically luxury.

presented by: LUXURYLOFT.....leonard steinberg, hervé senequier, lois planco, terry nye



125 EAST 12th STREET - 5C  
This bright, duplex loft located steps from Union Square, features double height ceilings, a wood burning fireplace, 2 full bathrooms, a brand new kitchen with all the expected fixtures, quiet yet sunny Northern exposures, a large Master bedroom and an additional lofted guest bedroom/office... and all in a 24 hour doorman condominium building.  
CALL: (212)727-6164

## OCTOBER 2006 LUXURYLETTER HEADLINES

### LUXOFLATION: IS RICH IS THE NEW MIDDLE CLASS?

Have you noticed how in recent years the price of super-luxury products (and real estate) has risen dramatically? A good townhouse in the Village cost under \$ 4 million a few, short years ago.....now they are going in the teens.... In the East 60's what was \$ 10 million is now \$20 and 30 million. A top-of-the-line Rolls Royce used to cost \$ 250,000.00 about 3 years ago.....now the Phantom costs about \$ 350,000.00! We call this trend....the indiscriminate, sometimes irrational raising of prices to the super-rich...LUXOFLATION.

- \* The same inflationary trends can be seen in Loft penthouses, Hermes ties, and hotel rooms.
- \* Rich is the new middle class, and to be *really* rich these days you need tens of millions. Anyone who buys a \$ 10million property these days should probably be worth upwards of \$ 25m (and that's lenient!) The expectations of super-luxury properties has risen so dramatically that comparing to-days luxury homes to those of 10 years ago is almost pointless.
- \* So while the rich have become much richer, their dollars are buying less....or they need many more dollars to buy what they really want.
- \* The INTERNATIONAL RICH have created a global luxury community that determines what the super-rich are willing to pay: a version of supply and demand economics, on a different scale. There is a reason Hermes Kelly bags are on back-order for 12 months! Who cares about a weak dollar when there are so many more dollars to spend?
- \* To keep up with the Chinese, Russian and Indian new wealth, the International LUXOCRAT will spend whatever it takes to get what they want. This is certainly good for super high end real estate for sure.

INVENTORY UPDATE: 25% of all Downtown inventory to-day exists in new developments, many of them generic, repetitive condominium buildings. Those that are special and priced correctly will sell. Those that are not will take years to absorb (a-la-the-late-80's). There is a shortage of unique, super-high-end properties Downtown.

# OCTOBER 2006 FEATURED PROPERTIES

<p><b>132 WEST 22<sup>ND</sup> STREET- PENULTIMATE PENTHOUSE</b></p>	<p><b>PENTHOUSE PERFECTION – 224 West 18<sup>th</sup> Street</b></p>
 <p>This private full-floor dream penthouse boasts sensational views, a world-class finish out blending exotic woods, concrete, raw brick and glass. An unparalleled rooftop terrace with a kitchenette and outdoor dining area is topped off with an eagle-perch jet spa featuring sensational sunsets. \$ 6.375million</p>	 <p>This exquisite, Chelsea duplex penthouse has just recently completed a no-expense-spared renovation of the most exacting standards. It boasts superb unobstructed Southern views, magnificent light, multiple, large landscaped terraces, 3 fireplaces and more. All in a boutique-sized condominium with 24hr doorman. \$6,95million</p>
<p><b>MINT, MOVE-IN LOFT STEPS OFF UNION SQUARE</b></p>	<p><b>39 FIFTH AVENUE - PREWAR PERFECTION!</b></p>
 <p>Gut-renovated, West-facing high floor 1 bed, 2 bath Loft. A Gourmet kitchen features every conceivable luxury. The Bedroom is separated from the living room by exotic carved doors. The bathrooms are spa-perfect. Soaring ceilings and gleaming cherry wood floors feature throughout. \$1,495million</p>	 <p>Exquisitely detailed, gut renovated Bing &amp; Bing Classic on Lower 5th. Superb millwork, elegant living room with wood burning fireplace, chicly renovated kitchen, gleaming oak floors and moldings, Waterworks style bathroom all facing a tranquil and sunny garden. \$ 1,2million</p>
<p><b>115 FOURTH AVENUE - 4H SUPERB LOFT LIFE</b></p>	<p><b>90 GREENE STREET SOHO PRIME 3<sup>rd</sup> fl</b></p>
 <p>Simply gorgeous large 1-bedroom, 2 bathroom loft in a 24hour doorman building of distinction: THE PETERSFIELD. Quiet, tree exposures with bright morning light, hardwood floors, 11 foot ceilings and lots of storage. The best buy at under \$1,000/sf. \$1,199million</p>	 <p>14 ft ceilings with gorgeous exposed beams, superb south-west exposures with walls of huge windows that flood the loft with light all day and all year, condominium, ownership of retail space, so ZERO monthlies...a canvas to create your dream home: Who could ask for anything more? \$ 3,5million</p>
<p><b>151 W 17<sup>th</sup> St, 7G PRIME CHELSEA FIND</b></p>	<p><b>11 W 20<sup>th</sup> Street, 5<sup>th</sup> fl</b></p>
 <p>Northern light floods this generously scaled 2-3 bedroom apartment located in the heart of Chelsea across from the RUBIN Museum of Art. Perfectly finished out, with elegant bathrooms, a Bosch washer/dryer and over 1,800sf of space, in a fine 24hr doorman condominium. \$ 2m</p>	 <p>Exceptional detail a bounds in this large, full floor condominium pre-war loft, steps off FIFTH AVENUE and moments from Union Square and Madison Square Park. With central Air, 2-3beds and 2,5 baths, this 2,300sf space is a superb buy in an area more convenient than any. \$ 2,125m</p>

