

# The ceiling falls down

*This year, city's priciest residential deals fail to dazzle*

By SARAH RYLEY

**S**o far, this year's record residential real estate deals aren't as dazzling as those seen in recent quarters — in fact, 2009's top deals would have merely elicited a yawn last year — and the number of overall transactions has plummeted.

This month, *The Real Deal* looked at the most expensive residential sales in the city during January and February 2009 (data courtesy of PropertyShark) to get a sense of the top deals being made despite today's dire economic circumstances.

The accompanying list of the top 25 resales in the city takes a closer look at who the buyers and sellers are, whether the property was discounted and if the property appreciated between the seller's purchase and their resale.

Last year, Manhattan dominated the entire list. This year, Brooklyn is on the list as well. None of the other boroughs had sales expensive enough to make the list.

New construction was not counted on the top 25 list because the contract period is generally much longer, meaning the deals that closed earlier this year would have been made before the economic meltdown first hit last September.

A close look at the data shows that compared to the top sales during the same two months of last year, even the ceiling of the market has significantly dropped.

During January and February, only seven of the top 100 sales of pre-existing or newly constructed homes closed above \$10 million citywide — and most deals were below \$2,000 per square foot. During the same two months last year, 47 deals closed above \$10 million, roughly half at superbuilding 15 Central Park West. Only a handful were below \$2,000 per square foot, according to PropertyShark.

In a comparison of the same time periods, the overall number of transactions fell 64 percent in Manhattan and 52 percent in Brooklyn, for 1,859 deals between the two, according to StreetEasy.

There are a few bright spots. While this year's deals are clearly more modest, with sellers often forced to accept steep discounts on their original asking price, in most cases sellers still made a profit.

Five of the city's 25 most expensive resales were in Brooklyn, and last year the borough didn't even make the combined list of the top 100 resales and new construction sales. The fact that Brooklyn claims some of the top spots — in Park Slope, Cobble Hill, Manhattan Beach and two in Gravesend — signals that the city's most enduring neigh-

Carol E. Levy of Carol E. Levy Real Estate had the second-highest sale, a \$12.5 million penthouse at the Park Belvedere Condominium. Levy's known for ordering renovations and keeps a storage room of vases for fresh flowers to use at her listings.



Artist Jeff Koons was in negotiations to buy a mansion at 9 East 67th Street, but the deal fell through. It eventually sold for \$24.9 million, the highest-priced property sale so far this year. The penthouse at the Olcott, an Andres Escobar-designed condominium conversion at 27 West 72nd Street, resold for 12 percent below its original asking price. Singer Norah Jones bought the most expensive property in Brooklyn, while fashion tycoon Kenneth Cole was the seller of the second-priciest property on the list.



borhoods are spread beyond just Manhattan.

Successful brokers said a shift in strategy involving a bit more elbow grease and modesty has been necessary to seal deals

since the economy collapsed. Examples include everything from smaller changes like using printed figures rather than vague sales pitches to convince buyers that real estate is still a good investment; to clean-

ing and renovating property; to most important, convincing sellers to reduce prices and consider all offers.

