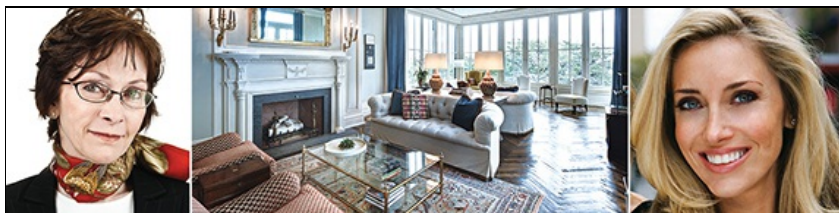


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A drop at the top: 2013's priciest closed residential deals pale in comparison to 2012's biggest sales



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By Katherine Clarke



From left: Paula Del Nunzio, 21 Beekman Place and Melanie Lazenby

With the New Year underway, it's time for a post-mortem on last year's residential market. And in an unusual twist, industry insiders who normally rely on statistics to understand the ins-and-outs of the market are saying that it's best to avoid the numbers when gauging how the uppermost echelon did in 2013.

That's because while the luxury market got all the buzz last year, some of the numbers tell a different story.

Indeed, 2013's top five Manhattan residential deals totaled \$162.13 million, a 47 percent drop from 2012's \$306.5 million. In addition, the highs weren't so high: the most expensive closed sale was the \$42 million purchase of a sponsor unit at 18 Gramercy Park, compared with the \$88 million sale of financier Sanford Weill's apartment at 15 Central Park West in 2012.

Considering this data, it may seem as though the residential market took a dip last year. However, most of the year's priciest sales — including a transaction reportedly in excess of \$90 million — won't actually close until well into 2014, brokers told The Real Deal.

Those deals are expected to break records.

The reason that they're slow to hit the tape? Those priciest deals are predominantly in new-development condominiums in which closings have not yet begun. So, with the exception of the \$42 million deal, most of 2013's top deals were resales, which are traditionally less pricey than brand-new product, or condominiums that hit the market in 2012.

It is also symptomatic of the lack of available high-end properties, brokers said.

"I would have to assume that the [drop in the numbers] is a function of available inventory and does not necessarily represent a shift in buyer motivation or an exhaustion of the buyer pool," said Tim Crowley, a broker with Flank Brokerage, the brokerage arm of the development and architecture firm by the same name, who sold the third priciest deal of the year. "There have been contracts signed this year in mega Midtown projects like One57 [at 157 West 57th Street] and 432 Park Avenue that prove this point."

Those Midtown contracts, which are set to close this year and into 2015, will provide the true and final accounting of how well the market performed in both 2012 and 2013, Crowley noted. (Some of the pending sales at One57 went into contract in 2012.)

Still, not everyone is confident that the demand for units priced above \$5,000 per square foot, the norm at towers like One57 and 432 Park Avenue, will continue at the level needed to absorb the supply. Indeed, developers, encouraged by the appetite for those units in the last two years, have brought more of those high-priced residences to market in the last year than in recent memory. Despite the overall inventory shortage, there were nearly twice as many units that came to market asking above \$5,000 a foot in 2013 than in 2012, according to data from CityRealty.

"Developers are using One57 and 432 Park as benchmarks for 2014, but it's difficult to know how deep that market is," said Emily Beare, a luxury broker at CORE. "One building in

a neighborhood does not necessarily make a market.”

Beare, whose \$70 million listing at 15 Central Park West was taken off the market in the fall, noted that the \$88 million sale last year at 15 Central Park West, the record-setting condo project developed by Arthur and William Lie Zeckendorf, had created an irrational frenzy in the market.

“Once sellers realized that the sale did not truly reflect the market, prices [for comparable listings] came down as much as 25 percent. The sale was an example of the right buyer at the right time,” she said.

But while 2013’s top five closed deals maybe not have matched the deals that went into contract the prior year, they were not shabby, either.

