

EDWARD LEE CAVE

DIVISION

AT THE TOP OF THE MARKET

This Year's Sales and Listings of the Most Expensive Cooperative and Condominium Apartments on the Upper East and Upper West Sides of Manhattan, as of May 2010

Overview

My research indicates 80 sales of condominium and cooperatives at five million dollars or more since the beginning of 2010.¹

Despite the long standing renaissance of the Upper West Side, the Upper East Side still dominates the top of this year's market with 51 (64%) of these sales. However, condominiums, generally in newer or more-recently converted buildings, accounted for over half of upper end closings, with 43 sales over \$5 million. The prominence of condominiums is particularly striking on the Upper West Side, where they have accounted for 21 of 29 closings. However, even on the Upper East Side, the longer-established center of wealth, there were 22 condominium sales, as compared to 29 cooperative sales.²

Indeed the highest priced apartments this year have been in condominium buildings, a penthouse at Trump's One Central Park West for about \$33,000,000, and two apartments at 15 West 63rd Street and 515 Park Avenue, identically priced at \$23,980,000.

The Trump penthouse at 1 Central Park West is indicated on the following page. Clearly the price had more to do with its condominium ownership, the Trump International Hotel and Jean Georges restaurant downstairs, or its floor height (52nd), large windows, and views over Central Park and south to midtown, than with its considerable space, over 5,000 square feet, or interior architecture. Monthly common charges and taxes were over \$13,000.

¹ As of May 15, 2010, using the Real Estate Board's Residential Listing System and public record database.

² Nevertheless, a number of the condominiums were in new buildings and the pace of new development has slowed, so the relative number of condo sales may decline until the market has clearly recovered.

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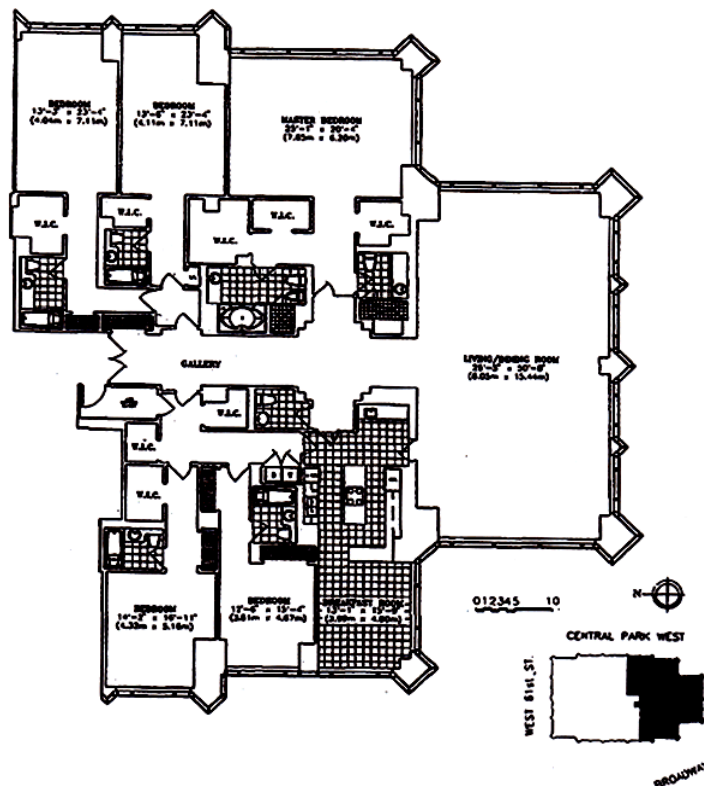
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The Upper West Side

On the Upper West Side, condominium sales are not unique to Central Park West, or even to Riverside Boulevard. Mirroring an East Side tradition there are now side-street condominium buildings on the Upper West Side, offering large, expensive apartments, and accounting for five of these 20 sales. These include a Robert Stern- designed building at 205 West 76th Street. Its block, between Amsterdam Avenue and Broadway, is central and conveniently located, but not appealingly lined with townhouses or pre-war buildings. Nevertheless two of its penthouses sold this year at \$5,170,000 and \$5,500,000, and a third apartment sold for \$6,275,000.

