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New York enjoying luxury real estate boom

While many people scrimp and save to buy their first modest home and others rent for life, New York is seeing a boom in housing construction for the fabulously rich.

Buyers are snapping up high-rise luxury condos before they are even completed, with money gushing in from places like South America, the Middle East, China and Russia, as well as from New York.

The global economic and financial crisis may still linger in many parts of the world, but the Big Apple remains a ferociously bull market for developers.

"The luxury market in New York City has rebounded to even higher prices than the last peak market. The stability of the New York market is attractive to many purchasers," said Jeff Dvoretz, project manager of One57, a condo going up in mid-town Manhattan.

Construction started in 2011 and 70 percent of the homes in the building have been sold. When they have all gone, sales are expected to surpass \$2 billion, Dvoretz said.

One57 is 90 stories high and was designed by the award winning French architect Christian de Portzamparc. Two penthouses there have gone for between \$90 million and \$100 million, a record for a single dwelling in Manhattan.

Similar dizzying figures come from a building called **56 Leonard in the Tribeca district of lower Manhattan.**

Seventy-five percent of its 145 condos sold in three months, and once the building is sold out revenue will exceed \$1 billion, said Elizabeth Unger, sales director at Corcoran Sunshine Marketing Group, the leading New York luxury real estate developer.

"The success and velocity of sales at 56 Leonard is record breaking. Within two months, 50 percent of its residences were sold with sales totaling over \$600 million. Now, after three months on the market, we are 75 percent sold," she told AFP.

Unger attributed the luxury housing boom to scant supply.

"The New York market is in a condition of undersupply, particularly for unique and superior new product," she said.

Furthermore, under Mayor Michael Bloomberg, who took office in 2002, New York has experienced unprecedented investment and made major strides in infrastructure and commerce, she added.

Ultra luxury condos seem to be popping up everywhere.

According to the site CityRealty.com, the number of Manhattan condos with apartments costing more than \$15 million has gone from 33 in 2009 to 49 this year.

On 18th Street in the Chelsea district, an edifice built by architect Ralph Walker in 1926 to house a telephone call center has been transformed a 47-unit condo, with the most expensive property due to go on sale soon for \$55 million.

-- Unique views, artistic design --

Why so expensive?

"These prospective buyers are looking for the highest quality; gracious living spaces, luxurious hotel services from the Park Hyatt, and unprecedented views of Central Park and the NYC skyline," Dvoretz, vice president of Extell Development Company, said in allusion to One57.

A view of the master bedroom bathroom in a model unit of luxury condominiums at the Walker Tower in New York on June 3, 2013. The 24-story building is being transformed into 47 luxury condominium residences.

Unger said she is dealing with "informed and experienced buyers who recognize quality, attention to detail and exceptional construction. She said her buyers also appreciate "modern design and innovative architecture."

In the case of 56 Leonard, which has 60 stories, part of the appeal lies in collaboration between Indian-British sculptor Anish Kapoor and the Swiss architectural firm Herzog & de Meuron.

The designers' reputation has lured buyers from France, Britain, Brazil and China, but most are from New York itself.

If you are not already drooling, get this: in this high-end market most buyers pay in cold, hard cash, according to Elliot Joseph, one of the developers of Walker Tower.

In the city that doesn't sleep, the quest to sell eye-popping expensive digs doesn't either.

Another property, 432 Park Avenue in midtown Manhattan, is expected to be at 426 meters (1,400 feet) the tallest residential tower in the Western hemisphere by the time it is complete in 2015.

Since its launch in March, the 432 Park Avenue promoters have taken in around \$1 billion in condo sales. Prices range from \$7 million to \$95 million.