In a deal that didn’t make our list for instance, Christian Candy, the developer of London’s One Hyde Park, the most expensive condominium building in the world, paid \$35 million for a Renaissance-style mansion at 19 East 70th Street. The deal was not included in TRD’s final tally since the building was being used as a commercial art gallery at the time of the sale. Candy plans on transforming it into a single family home. That deal was brokered on behalf of the seller by Adam Modlin of the Modlin Group. Louis Buckworth of the Corcoran Group represented the buyer.

Read on for a closer look at which units made the cut.

RANK	ADDRESS	LISTING BROKER	SELLER NAME	BUYER NAME	SALE PRICE
1	18 Gramercy Park South, PH17 (condo)	Zeckendorf Marketing	Zeckendorf Development	Leslie Alexander	\$42 million
2	21 Beekman Place (townhouse)	Paula Del Nunzio, BHS	Estate of Peter Novello	State of Qatar	\$34.35 million
3	607 Hudson Street, #9 (condo)	Tim Crowley, Flank Brokerage LLC	Flank	Abingdon Property NYC, LLC	\$29.78 million
4	15 Central Park West, #33D (condo)	Kyle Blackmon, BHS	Zachary Jared Schreiber and Lori Schreiber	Musak Capital Corporation	\$29 million
5	12 East 76th Street (townhouse)	Sami Hassoum, BHS	Luca Orlandi	Mou LLC	\$27 million
6	45 East 74th Street (townhouse)	Brett Miles, Jason Karados, Robson Zanetti, James Cox, Jr., Town	Antarctica LLC	Galaxy Silver Limited 74th Street LLC	\$26 million
7	15 Central Park West, #7C (condo)	Nora Ariffin, Christopher Kromer, Halstead	Jeff Gordon	Mossullo LLC	\$25 million
8	720 Park Avenue, #16A (co-op)	Betsy Menserschmitt, Corcoran	Lawrence T. Babbio Jr., and Sheri Babbio	Michael and Leah Weisberg	\$24 million
9	40 Bond Street, 8A (condo)	Leonard Steinberg, Herve Senequier, Douglas Elliman	William Kriegel	Mimm LLC	\$23.5 million
10	607 Hudson Street, #2 (condo)	Tim Crowley, Flank Brokerage LLC	Flank	Hudson Heights Holdings Inc.	\$23.4 million
11 (tie)	640 Park Avenue, #8FLR (co-op)	Serena Boardman, Sotheby's	Estate Of Sue Erpf van De Bovenkamp	Stanley and Frieda Cayre	\$23 million
11 (tie)	720 Park Avenue, #9A (co-op)	John Burger, BHS	Peter A. Aron	Steven Tanarbaum	\$23 million
13	106 East 71st Street (townhouse)	Carrie Chiang, Janet Wang, Corcoran	135 LLC	Hosh Bass LLC	\$22.9 million
14	607 Hudson Street, #10 (condo)	Tim Crowley, Flank Brokerage LLC	Flank	Abingdon Investment LLC	\$22.4 million
15	950 Fifth Avenue, #5/6 (co-op)	Cindy Kurtin, Jessica Vertullo Maher, Stribling	Jerome and Joan Serchuck	Jie Trust	\$22 million
16	1 Central Park West, #PH48A (condo)	Howard Margolis, Jamie Mitchell, Douglas Elliman	Elizabeth Ross Johnson	Unit 48a Cpw LLC	\$21.9 million
17 (tie)	3 East 77th Street, #10/11B (co-op)	Roderick Waywell, Charles Rutenberg	Charles Lazarus	Carlos Rodriguez-Pastor	\$21 million
17 (tie)	733 Park Avenue #PH (co-op)	Barbara Fox, Brad Loe, Fox Residential Group	Estate Of Ethel S. Allen	Park Avenue Family Trust	\$21 million
19	775 Park Avenue, #11B (co-op)	John Burger, BHS	Zoe Cruz and Ernesto Cruz Jr.	Christopher Enrico	\$20.9 million
20	48 East 74th Street (townhouse)	Paula Del Nunzio, BHS	Harold Prince and Judith Prince	48 East 74th Street LLC	\$19.1 million

Source: Data from StreetEasy and CityRealty.