Tamir Shemesh, managing director of Prudential Douglas Elliman and a broker



# Top 25 resales in New York City

## January to February 2009

ADDRESS	PRICE	PRICE PSF	NOTES	CHART COMPILED BY SARAH RILEY
9 East 67th Street	<b>\$24,925,000</b>	\$1,897	Artist Jeff Koons was in negotiations to buy this five-story, 13,137-square-foot Upper East Side mansion near Central Park. But the deal fell through, and a "French industrialist" bought it for 29 percent below the original asking price.	
101 West 79th Street, PH3	<b>\$12,500,000</b>	\$4,630	Fashion tycoon Kenneth Cole's four-bedroom penthouse in the Park Belvedere Condominium was sold for 34 percent below the original asking price, but 2.5 times the building's recent average price per square foot.	
113 East 78th Street	<b>\$12,460,000</b>	\$2,307	This townhouse near Central Park was sold for 29 percent less than the original asking price, but still 68 percent more than the seller's 2004 purchase price of \$7,375,000.	
21 Beekman Place	<b>\$10,600,000</b>	\$1,573	Sold at 58 percent below its original asking price, this riverside brownstone has five bedrooms, a library, two kitchens and approved plans for a three-story addition that would add 1,403 square feet.	
3 East 75th Street, 2A	<b>\$7,800,000</b>	\$1,918	Situated in the renovated Stuart Duncan House, this four-bedroom duplex apartment sold at 27 percent below the original asking price but still above the seller's \$7,127,750 purchase price in September 2006.	
111 West 67th Street, 36E	<b>\$4,940,000</b>	\$2,755	This three-bedroom condo in the Park Millennium was sold at slightly below the original asking price and 43 percent more than the seller's purchase price of \$3.45 million in 2004. The buyer is combining it with another property on this list, unit 36D.	
166 Amity Street, Brooklyn	<b>\$4,900,000</b>	\$1,256	Grammy Award-winning singer and songwriter Norah Jones purchased this Greek Revival townhouse in Cobble Hill, Brooklyn, for just \$95,000 (or 2 percent) less than the original asking price.	
111 West 67th Street, 32E	<b>\$4,650,000</b>	\$2,593	This two-bedroom condo at the Park Millennium sold for \$150,000 below the original asking price of \$4.8 million. Seller Diko Mihov, a Bulgarian mathematician, bought two apartments upstairs, both on this list.	
1973 East 2nd Street, Brooklyn	<b>\$4,200,000</b>	\$1,535	An unremarkable 1930s brick home on a 3,000-square-foot lot in exclusive Gravesend, Brooklyn. Seller David Sitt, head of Sitt Asset Management's commercial division, said the buyer plans to demolish it to build a bigger one.	
27 West 72nd Street, PHC	<b>\$4,192,000</b>	\$2,408	There was no previous purchase price recorded for this penthouse at the Olcott, an Andres Escobar-designed condominium conversion. But it was resold for 12 percent below its original asking price.	
2005 East 4th Street, Brooklyn	<b>\$4,000,000</b>	\$1,578	Another sale in Gravesend, Brooklyn's exclusive Sephardic Jewish community. No previous purchase price was recorded, but it's common here for property to be passed down through generations and sold by word of mouth.	
65 West 13th Street, 5H	<b>\$3,975,000</b>	\$1,694	This apartment in Greenwich was sold for one of the highest price-per-square-foot rates since the building was converted into luxury condos in 2001. The buyer, Douglas Wheeler, already owned two neighboring units.	
111 Greene Street, 4C	<b>\$3,600,000</b>	\$1,424	Wall Street trader Steven Ehrenkranz made almost \$1 million on the sale of his Soho apartment, which he purchased in 2005. But the price per square foot is the lowest a unit in the building has brought in since 2005.	
111 West 67th Street, 36D	<b>\$3,450,000</b>	\$2,493	Purchased in 2005 for \$2.5 million, this two-bedroom condominium at the Millennium entered contract in November for slightly less than the asking price. Mihov, the mathematician, bought it to combine with 36E.	
30 West Street, PH3F	<b>\$3,400,000</b>	\$1,621	Prudential Douglas Elliman broker Anna Sapritsky's investment in this Battery Park City penthouse paid off despite being sold for 21 percent less than ask. She paid \$2,879,000 in June 2007, an 18 percent appreciation.	
290 Amherst Street, Brooklyn	<b>\$3,250,000</b>	\$642	Markus Orbach, a partner in Three O Realty, bought this detached waterfront mansion in Manhattan Beach, Brooklyn. His company sued the state for seizing its Times Square property to build the New York Times' new headquarters.	
181 East 90th Street, 21A	<b>\$3,200,000</b>	\$1,643	Financial executive William Schreier sold this three-bedroom condo in Carnegie Hill's the Metropolitan for \$756,200 more than his purchase price in 2004. The asking price was \$3.45 million.	
845 United Nations Plaza, 7A	<b>\$3,200,000</b>	\$1,623	Diamond magnate Albert Gad sold this three-bedroom, three-bathroom apartment in Trump World Tower for just \$75,000 below the original asking price. There was no previous sale price recorded.	
1049 Fifth Avenue, 10B	<b>\$2,900,000</b>	\$1,585	This investment didn't pay off. The three-bedroom Upper East Side condo was purchased in July 2007 for \$3.33 million, representing a 12 percent decrease in value over less than two years.	
330 East 72nd Street, 9	<b>\$2,680,000</b>	\$1,148	Jeweler Joseph Gad purchased this three-bedroom apartment, which the seller paid \$2.5 million for in 2006, for 33 percent less than the asking price. Gad already owned another unit in the building, #10.	
404 East 76th Street, 31A	<b>\$2,500,000</b>	\$1,340	Orthopedic surgeon Philip Rafiy bought this three-bedroom condo at the Impala for 24 percent below the original asking price, which was posted February 2008. The seller paid \$2.15 million for the Upper East Side apartment in 2005.	
576 4th Street, Brooklyn	<b>\$2,400,000</b>	\$937	Seller Marcus Brauchli, executive editor of the Washington Post Co., paid \$2 million in 2004 for this Park Slope townhouse, a 20 percent increase in property value. The buyers are a city education official and a costume designer.	
321 Greenwich Street, C	<b>\$2,390,000</b>	\$1,056	The seller purchased this 2,300-square-foot, floor-through loft in Tribeca for \$2,275,000 in 2006, representing a 5 percent appreciation in property value. It was originally listed at \$2,625,000.	
146 West 57th Street, 69C	<b>\$2,350,000</b>	\$1,578	A two-bedroom apartment with sweeping views of Central Park and Manhattan, the price per square foot at this apartment was among the highest in the building. The apartment was never listed, and there is no previous purchase price recorded.	
139 Wooster Street, 2A	<b>\$2,262,500</b>	\$1,537	This Soho apartment, at the intersection of West Broadway, actually sold for slightly above the asking price of \$2.2 million. The seller purchased the unit in 2007 for \$2.07 million, a 9 percent appreciation in value.	

