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# Penthouses Sell First at Manhattan's Bowlmor Lanes Condo Project

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As Manhattan developers grapple with how to sell their luxury condos in a slowing market, Billy Macklowe's Greenwich Village project is an anomaly: He's found buyers for both penthouses in less than two months.

Macklowe, who with Goldman Sachs Group Inc. is planning a 52-unit condo tower at the site of the former Bowlmor Lanes, said the two priciest apartments -- duplexes at \$14.75 million and \$16.5 million -- are under contract. Since sales began on June 9, deals have been signed on 36 percent of the apartments at the still-unbuilt project, known as 21 East 12th.



Penthouse terrace of 21 East 12th. Source: Wordsearch

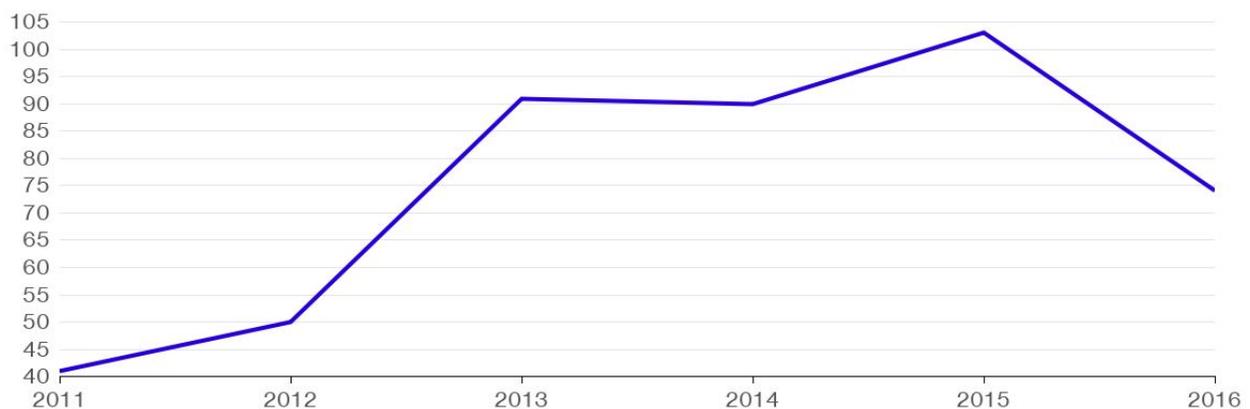
“We were surprised,” Macklowe said in an interview. “Everything has pretty much sold off asking price.”

The quick penthouse sales are atypical in the current New York market, where buyers -- including foreign investors buffeted by global economic turmoil -- are taking their time to choose among an increasing number of high-end offerings. This year through July, there were 677 contracts to buy Manhattan properties priced at \$4 million or more, a 23 percent decline from the first seven months of 2015, according to luxury brokerage Olshan Realty Inc. There were only 12 such deals last week, making it the slowest seven-day period for luxury sales since the first week of January.

## Manhattan's Cool Luxury Summer

High-end real estate buyers are less eager to make a deal

■ July contracts for homes priced at \$4 million or above



Source: Olshan Realty Inc.

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“There’s a disconnect” between the price of new-development homes on the market today and what buyers are willing to pay for them, Donna Olshan, president of Olshan Realty, said in an interview. About 3,574 newly built apartments will be listed for sale in 2016, according to Corcoran Sunshine Marketing Group. More than half of those are considered luxury, which the brokerage defines as priced more than \$2,400 a square foot.

## **‘Great Start’**

With almost 40 percent of its units reported under contract, Macklowe’s Greenwich Village project “is getting off to a great first start,” Olshan said. “It speaks to the unit mix and the pricing meeting the market.”

The asking prices and sizes of Macklowe’s costliest units are about half of those of other newly built penthouses just steps from his development, Olshan said. Less than a block away, at 37 E. 12th St., a 6,325-square foot (588-square-meter) penthouse, originally listed at \$33.5 million, has been seeking a buyer for more than a year and had its price cut to \$26.9 million, according to listings website StreetEasy. Around the corner from Macklowe’s site, a 5,704-square foot penthouse at 12 E. 13th St. is listed for sale at \$19.5 million. That’s down from \$30.5 million when it came on the market in June 2014.

## **Local Buyers**

The penthouses that have sold at Macklowe’s project are a 3,250-square-foot three-bedroom apartment for \$14.75 million and a 3,664-square-foot four-bedroom for \$16.5 million, he said. Both duplex apartments are on the 22nd and 23rd floors and include terraces.



21 East 12th. Source: Wordsearch

The buyers are New York-based real estate professionals, he said. Neither purchaser is a financial stakeholder in the project, and contracts can't be flipped, according to Macklowe. New Yorkers' interest in the development is offering some insulation from the global currency fluctuations that have caused foreign investors to pull back after scooping up some of Manhattan's most expensive homes in recent years.

"We look at the profile of our buyers and it's local," said the developer, chief executive officer of William Macklowe Co. and the son of real estate investor Harry Macklowe. "It's people who will be living in the building."

### **Terrace, Playroom**

Prices start at \$2.4 million for a one-bedroom apartment at the project, near the corner of 12th Street and University Place, just north of the New York University campus and the Washington Square Arch. The property will include on-site parking, a children's playroom and a residents' lounge with a terrace for entertaining, according to a statement by the developers.

The property is at the site of the original Bowlmor Lanes, a bowling alley that opened its doors in 1938 and remained a hangout for locals and celebrities until its closing in 2014. The site is now being excavated, and work on the tower's foundation will begin in September, Macklowe said.

The developers expect to complete construction in the third quarter of 2018.