Priciest closed residential sales for 2013. Click to enlarge

18 Gramercy Park, PH17

Closing date: Aug. 14, 2013

Price: \$42 million

For the second consecutive year, the priciest closed sale was in a building developed by the Zeckendorfs.

The most expensive sale of 2013 was the duplex penthouse at the brothers’ 18 Gramercy Park South, a 16-unit luxury condo conversion launched in 2012.

Leslie Alexander, the billionaire owner of Houston Rockets basketball team, snapped up the unit for the full asking price of \$42 million, setting a record for priciest condo sale Downtown.

Still, that record may not hold up for long. There are units in contract at buildings like Walker Tower, the former Verizon tower at 212 West 18th Street — which was converted to luxury condos by JDS Development and Property Markets Group — and the much ballyhooed Herzog & de Meuron–designed 56 Leonard Street for more than \$50 million and \$47 million apiece, respectively, according to news reports.

The 18 Gramercy Park South listing was handled by Zeckendorf Marketing, while Alexander was represented by Douglas Elliman broker Melanie Lazenby.

“For the buyer, it felt like an unusual opportunity to be able to buy something that’s pre-war

on the only private park in New York City," Lazenby told *TRD*. "That's an opportunity that never comes up. Gramercy Park was fashionable 100 years ago and will be fashionable 100 years from now, so it just felt like a very safe investment."

Lazenby, who met Alexander in the elevator at her building Superior Ink in the West Village, said the sports mogul had been looking for something turn-key this time around. He pulled off a successful flip at Superior Ink in 2010 with the \$31.5 million sale of his unfinished penthouse, which he'd purchased as raw space.

He was one of the first buyers at the Gramercy Park building, after looking at floor plans for the penthouse unit at a meeting in the Gramercy Park Hotel.

The 6,000-square-foot, five-bedroom pad, which takes up the full 16th and 17th floors of the pre-war conversion, has 2,000 square feet of outdoor terraces, an outdoor pool and a fireplace. The property, of course, also came with a highly coveted key to Gramercy Park.

Alexander was especially attracted to the outdoor space because he has a dog, Lazenby said.

21 Beekman Place

Closing date: June 18, 2013

Price: \$34.35 million

A century-old townhouse once owned by famed landscape architect Ellen Biddle Shipman ranked as Manhattan's second-most-expensive residential deal of 2013. The home at 21 Beekman Place in Turtle Bay was also the most expensive townhouse sale.

The deal set a price-per-square-foot record for a Manhattan townhouse, at \$4,754 a foot. The previous record was held by a townhouse at 14 East 94th Street, which sold for \$24 million, or \$4,380 per square foot, in 2012.

Still, while the property — which Shipman inhabited between 1919 and 1946 — sold for \$34.35 million, that was significantly less than the \$43 million asking price. The buyer was the State of Qatar, the sovereign Arab emirate, and according to news reports, the home will likely serve a diplomatic purpose going forward. A representative for the embassy of the State of Qatar in Washington did not respond to a request for comment.

The 6,740-square-foot home was sold by the estate of the late financier Peter Novello, who acquired it in 2008 for \$10.8 million, but died in 2012. Novello completed an extensive renovation of the property after the previous owner, a Florida businessman named William Rupp, added ornamental embellishments to the exterior of the property and built a wall atop the home to block neighbors' views. Novello also replicated the oak floors and rebuilt the library and riverfront conservatory that had existed when the home was owned by Shipman, whose clients included New York's elite, such as Robert Vanderbilt, J.S. Rockefeller, and Vincent Astor.

The Qatari government liked the Novello's period furnishings so much that it acquired them with the home — which is at East 50th Street and is surrounded by a wrought-iron gate — for an additional \$650,000.

Brown Harris Stevens broker Paula Del Nunzio represented Novello's estate. She did not respond to requests for comment. It was not clear if the buyer had representation.

The Abingdon at 607 Hudson St., #9

Closing date: May 6, 2013

Price: \$29.78 million

The April launch of the Abingdon, a collection of 10 residences converted from a former 200-bed nursing home at 320 West 12th Street in the West Village, generated multiple high-priced deals in 2013, including the \$29.78 million sale of the building's second penthouse unit.

