

Adjectives Get Evicted



Left, Danny Bright for The New York Times; right, Andrea Mohin/The New York Times

NEW ERA “We never used to say ‘reduced,’ ” says Deanna Kory, left, a broker. Bruce Ehrmann, right, a broker, says value “was uncomfortable even to talk about.”

By TERI KARUSH ROGERS
Published: February 27, 2009

FOR better and worse, the mentality that helped propel the city’s real estate prices into lunar altitudes is gone. Not only are there fewer buyers today, but they are also more apt to have a yard-sale attitude, demanding sharp discounts on top of reduced prices — Poggenpohl kitchen and last year’s comps be damned.

Racing to keep up with a down-market mindset, many real estate brokers say they have been experimenting with a new paradigm in advertising, spinning their ads like roulette wheels in the hope of landing in the sweet spot of the parsimonious post-Lehman buyer.

The model is shaping up like this: The new propriety frowns at luxury, lifestyle and the fetishistic focus on designer brands and architects. Instead, brokers say they are trying to recast their listings in terms of responsible spending, comfort and, most especially, value.

“Three or four years ago, value was something that was uncomfortable even to talk about,” said Bruce Ehrmann, an associate broker at Stribling & Associates. “Value suggested thrift, and thrift meant you couldn’t keep up.”

But now value has another ring and thrift has a nice kind of sound. “People are not buying emotionally or lustily — they’re buying in a calculated manner the likes of which we haven’t seen in 15 years, except briefly after 9/11,” Mr. Ehrmann said. “The draw tends to be location, price and value before glory, glamour, Valcucine kitchens and Waterworks baths.”

An attractive price is the most direct way to convey value, preferably set off by some variation of the formerly taboo “reduced.”

“We never used to say ‘reduced’ in a very strong market because we felt people would think of it as tainted goods,” said Deanna Kory, a senior vice president at Corcoran. “But now if you don’t, people don’t think the seller is serious, especially if it’s been on the market any length of time. And people today feel cheated if they don’t get a deal.”

This is especially true, she added, in “certain categories that are more saturated, like one-bedroom co-ops and downtown lofts from \$3 million to \$6 million.”

Still, brokers were divided on the proper lingua franca for conveying price reductions and incipient seller desperation.

“We’re seeing a lot of ‘best price in the building,’ ‘unbelievable value,’ ‘won’t last,’ ‘only XYZ per square foot,’ ‘20 percent below market value,’ ‘must be seen to be believed,’ ” said Jordan Tepper, the executive director of sales at Century 21 NY Metro. “We’re trying to

give buyers a reason to buy now and not wait for the inevitable price declines they're hearing about to come to fruition."

Barbara Fox, the president of the Fox Residential Group, favors the phrase "well priced for today's market," which she says indicates "that it's not part of a pre-September listing."

Maggie Ocampo, a sales manager at Time Equities, says she tries to avoid using "must sell."

"I don't think it helps move an apartment," she said. "I don't even use 'price reduced' because they're all over the place. I might say 'priced well' or 'good value.'"

Demonstrating that an apartment is worth its sticker price is the next challenge. Today's aggressively frugal buyer is thought to be more drawn to good building financials and low carrying charges than to luxury, lifestyle and amenities.

"Sensitivity is definitely the watchword now in selling luxury goods in general," Ms. Kory said. "Co-ops are no exception. The former message, 'We are the best and have the best of everything,' is now a bit more subtle."

Mr. Ehrmann recalled another agent's recent pitch for a downtown loft. "It was advertised as a 'trophy' loft, which was commonplace five years ago," he said. "It was actually shocking in the current environment. It was quickly changed."

Similarly, while a year ago Ms. Kory might have laced her listings with breathless superlatives like "no expense spared," these days she is more inclined to employ "elegant," "tasteful" or "set up for comfortable living."

"I have to come up with different phrasing to mean the same thing but appeal to the sentiment today," Ms. Kory said. "Even people who still have money are cognitive of the fact that they might be one of the

few that are doing this.” Moreover, with the mood shifting from conspicuous consumption toward social responsibility, “anything ‘green’ is definitely in,” she said.

Just as luxury may have seen finer days, amenities are not exactly the terms of endearment they once were.

“People used to not mind paying higher common charges and a big premium on the price,” said Barak Dunayer, the president of Barak Realty. “As the market is getting more value-driven, buyers are saying they’d rather pay \$1,000 a year to join a gym across the street than add \$250,000 to the purchase price.”

Still, he said, concierge services, swimming pools, wine cellars and [golf](#) simulators aren’t necessarily liabilities: “It’s the value that buyers place on those amenities that has changed. So you don’t hide it in the ad, it just gets less emphasis.”

That shift is awkward for marketers peddling new condos in amenity-studded towers. After all, those lifestyle enhancers were supposed to help persuade buyers to pay a premium for what are frequently cookie-cutter spaces.

“If I’m building a project today, I’m not putting all those bells and whistles on it,” said Andy Gerringer, the managing director for the Prudential Douglas Elliman development marketing group. “But with properties that already have them, you probably communicate more about incentives — the ‘i-word’ people never wanted to mention before Lehman — or say that there’s some room for negotiation. At the same time, you don’t want to downplay the best features of the property, because people want to know they’re getting a lot of bang for the buck today.”