For more information on any of these properties, please call: (212)727-6164

## THE OCTOBER 1, 2006 REPORT: Our 5 classifications of luxury property:

### **MINLUXE** - volume down noticeably

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

# of properties:	62 (DOWN NOTABLY, compared to previous month)
Average price:	\$1,470m (\$1,048/sf even with previous month)
Average Size:	1,416sf (EVEN with previous month)
OUR ANALYSIS:	* Activity levels for September were noticeably lower. A sharp up-tick in showing activity occurred near the end of the month, but those deals will only register in October. * Many of these buyers have turned to renting....and rentals prices are rising CONSIDERABLY.

### **MIDLUXE** – activity down, pricing very stable

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

# of properties:	26 (DOWN CONSIDERABLY compared to previous month)
Average price:	\$2,817 million (\$1,223/sf...EVEN compared to previous month)
Average Size:	2,298sf (DOWN compared to previous month)
OUR ANALYSIS:	* Average price per square foot remains the same.

### **ULTRALUXE** – summer months produce less activity

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

# of properties:	4 (DOWN, compared to previous month )
Average price:	\$ 4,531million (\$1,162/sf, EVEN compared to previous month)
Average size:	3,138sf (DOWN compared to previous month which was skewed by 1 late closing building)
OUR ANALYSIS:	This buyer starts looking again in September after the Summer.

### **MEGALUXE** – low volume provides poor insight

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

# of properties:	1 (DOWN NOTABLY from previous month)
Average price:	\$ 6,85million (\$ 1,671/sf. EVEN with previous month)
Average size:	4,100sf (UP compared to previous month)
OUR ANALYSIS:	*Megaluxe properties do not sell traditionally in the Summer *The shortage of Megaluxe apartments continues: some are grossly over-priced for what they deliver.....at this price-point, the price does not matter as much as the quality. * WE HAVE HEARD.....that a \$ 18million combination has gone to contract at 1 YORK...

### **HOUSELUXE** – activity levels good

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

# of properties:	5 (EVEN compared to previous month)
Average price:	\$5,929 million (DOWN SLIGHTLY compared to previous month)
Average width:	25 feet (Some wider, odd shaped lot houses skewed width averages)
OUR ANALYSIS:	*A historically significant, wide house on 14 <sup>th</sup> Street went to contract just under \$ 10million... a significant price for this less desirable townhouse residential street: one would suspect some sort of commercial usage

# LUXURY OPENINGS

FREDERICK'S, the uptown, Euro-fab 'private' club and restaurant is opening a Downtown version on Hudson Street in the West Village, providing some competition to Soho's Cipriani and SOHO HOUSE. The Upper East Side version created by bothers Frederick and Laurent Lesort is notorious for it's finger-print scanner for members to access the club. ....Steve Rubell would be proud!  
637 Hudson Street



## 3<sup>rd</sup> QUARTER ANALYSIS – SLOWER, BUT STEADY PRICING

We saw a significant slowdown in sales activity, after a more traditional Summer, where many buyers turned to renting, assuming a downturn in pricing. This influx of buyer-renters has fueled a surge in rental prices, and an actual shortage of quality rentals throughout the Downtown market, especially in more desirable buildings and neighborhoods.

The shortage of certain classifications of property, combined with the long wait and uncertainty of future interest rates for purchasing new developments has triggered a slowdown in the sales market as well. Surprisingly, pricing has held rather steady. Some asking prices have been adjusted to reality.

Manhattan buyers have somewhat of a herd mentality, and while focusing on averages, they often fail to see the opportunity properties that are priced well right now in a market where not only do you have more options, but are also less prone to be bidding against other buyers.

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Leonard Steinberg & Hervé Senequier, Terry Nye & Lois Planco are consistently Downtown's leading brokers specializing in the Luxury Real Estate Market.... highly regarded by both their peers and their clientele. For more information about our unique full service brokerage, view: [www.luxuryloft.com](http://www.luxuryloft.com) .....or contact us at: (212)727-6164 to learn how you can benefit from our *REAL ESTATE SOLUTIONS room*

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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.