The 8,400-square-foot unit was purchased by Abingdon Property LLC, but the buyer behind the LLC is unclear.

The purchase price was 53 percent higher than the \$19.5 million asking price because the buyer combined a 5,295-square-foot-penthouse unit with a 3,200-square-foot unit below to make the giant spread spanning three floors.

Crowley of Flank Brokerage represented the sponsor in the deal. He declined to comment on the identity of the buyer, quipping only that the person obviously had "great taste in real estate."

The Georgian building was constructed in 1906 and was converted into 10 apartments by Flank in 2011. The developer snapped up the former nursing home for \$33.3 million.

Residents of the doorman building have access to a gym, a sauna and private storage

rooms. The building's 10 units are each larger than 3,200 square feet. The cheapest was \$8.75 million.

The last unit at the property, a \$10.5 million unit on the seventh floor, is now in contract, according to StreetEasy.

"With the Abingdon, it's all about location," said Michael Graves, a broker with Douglas Elliman who had toured a unit at the building but not seen the penthouse. "You're right in the heart of the West Village, where everyone wants to be."

15 Central Park West, #33D

Closing date: July 10, 2013

Price: \$29 million

Zachary Jared Schreiber, a founder and the chairman of hedge fund Pointstate Capital, sold his 3,173-square-foot, 33rd-floor condo at 15 Central Park West for \$29 million during the summer.

The deal, the fourth-priciest closed sale of 2013, came one year after Schreiber and his wife Lori Fisher Schreiber snapped up a six-bedroom co-op at 1030 Fifth Avenue.

The 15CPW unit was listed with Kyle Blackmon of Brown Harris Stevens two years before the sale, but was not publicly listed at the time of the deal. Blackmon declined to comment on the deal.

The buyer was listed in public records as Mussik Capital Corp.

The Schreibers acquired the unit in 2008, for \$11.19 million, public records show.

According to news reports, the corner living and dining rooms have floor-to-ceiling windows with views of the Central Park reservoir and a 16-foot bay window, while the tiger-stripped maple-paneled library has built-in shelving. The home also has a formal dining room with a fireplace.

The Robert A.M. Stern–designed building has, of course, garnered headlines as one of the world's most exclusive condos, and has been home to celebrities such as Yankee slugger Alex Rodriguez and actor Denzel Washington.

But of the top 20 deals of the year, just two were at 15 Central Park West, the same number as in 2012. The other major deal at the storied building was the sale of NASCAR star Jeff Gordon's pad for \$25 million in October.

The Schreibers bought the Fifth Avenue unit from cellular communications mogul George Blumenthal for \$31.5 million in 2012.

12 East 76th Street

Closing date: March 28, 2013

Price: \$27 million

Italian designer Luca Orlandi, owner of fashion label Luca Luca, sold off his Upper East Side townhouse at 12 East 76th Street for \$27 million in March in a notably quiet deal. The Milan-born fashion guru, who is married to Nigerian-born supermodel Oluchi Onweagba, bought the home for \$12.35 million in 2008.

The property was purchased by an LLC named Mou, public records show.

Sami Hassoumi of Brown Harris Stevens represented the seller of the property, which was not listed on the market. Rather, it sold after three private viewings scheduled for just before the listing went online.

"We were about to list it but this whole thing happened so fast," Hassoumi told *TRD*. "In the 24 years I've been selling properties, I've never seen a house selling so fast."

When Orlandi bought the five-story, 7,056-square-foot building, which has an outdoor garden and terrace, it had been owned by the same family since 1954 and was divided into two apartments with a doctor's office on the ground floor. Its period details had been removed during a previous renovation.

The fashion mogul rebuilt the property from scratch, replacing its red-brick façade with classic limestone. The resulting five-bedroom, six-bathroom residence has two wood-burning fireplaces, an elevator and a rooftop garden.

"He ripped everything inside out," Hassoumi said. "That property was the ugliest building on the block and it became the prettiest."

Orlandi eventually decided to sell the property because his wife preferred the apartment lifestyle, Hassoumi explained. The couple moved to a penthouse in the Gramercy Park area, he said.