

# The New York Times

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## Business Day

### Stratospheric Views, and Prices

#### The Tallest, Richest Additions to the Skyline

Three residential buildings under construction in Manhattan are so tall that they will be instant landmarks. And apartments inside are selling for record amounts.



#### 56 Leonard St.

821 FEET  
2015 expected completion;  
60 stories; 145 units

Architect: Herzog & de Meuron

Described as a glass-and-steel version of the game Jenga. In June, a penthouse was bought for \$47 million, a record for a condominium sale below Midtown.

#### 432 Park Ave.

1,396 FEET  
2015 expected completion;  
96 stories; 104 units

Architect: Rafael Viñoly

When completed, it will be the tallest residential tower in the country. The penthouse is in a \$95 million contract.

#### One57

1,004 FEET  
Expected to open in 2013; 90 stories, 94 units on top of 210-room Park Hyatt Hotel

Architect: Christian de Portzamparc

Nicknamed the "Billionaires Building" because at least a dozen billionaires have purchased apartments there. A penthouse sold for \$90 million.

#### 15 Central Park West

Built: 2008;  
43 stories; 201 units

Robert A.M. Stern Architects

Nicknamed the "hedge fund building." Last year, the Russian financier Dmitry Rybolovlev paid \$88 million to buy a penthouse from Sanford I. Weill, the former Citigroup chief, a record at the time.

#### 740 Park Ave.

Built: 1930;  
19 stories, 31 units

Rosario Candela and Arthur Loomis Harmon architects

A triplex penthouse that was once owned by John D. Rockefeller Jr. has more than 34 rooms and was bought for \$30 million in 2000.

Looking from the East side of Manhattan directly to the West

Sources: building developers; company websites

THE NEW YORK TIMES

### Globe's Richest See Bargains In New York's Newest Towers

By JULIE CRESWELL

Walking slowly to the windows facing the meadow of green that is Central Park, Gary Barnett slips into salesman mode as he spreads his arms wide, embracing the sweeping bird's-eye view he has from the 87th floor of his shimmering skyscraper in Midtown Manhattan.

Noting a visitor's gasp at the stunning vista, he smiles. "That's what we want. We want the 'Oh, wow,'" he says.

That 'oh wow' factor is part of a 6,250-square-foot, full-floor apartment in his soaring skyscraper, One57, complete with a soon-to-arrive master bedroom tub carved from a single piece of Italian marble. The apartment comes with a hefty price tag of \$67 million. Or, put another way, nearly \$11,000 per square foot. That's Per. Square. Foot.

Too rich? Well, there is another, similar apartment a few floors lower that has a number of potential buyers circling it that's "only \$55 million," Mr. Barnett says before pausing. "I didn't really say, only \$55 million?" He

laughs. "It's all relative."

And relatively speaking, it is practically a bargain. From the perspective of the overseas buyer, it may very well be. Even as the prices of some of the city's newest and hottest buildings like One57 stretch into the stratosphere, luxury apartments in Manhattan remain relatively cheap compared to other cosmopolitan cities around the world. That fact is attracting more global buyers to New York.

Last year, an apartment in Monaco's curvaceous Tour Odéon sold for \$8,850 a square foot. A well-off buyer paid slightly less, \$8,779 a square foot, for an apartment in the sleek Frank Gehry-designed Opus Hong Kong.

And in West London, the average price for the 86 apartments in One Hyde Park has been more than \$9,500 a square foot, according to research from the British property consulting firm Knight Frank.

At One57, the activist hedge fund king William A. Ackman is reportedly part of an investment group that is paying more than \$90

million, or about \$6,666 per square foot, for the 13,500-square-foot duplex on the 75th and 76th floor, referred to as the "Winter Garden," because of its 2,500-square-foot-glass-enclosed space that can house either a garden or a swimming pool. One57 is practically a steal at an average price of more than \$6,000 a square foot. Another soaring tower on the east side of Midtown, 432 Park Avenue, is asking for \$6,894 a square foot, based on its latest offering plan.