So what, exactly, is the formula for a compelling ad?

“First emphasize the financial features, and then whatever this apartment has that’s unique,” said Paul F. Purcell, a founding partner of Charles Rutenberg Realty.

Features to crow about include location, space, layout, views, ceiling height, floor level, light and number of exposures, as well as outdoor areas and wood-burning fireplaces, and the overall condition of the apartment.

Condition is key, said Diane M. Ramirez, the president of Halstead Property, “An apartment that needs work is becoming increasingly difficult to sell. Value doesn’t require spending \$100,000 or \$200,000 more to fix it up.”

Scott Gutterman, 43, a finance director at a law firm, and his wife, Lainie, 34, a publicist, began house-hunting in earnest in December. They sifted through about a hundred online ads a week.

“You definitely need a differentiator,” Mr. Gutterman said. “Especially on the Upper East Side, a lot of the apartments have a very similar look. They were built in the ’70s and ’80s and looked almost cookie-cutter. So the only way we would go to see something is if there were a differentiator — a building with a pool or a children’s playroom, or an apartment with a space and layout that allowed for openness, or one where you could have a washer-dryer.”

The Guttermans eventually found what they wanted through a broker, signing a contract last month to buy a two-bedroom, two-bath prewar co-op apartment on Sutton Place for around \$1 million. The differentiator? Two wood-burning fireplaces and a dining room that could be turned into a third bedroom.

With recession-thinned advertising budgets allowing little room for pricier print, many brokers say they now advertise exclusively online; publicizing listings through targeted e-mail lists is becoming increasingly popular.

Selecting the right key words is critical to achieving visibility in online searches. Ms. Kory recently learned that rather than pull in buyers, creative copywriting can keep them away.

“I have a wonderful apartment on Central Park West that has park views,” she said, referring to a two-bedroom prewar co-op apartment currently listed at \$4.15 million. “I was so tired of using the words ‘park views’ that I decided to write ‘park vistas.’ But it didn’t show up on any keyword search. People would type in ‘two-bedroom Central Park views’ and ours didn’t come up.”

On the Internet, photos speak as loudly, if not louder, than words. These have changed, too; these days they project investment-worthiness.

“There are no more obsessive-compulsive close-ups of faucets and toilets,” said Mr. Ehrmann. “Now you’re shooting the size of the space — the long shot, not the close-up. You have to be able to convey some sense of value.”

Pretty pictures aside, how does a seller know if advertising is working? Mr. Purcell says that an ad that prompts 5 to 10 phone calls is effective in the current market.

But some buyers wonder whether brokers may be spinning the degree of spinning going on.

“I haven’t noticed that advertising has really changed,” said Alison Blackman Dunham, 50, a freelance writer and online advice columnist who lives in Brooklyn Heights. She and her husband, John, are shopping for a [Manhattan](#) apartment with a view of the Hudson River for under \$1 million.

“I’m absolutely seeing ‘all the luxury-you-deserve’ and ‘high-end-living’ kind of stuff,” she said. “If anything, I’ve noticed that that’s what they’re pushing, the marble bathrooms and elegant lifestyles. And it’s not a turnoff to me. I don’t feel apologetic or gleeful about

what's happening in today's world. I've worked hard in my life to get to the point where I can even afford to consider moving, and if I want to live like a pasha, no one's going to make me feel guilty that I'm not more frugal."

While she has noticed more announcements about price reductions and deals to be had, she said these come-ons were lost on her: "There's a reason why the price is so low—you may be next to a dump or on the first floor."

Asked to describe an ideal ad, she gave this advice:

"Tell me the number of square feet and whether that includes the balcony or the bathroom. Tell me if there's an issue, like if it's on the first floor or next to a place where they're grinding up glass for recycling or if the maintenance is high. I want to know how long it's been on the market.

"Show me real pictures," she implored. "Do not show me a picture of the neighborhood or somebody with a Cartier bag. I do not want to see the lobby or the health club. I want to see close-up pictures of the apartment so I can see its warts — if you're next to a playground, there's some mother who will love it, but it's not for me."

Ms. Kory delivered a sympathetic but firm response to Ms. Dunham's suggestions.

She explained that in order to avoid lawsuits by buyers, brokerages allow their agents to advertise co-op square footage only if it can be backed up in writing by an expert source like an appraiser, co-op board or architect. (Condo measurements taken from the offering plan are permitted.)

As to Ms. Dunham's call for warts-and-all transparency in advertising?

“Her point is well taken,” Ms. Kory said, “but our job as brokers is to get people through the door, and our responsibility when advertising is to the seller. What seller would like you to say the apartment is on the first floor, across from a playground, and needs work? We don’t want her frustrated by seeing a playground, but on the other hand, she might fall in love with the apartment and end up buying it because it meets her needs in every other way.”

Well, maybe. But there’s also a risk of aggravating the playground-adverse buyer who expects straight talk from advertisements.

Ms. Dunham, aka Advice Sister Alison, had more to say about that: “Don’t use all caps, which is like screaming at me and just connotes cheap and annoying and gives me a feeling I won’t like the broker,” she advised. “And I don’t like things that flash at me or take a long time to load.”