Most (five) of this year's top Upper West Side cooperative sales have been in classic pre-war buildings at 91, 101, 115 and 320 Central Park West. Four of these have Central Park views, not necessarily from high floors; the fifth has terraces. The smallest, 5.5 rooms, on a high floor at the Majestic (115 CPW) sold for \$5,000,000. The highest priced (\$7,100,000) was also at the Majestic, an eight room apartment, with terraces.

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A review of current listings on the Upper West Side (as of May 13) indicates 137 available at \$5,000,000 or more. Among these, contracts have been signed for 54, many in new or newly converted buildings, and two sales have been approved by cooperative boards. This still leaves 81 available, a considerable inventory when only 29 have sold in the first five-plus months of this year.

Among these, 54 are condominiums, most frequently re-sales at the very famous 15 Central Park West or both resale and sponsor sales at 80 Riverside Boulevard. One of these, a high floor apartment (36C) at 15 Central Park West, has been available for \$21,000,000 since April 2009.

27 of the listings are cooperatives, predominantly on Central Park West. The highest prices are at the San Remo and the Beresford, for about \$29,000,000.

The Upper East Side

On the Upper East Side, condominiums accounted for 22 of the 51 highest-price sales. Some of these are pre-war buildings, including 40 East 66th Street (at Madison Avenue) and 944 Park, which are pre-war conversions; others are recently built, but pre-war type buildings like the Robert Stern designed Chatham, at 181 East 65th Street. Novel is the emergence of 86th Street (although with 85th Street addresses), where four apartments have closed this year at \$9,200,000, \$7,500,000, \$6,200,000 and \$6,300,000. However, these are new buildings, and the sale contracts were generally signed in 2008. This new prominence of these addresses might not be sustained in the current market.

The Upper East Side cooperative market, at the top, remains almost entirely a pre-war market, with Park Avenue predominant (14 sales), followed by the side streets (8 sales) and Fifth Avenue (7 sales).

The following plan gives the reader some idea of what sells for \$12,500,000 in this prime pre-war market. This is a high-floor, full floor, fully renovated apartment at 956th Fifth Avenue, with formal living room and dining room facing over Central Park, three bedrooms, three bathrooms, a powder room, and a library. It has 10 foot ceilings a working fireplace and monthly maintenance charges of about \$7,300. Note how much less this cost than the \$33,000,000 condominium at 1 Central Park West, although not on the 52nd floor, but despite its desirable pre-war architecture and prime Fifth Avenue and East 70's address.



Here too a review of current listings on the Upper East Side shows a very large inventory. 271 apartments are listed at \$5,000,000, or more, as of May 13, 2010. Contracts have been signed for 59 of these, leaving 212 available, compared with only 51 sales in the first five-plus months of this year.

Among those with contracts, 34 are cooperatives and 25 are condominiums. However, a number of the condominiums are in new developments, where closings are delayed for many months. These figures may not actually reflect current demand for condominium apartments.

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Of the 212 Upper East Side apartments that are actually available, 117 are cooperatives, and 95 are condominiums. It is no surprise that the bulk of the cooperatives, 99, are pre-war, and nearly as many, 90, are on Park and Fifth Avenues. Of the condominiums, only 30 are on Park or Fifth; a very significant number are at far-from-established addresses at 67th Street and First Avenue or, again, 85th and 86th Streets at Lexington Avenue. What many of these apartments offer is terraces or views.

Conclusion

While this research does not offer a basis of comparison to last year or earlier years, it does indicate a reasonably active market for apartments over \$5,000,000, on the Upper East and Upper West Sides of Manhattan, albeit with a significant backlog of available apartments.

Larry Sicular
May 18, 2010

Who is Larry Sicular?

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Executive Director, Brown Harris Stevens Appraisal & Consulting, LLC, 1995-2002
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