This new crop of super-luxurious New York high rises — skyscrapers so tall they needed approval from the Federal Aviation Administration — are attracting Wall Street moneymen, company executives and foreigners alike. Analysts estimate the percentage of foreign buyers in Manhattan real estate has jumped to about 30 or 40 percent of total sales, or double long-running averages.

At new developments like One57, foreigners make up about half the buyers. Among the purchasers are the Canadian business-

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# Globe's Richest See Bargains in New York's Newest Luxury Towers

From First Business Page

man Lawrence S. Stroll and Silas F.K. Chou, a native of Hong Kong, business partners who took the fashion label Michael Kors public last year. Buyers from China have bought about 15 percent of the building, including one corporation that bought four apartments.

Manhattan has always attracted a number of well-to-do globe-trotters who would happily spend a couple of million, maybe even \$10 million, for a snazzy pied-à-terre on the Upper East Side. But as increased numbers of global billionaires have set their sights on Manhattan, there has been an absolute explosion in prices for top-of-the-market luxury apartments.

One reason for that is simply a low supply of sleek apartments available for the rich and famous. There is not a lot of suitable, empty space in Manhattan for those sorts of developments, which can easily require more than a decade of planning and construction.

With the continued economic malaise across Europe and heightened political unrest in hot spots around the world, foreign and American billionaires alike are seeking safer places to park their assets. New York, say analysts, looks like a pretty safe bet these days.

"We're building the equivalent of bank safe deposit boxes in the sky that buyers can put all their valuables in and rarely visit," said Jonathan J. Miller of the real estate appraisal firm Miller Samuel.

Not that long ago, \$30 million got you a pretty nice trophy property in Manhattan. At least, that is what people thought in 2000 when Stephen A. Schwarzman, the co-founder of the Blackstone Group, the private equity giant, paid that record-breaking amount for the sprawling 34-room penthouse at 740 Park Avenue, where John D. Rockefeller Jr. once lived.

This being Manhattan, eye-popping purchases both mirror and amplify the era of real estate excess. As in other major metropolitan cities, New York's luxury market — defined as the top 10 percent of sales — peaked in early 2009 at an average price of \$2,612 a square foot, according to data from Miller Samuel. After dipping to a low of \$1,655 later that year, it has rebounded to an average of \$2,055 in the third quarter of this year.

New York has always had its share of hot "it" buildings, the exclusive white-glove residences that command megabucks well above-market trends — 820 Fifth Ave. or 15 Central Park West, often known as the "hedge fund building."

In 2008, the former Citigroup chairman Sanford I. Weill paid

\$44 million for the four-bedroom penthouse in 15 Central Park West.

Four years later, as a wave of buyers from Russia made big splashes in New York trophy apartments, Mr. Weill turned around and sold the apartment to the Russian tycoon Dmitry Rybolovlev for a record-breaking \$88 million. While that deal still holds the record for the highest price per square foot paid in New York — \$13,049 a square foot — it will most likely be broken next year as sales under contract in the new developments start closing.

For luxury apartments, New York is the new hot market for global buyers. "We are just swamped," says Elizabeth L. Sample, a senior global real-estate adviser and associate broker for Sotheby's International Realty. "Normally, we're in the Hamptons in the summer. But all of August, we were here with foreign buyers. We're working with 10 different foreign buyers right now."

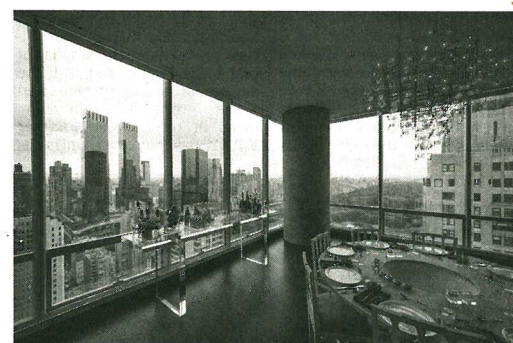
When asked where they were coming from, Ms. Sample rattled off a mile-long list that started with an "influx of people from London," along with buyers from Brazil and Israel. "The Chinese are back and so are the Japanese. They've been in and out of the market and they're more prominent now," she notes. There are also "many princes and kings" from the Middle East looking to buy and, she says with a flourish, "We still have the Russians."