Source: Data from PropertyShark. Notes from PropertyShark, StreetEasy, BlockShopper and other sources.

**During January and February, overall transactions fell 64 percent in Manhattan and 52 percent in Brooklyn compared to the same period last year.**

involved in two of the top 25 resales, said he's declined dozens of listings since January. "I will not take overpriced listings, I just will not. Not in this market," he said.

Shemesh said he had a bidding war on a Wooster Street apartment listed at \$2.2 million, which resulted in a slightly higher sale, according to PropertyShark. A similar apartment next door was listed for around \$2.8 million and, after a series of price cuts, StreetEasy shows it has since been taken off the market.

Consistent with overall market trends,

the top five resales had purchase prices of 27 to 58 percent below their original asking price, but still showed an appreciation in value.

Richard Steinberg of Warburg Realty, the seller's broker on a \$24.9 million Up-

per East Side mansion which finished first on the list, said his seller would absolutely not have accepted an offer 29 percent below ask had it been made last year.

"It's absolutely because my buyer came along when there was so much confusion.

The downturn happened so quickly that it just panicked some sellers, and they didn't know what to think," he said, adding that two months were wasted negotiating with artist Jeff Koons, who took a fixer-upper next door.





Grammy Award-winning singer and songwriter Norah Jones purchased this Greek Revival townhouse at 166 Amity Street in Cobble Hill, Brooklyn, for \$4.9 million, or 2 percent less than the original asking price.



Seller Marcus Brauchli, executive editor of the Washington Post Co., paid \$2 million in 2004 for this Park Slope townhouse at 576 4th Street, which he recently sold for \$2.4 million.



A 1930s brick home on a 3,000-square-foot lot at 1973 East 2nd Street in Gravesend, Brooklyn, sold for \$4.2 million. The seller was David Sitt, head of Sitt Asset Management's commercial division.



Another home, at 2005 East 4th Street, also in Gravesend, Brooklyn's exclusive Sephardic Jewish community, sold for \$4 million.

Carol E. Levy of Carol E. Levy Real Estate had the second-highest sale, a \$12.5 million penthouse at the Park Belvedere Condominium. A confidentiality agreement barred her from commenting on the property, but public records reveal fashion tycoon Kenneth Cole was the seller.

Levy said she hasn't noticed the downturn as much as some brokers, in part because she's not above wiping off a dirty countertop or, as is her specialty, ordering big renovations. "It's amazing how many brokers don't even take the time to draw back curtains when there is an amazing view," she said, mentioning a storage room she keeps full of vases for fresh flowers for her listings.

For \$18,000, Levy said she transformed a shabby studio with a dorm-style kitchen into a junior one-bedroom with a full kitchen now in contract for \$450,000

(it's listed at \$519,000).

"Having a pristine property that doesn't need as much work is particularly important in a market where people don't have a lot of money," she said.

Levy also reasons to her clients that over the past 10 years, while investments in the stock market are often now flat or negative, real estate in New York has still appreciated, despite its recent downturn, and is tangible.

Robson Zanetti, vice president of Sotheby's International Realty, makes the same argument, often presenting his clients with articles. "The last two deals I did were with Brazilians," he said. "The market has opened up for a whole new group of investors and [individual buyers], people who waited because maybe they felt the market was too aggressive."

So far this year, according to StreetEasy, the median sale price for homes closed during January and February is \$838,879, which is 2.7 percent lower than over the same period last year in Manhattan. In Brooklyn, the median is down 16.4 percent to \$452,029.

Generally, experts predict that before the bottom is reached, New York City prices will fall to levels last seen during the first half of this decade.

Location and quality can make a big difference of course. For example, a Park Slope townhouse on the list more than doubled its value in 10 years. In 1999, it sold for \$1.1 million; this year, it sold for \$2.4 million.

Gravesend, a Sephardic Jewish community that one broker called "the Beverly Hills of Brooklyn," is somewhat of an anomaly because, in the most exclusive section,

properties rarely come to market.

Families often pass homes down through generations. When something is for sale, it is commonly through word of mouth, not a public listing, which helps keep prices very high, explained David Sitt, head of the commercial division of Sitt Asset Management.

Sitt's own rather unremarkable 1930s brick home, which he called "an investment property," went into contract for \$4.2 million in September, right before the economy crashed. On a 3,000-square-foot lot, he said the buyer could tear down the house for a bigger one, typical of the area.

Sitt chalked up his good luck to timing. "It wouldn't have gone through had I put it on the market later," he said. "People in our neighborhood have been affected by the recession, as well." **TRD**