

Chinese Buyers Flood Real Estate Market in Search of Kids' College Housing

By: Amy Zimmer

MANHATTAN — Real estate adviser Justin Stewart has been in deep discussions with a client from China who's determined to buy an apartment in Manhattan in anticipation of his son attending college here — even though the boy is still four years from graduating high school.

With a volatile real estate market in China and restrictions on real estate purchases in many cities there, a flood of wealthy Chinese investors has been turning its sights to sleek, high-end condos in Harlem, Midtown and elsewhere as a gift to their children who are studying — or hope to — at NYU, Columbia and other schools, many real estate brokers said.

"They want a more comfortable setting than a dorm when they're bringing [children] out of their comfort zone," said Stewart, who works in New York for Windham China, a Michigan-based real estate development firm that has begun leading tours for prospective Chinese investors in the U.S.

"Their son or daughter gets to live here, and it's an investment opportunity. They get a trophy property."

Foreign buyers have recently made up roughly 30 percent of new condo purchases — with Chinese buyers tending to spend roughly \$1.5 million on apartments near their kids' colleges, according to Elizabeth Stribling, in brokerage Stribling & Associates' fall market report. In addition, many of the buyers are willing to pay in cash, brokers said.

Windham China has been bombarded by "high net-worth" investors from China — a "huge percentage" of whom are buying for their children, Stewart said — who sign up for the firm's multi-city real estate tours every two months.

"Education is the No. 1 concern for many families. Whatever they can do to make it easier for their children to go to college here, they will," Stewart said.

His firm opened an office in Shanghai five years ago intending to develop other properties in China, but soon discovered there was more of an interest in buyers wanting U.S. real estate, he said. The company is now gearing up to increase the frequency of its tours, and is expanding its outreach to four other cities in China.

Real estate brokers across the city say they have seen a concerted interest in local condo units from foreign investors, particularly from China.

Stephen G. Kliegerman, president of Halstead Property Development Marketing, has noticed an uptick of Chinese buyers over the past year, estimating the number of clients he's seeing from China has doubled and now represents a "constant, steady flow."

Many of these clients have been buying or looking at new condos in Harlem for their children attending college or grad school at Columbia, Fordham or other schools in the city, he said.

"The Chinese buyers see Harlem as a good value and an up-and-coming area," Kliegerman said. "They're interested in the value and the quality of the product. They're looking for the contemporary finishes."

Buyers are often looking for southern exposures and tall, glass buildings, brokers said, but there are some additional cultural preferences, as well.

At least five families from China with children in graduate or undergraduate programs here have bought in Gramercy's ultra-modern 148 E. 24th St., where current listings range from a studio for \$495,000 to \$899,000 for a one-bedroom.

Kliegerman has also been seeing interest in such new Harlem projects as 2130 Adam Clayton Powell Blvd., where listings range from a studio for \$239,000 to \$949,000 for a one-bedroom.

Two of Kliegerman's clients from China so far have bought apartments in Harlem's 88 Morningside Ave. — the number eight being among the luckiest in Chinese numerology — where units are currently listed from \$375,000 for a one-bedroom to \$880,000 for a three-bedroom, he said. He added that he expects two to three more buyers from China to close on units in that building.

Brokers agreed that the address of the units are paramount — particularly if they include what Chinese buyers consider to be lucky or unlucky numbers.

The number eight is considered lucky for Chinese buyers, noted [Wei Min Tan, a broker with Rutenberg Realty](#), who also said his business with Chinese clients doubled this year.

An apartment with the number 1188 would be ideal, he said. "In Chinese it translates into 'get lucky every day.' Eight is prosperity and one means every day. Four would be an unlucky number, so they avoid apartments with the number four."

Stewart said prospective buyers from China are also interested in apartments that have good *feng shui*, or flow, prompting him to show them the Trump Soho hotel/condo on Spring and Varick streets, the Setai at 400 Fifth Ave. at 37th Street, and Fifth on the Park at 1485 Fifth Ave. at 120th Street in Harlem.

Tan said that many of his clients often come asking to see apartments in "Shang Dong" — the Chinese name for Upper East Side.

"They want Central Park or Fifth Avenue, because that's what they hear about from their friends as well as seeing it on television," Tan said.

But many of these buildings are co-ops, and most foreign buyers, especially Chinese nationals, want condos, where they're given title to the apartment and have flexibility to rent it out, Tan said.

Manhattan's residential ownership landscape was virtually all co-op until 1976, when Aristotle Onassis financed the construction of the condo-based Olympic Tower at 641 Fifth Ave., at 51st Street, according to Stribling's fall market report. Soon, condos will represent 30 percent of the city's residential ownership, the report added.

The growing group of Chinese buyers is now being targeted by Yue, a Chinese-English bilingual magazine launched in November by the *New York Observer* in partnership with China Happenings, a multimedia platform focusing on China's cultural industries.

"Yue" comes from the second character of the Chinese name for New York City — "Niu-Yue" — and means "invitation, promise and rendezvous," according to the Observer Media Group. The high-end glossy had an initial run of 35,000 distributed to city locales visited by China's luxury travelers.

"They're buying for vacation homes and as investments," [Tan](#) said. "A lot are thinking of five years down the road, when they're kids can come for college."

[Tan](#) has one client with a 19-year-old son going to school here, and another with a son going to college in North Carolina who wants an apartment here since it's a short flight away.

"Property in Hong Kong and China are at bubble levels," [Tan](#) said, noting how prices rapidly dropped a month ago after hitting "astronomical" levels. "[Chinese buyers] want a place that's more stable and less volatile, so they're coming to New York."

Though many brokers said that Chinese buyers favor glassy buildings, Steve Rutter, managing director of Stribling Marketing Associates, also said they like "authentic New York" pre-wars that have been converted to condos — as long as there are many new amenities.

He has sold four one-bedrooms to Chinese buyers with children at NYU in the Devonshire House, a classic doorman pre-war condo at 28 East 10th St. that's been completely renovated with sleek modern interiors.

"I think they probably feel it's safe and [the kids] have less of a chance of getting into trouble than in a dorm," Rutter said. "They're focused on their kids' studies and think it's not going to be as noisy as a dorm."

The stately building has "gracious" one-bedrooms that sell for roughly \$1.3 million to \$1.6 million, Rutter noted.

"It makes for a great dorm room," he said with a laugh, adding that when his daughter, a junior at NYU heard about these purchases, she said: "That's not fair."