

June 13, 2017  
Bloomberg.com

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# This Luxury Manhattan Condo's Big-Spending Buyers Are Locals

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Impressions 9,113



21 East 12th St. Source: Wordsearch

**H**ow do you offload luxury condos in Manhattan, where there's a glut of offerings and the foreign investors have disappeared? You attract the locals.

Billy Macklowe's Greenwich Village tower, rising at the site of the former Bowlmor Lanes,

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booked more than \$60 million in contracts last month -- including the sale of two duplexes to a single buyer listed for a combined \$23.5 million, the developer said. About 65 percent of the project's 52 units have found takers, most of whom are native New Yorkers. Many already live in the neighborhood.

"It is a New York building, for New Yorkers, and the people buying are going to live here," Macklowe, who's building the tower with Goldman Sachs Group Inc., said in an interview.

Manhattan is brimming with new high-end condos, the result of a construction boom tailored to the appetites of big-spending, out-of-town investors. Those buyers, who saw Manhattan real estate as a haven after the recession, have scaled back their purchases amid a surging U.S. dollar and a plunge in oil prices, while listings keep piling up on the market.

The fuel for deals such as the record-setting \$100.5 million penthouse sale atop Midtown's One57 tower in 2014, has been "fundamentally investors" making discretionary purchases, said Nancy Packes, a marketing and design consultant to New York residential builders. "They have many homes and they don't need another home. When they see signs on the horizon that there could be turbulence ahead, they don't buy."

### **Downtown's Lure**

About 4,282 newly built units are expected to be offered for sale in Manhattan this year, almost double the number that were listed in 2016, according to brokerage Corcoran Sunshine Marketing Group. More than 60 percent are considered luxury, costing at least \$2,400 a square foot.

Downtown neighborhoods, like Greenwich Village, have some insulation in a slowdown since they're more desirable to locals seeking a place to live, rather than an investment to flip or rent out, said Packes, who isn't affiliated with Macklowe's project. This year through mid-May, more luxury-home contracts were signed for purchases south of 34th Street than in any other area of Manhattan, according to data from brokerage Olshan Realty Inc., which measures deals for \$4 million or more.

"When we say this market is 'soft at the top,' it doesn't mean there aren't any sales," said Jonathan Miller, president of appraiser Miller Samuel Inc. "There's still a modest amount of activity in the luxury market, just nowhere near the scale that was envisioned by the development community five years ago, when everybody had the same idea."

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**Choosy Buyers**

At Macklowe's development, at 21 E. 12th St., contracts were signed last month for two duplex "townhomes" on the third and fourth floors to a buyer seeking to combine them. Unit 3A, with a 3,310-square-foot (308-square-meter) interior, was priced at \$11.5 million, while the other, 3B, has 3,307 square feet and was listed for \$12 million, according to the developer. Each duplex has about 3,200 square feet of terrace space. The townhomes, which sit atop the retail portion of the property, are accessible through the building's main lobby rather than from the street, Macklowe said.

Another buyer last month signed contracts for both apartments on the 21st floor -- a four-bedroom unit with 2,679 square feet, and a 2,496-square foot three-bedroom -- which will also be combined into a single home. Together, they were priced at \$17.6 million.

"When you have a market where there's a lot of choice, people really start to focus" and get more particular about what they want, said the developer, chief executive officer of William Macklowe Co. and son of real estate investor Harry Macklowe.

The May sales tally at the project also includes contracts for three one-bedroom apartments of about 1,000 square feet each. The lowest-priced deal was for apartment 6D, listed at \$2.43 million.

### **Bowling Alley**

The project is near the corner of 12th Street and University Place, just north of the Washington Square Arch and 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. Selldorf Architects designed the property, which will include on-site parking, a children's playroom and a residents' garden.

The planned 23-story tower reached its third floor last week and will top out at its full height by early September, Macklowe said. Move-ins are expected by the end of 2018.

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