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Condo's Price Is Straight Up

Tower Resembling Stacked Boxes in \$47 Million Penthouse Deal

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A penthouse atop a new condominium skyscraper that resembles a pile of haphazardly stacked boxes has gone into contract for \$47 million, a record for a condo sale below Midtown Manhattan.

If the deal is completed, the purchase at a 820-foot glass tower under construction at 56 Leonard St. in TriBeCa would be the high-water mark in a strong surge of condo deals this year in marquee developments coming to market downtown.

Wealthy buyers, including many from nearby neighborhoods, have been snapping up many units in new developments, often based on floor plans and model show rooms, even for buildings that won't open for many months or sometimes years.

Izak Senbahar, president of Alexico Group, who is heading up the development team at 56 Leonard, identified the buyer as a New York-based hedge-fund manager but he declined to provide further details.

"This is a stronger market than in 2008," he said. "The market has really changed."

The building is essentially the same modernist tower designed by Pritzker Prize-winning architects at Herzog & de Meuron that went on the market just before the financial crash in 2008. Sales were soon halted then and the off-site sales center was mothballed.

But in February, the 145 apartments in the same 60-story building went back on the market in the same showroom that was closed in 2008. Since then 80% of the building has been sold, with sales totaling \$900 million to date, according to the developers. Asking prices are now 19% higher than they were in 2008, condominium plan filings show.

At 150 Charles St., another new development that went on the market in February, all but one of the 91 condos is now in contract, according to Leonard Steinberg, a broker at Douglas Elliman, who is marketing apartments there. That building in the West Village has a more traditional design.

Last fall another new condo development, a five-bedroom penthouse at 18 Gramercy Park, a former residence for women on Gramercy Park, went into contract for the full asking price of \$42 million that set the previous record for downtown.

At Walker Tower, a condominium built in a 1929 telephone company tower on West 18th Street in Chelsea, about 80% of the 46 apartments have gone into contract, and the developers, JDS Development and Property Markets Group are preparing to list a 6,000-square-foot penthouse for \$55 million.

Mr. Steinberg said that the surging sales in new condominium towers shows that buyers in Manhattan are now more interested in light and air and views than the features in a particular neighborhood.

"There is a huge premium people will pay for a view," he said. "Manhattan has become a lot less neighborhood specific."

Still the highest prices in contract downtown lag behind those in the latest glass towers in Midtown, like One57 on West 57th Street, where two apartments are in contract for \$90 million or more and at 432 Park Ave., a slender tower on the corner of 56th Street where a high-floor penthouse was under contract for \$95 million, the developers say.

Kelly Mack, the president of Corcoran Sunshine Marketing Group, which is marketing the condos at 56 Leonard, said the duplex penthouse totals about 7,800 square feet plus more than 1,200 square feet of terraces. The space works out to about \$6,000 a square foot, far below sales at top buildings near Central Park.

Still, she said that the pending sale highlighted a fundamental shift of buyer sentiment in favor of downtown buildings, where average prices have been rising.

"The downtown market is one of the most talked about in the city," she said. "For the first time there are super prime luxury developments that are powering the downtown market."

Alexico Group is joining with Dune Capital and funds managed by Goldman Sachs GS -0.01% Group to develop the Leonard Street building. When they launched sales in February, the penthouse, with 19-foot ceilings and a large sculptural wood-burning fireplace, was listed for far less, \$32 million, and was considerably smaller.

But after sales began, Ms. Mack said, the developers discovered city building rules allowed additional floor space. They added a second floor to the penthouse with some outdoor space and listed the enlarged apartment for \$50 million.

The revised plans for the penthouse included a private infinity pool. But the buyer didn't want a pool, Ms. Mack said, so it was eliminated, and the final price was cut by \$3 million.

The building—the tallest in TriBeCa—is designed with cantilevered floors that create private outdoor spaces with unique layouts for each apartment. A large curved creation by the sculptor Anish Kapoor will be incorporated into the building's base.

Building amenities include a 75-foot-long pool, an outdoor sun deck and hot tub facing the Hudson, a fitness center, a private dining room and children play spaces.

It is due to open in the summer of 2015.