Manhattan has always attracted its fair share of foreign buyers. In the 1980s, for instance, Japanese investors snapped up small studios and one-bedroom apartments, seeking the steady income from renters.

But today's rich globe-trotters, say analysts, are looking for something else. First, many want for a safe place to park their assets. They want an investment that, over time, is not likely to lose its value and may, in fact, become more valuable. At 432 Park Avenue, a mystery buyer paid a reported \$95 million for an 8,255-square-foot apartment. At more than \$11,500 a square foot, the apartment does not include a large storage unit in the basement (an additional \$190,000) or one of the 76-square-foot wine cellars also available to buyers (\$320,000).

Designed by Rafael Viñoly, 432 Park will be the tallest residential building in the Western Hemisphere when it is completed, soaring nearly 1,400 feet above Midtown. Sales started this year and so far, about 50 percent of the building is in contract. One-third of the buyers have come from overseas, primarily Britain, South America, China, the Middle East and Russia.

In TriBeCa, where 56 Leonard Street is slowly rising and will



TOP, HERZOG & DE MEURON; ABOVE, FRED R. CONRAD/THE NEW YORK TIMES

DBOX FOR CIM GROUP & MACKLOWE PROPERTIES

eventually ascend 60 stories, only about 10 percent of the 145 apartments that have been sold went to foreign buyers, said one of the building's developers, Izak Senbahar.

"I think that the international people didn't have the time," to buy into the building, Mr. Senbahar said, adding that it was 92 percent sold in just seven months. But it was not for lack of trying. "I remember one French person really buying on the phone because he thought it was going to be too late to get the unit he wanted," Mr. Senbahar said.

Nicknamed the "Jenga building" for its jagged steel-and-glass design that resembles the wooden tower game, 56 Leonard has a

penthouse on the 60th floor that went to what has only been described as a "New York-based hedge fund manager" for \$47 million, a record price for downtown.

For more than a decade, Gary Barnett, a former diamond trader who, as the head of Extell Development, built the W Hotel in Times Square, had carefully assembled his site on West 57th near Carnegie Hall. He bought various buildings and began acquiring the corresponding air rights, all with an eye toward building one of the city's tallest luxury residential towers.

He shifted on his feet as he stood in the living room of a finished model apartment on the 41st floor of One57 that costs

\$18.75 million, or less than \$6,000 a square foot. ("As these things go, it's a great price," he says.)

One57, which is scheduled to open in December, is now more than 70 percent sold. Standing 1,004 feet, One57 will be the highest residential tower in the city until 432 Park is finished.

Like most other high-end skyscrapers, One57 is selling the lifestyle of the globe-trotting chief executive or hedge fund manager. World-famous architect? Check — Christian de Portzamparc. High-end Miele appliances? Check. Private yoga studio and performance room? Check and check. Unfortunately, the world's billionaires will have to swim laps in the building's 75-foot in-

door swimming pool with the tourists staying at the Park Hyatt hotel, which will occupy the first 30 floors of the building when it opens the middle of next year.

"There aren't going to be many buildings like this that even can be built. Because how many spots can you find that will deliver this kind of view?" Mr. Barnett asked, as he nodded to the New York City vistas.

Well, actually, just down the street, on 57th and Broadway. That is where Mr. Barnett is already at work on his next project: a luxury tower that, if he sticks with preliminary plans, could be the tallest in the city, soaring more than 1,400 feet into the sky.

Top, a rendering of 56 Leonard, which has a penthouse on the 60th floor that sold for \$47 million, a record price for downtown. Above, an apartment at One57, which will be the highest residential tower in the city until 432 Park, at left, is finished. A video tour of the new towers is at [nytimes.com/businessday](http://nytimes.com/businessday).