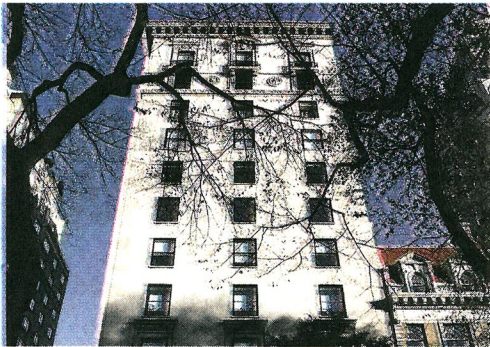


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PROPERTY

Manhattan Luxury Sales Climb Back, Slowly



Among the most-expensive luxury property sales last year were a co-op that sold for \$29 million at 927 Fifth Ave., above; a condo that sold for \$40 million at 15 Central Park West, below; and the townhouse at 1009 Fifth Ave. bought by Carlos Slim for \$44 million, right.



By JOSH BARBANEL

During the housing downturn, sales of homes and apartments in Manhattan selling for \$5 million or more were so scarce that Stribling Private Brokerage suspended its annual luxury residential report.

But now the report is back and celebrating a “partial recovery” in the market. The report for 2010 shows that sales and prices in the luxury sector bounced back last year from 2009, although they still were significantly below the peak in 2008.

The rebound is continuing into 2011, but Kirk Henckels, director of Stribling Private Brokerage, who prepared the report, said he was worried that sales could deteriorate—because the inventory of luxury apartments has been falling, even though listings usually surge during the spring.

Mr. Henckels said sales of co-ops costing \$20 million or more began to rebound in the last half of 2010 and in the beginning of

this year, long after the lower end of the market had come back to life. The report found that the most expensive trophy properties, which had soared during the boom years, were hardest hit during the downturn. Once the recovery began, they were last to see sales revive, the report said.

The Stribling report said it suspended publication of the luxury data in 2009 and 2010 “because of the potential damage these figures might have done to a market that was desperately trying to recover.”

“I felt I couldn’t do the industry such a disservice,” Mr. Henckels said.

Now he said he wanted to tell the story of “how bad things got” and “to what degree it actually recovered.”

The report shows that the money spent on expensive co-ops dried up during 2009, because while many people still had great wealth, “it became unfashionable to flaunt it,” the report said.

As a result the total spending on expensive co-ops fell to \$686



Daniella Zalcman for the Wall Street Journal

Ramin Taheri for the Wall Street Journal

Rob Bennett for the Wall Street Journal

million in 2009 from \$1.7 billion in 2008. Now, with the social stigma against excessive spending fading, total spending on luxury co-ops rebounded to \$1.1 billion last year. The number of sales fell by 50% in 2009, and are now 23.5% below the peak in 2008.

The most expensive co-op sold last year was the \$29 million sale of an 11th-floor apartment at 927 Fifth Ave. that was owned by the late Bruce Wasserstein, the investor. It was purchased by William Lie Zeckendorf, who developed 15 Central Park West with his brother, Arthur. That was far below the record co-op sale of \$48.8 million in 2008.

Townhouse sales also recovered last year. The total sales fell nearly in half from a peak of \$1.2 billion in 2008 to \$614 million in 2009. Last year they rose to \$847 million. The median price of a Manhattan townhouse in the \$5 million and up market rose to \$8.5 million.

The highest price townhouse deal of the year was the \$44 mil-

lion sale of a 27-foot-wide mansion at 1009 Fifth Ave. at East 82nd Street. The buyer was Carlos Slim, the Mexican tycoon said to be the world’s richest man. The seller was Tamir Sapir, a real-estate investor and developer.

Luxury condominium sales also rebounded a bit, but still remained below 2008 levels last year, with the most expensive apartments showing the biggest dip in sales. Sales above \$5 million were off 24% last year compared with 2008, while sales above \$10 million were off 32% and sales above \$20 million were off 67% from the peak.

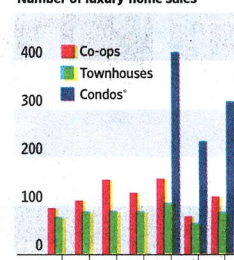
The most expensive condo sale was the \$40 million paid for a 41st-floor unit owned by William Lie Zeckendorf at 15 Central Park West. The buyer was Min Kao, chairman and chief executive of Garmin Ltd., a maker of global-positioning devices.

The report noted a shift in the luxury market away from co-ops in need of renovation. It said all 10 co-ops that sold for more than \$20 million since January 2010

High-End Market

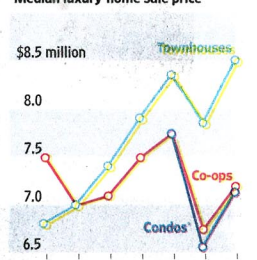
Manhattan homes that sold for \$5 million and above

Number of luxury-home sales



*Data not tracked before 2008

Median luxury-home sale price



Source: Stribling

have been listed in “excellent” or “mint” condition.

“It is as if purchasers felt they had enough stress in today’s tumultuous world without having to deal with the aggravation of construction,” the report said.

Mr. Henckels said that apartments with prices over the mar-

ket have suffered, sometimes chasing the market down.

Listing records show that a triplex penthouse at 812 Park Ave. that was priced at \$36.5 million in 2007, suffered through a series of price cuts. In January when it went into contract, it was listed at \$15.9 million