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BROWN HARRIS STEVENS



# The Cooperative and Condominium Report

Spring/Summer 1997

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The Cooperative & Condominium Report

Spring/Summer 1997

### I. An Analysis of Trends in Manhattan's Prime Cooperative and Condominium Markets

This is report addresses both the cooperative and condominium markets.

• The first section of this report examines recent price trends for the market as a whole, and for various sizes of apartments. It includes an examination of 1996 year-end averages and of early 1997 market activity. To keep this year's price analysis as current as possible, we have not analyzed closed sales. Instead, we have studied accepted offers and signed contracts dating from January and February, 1997.

This report
addresses both the cooperative and condominium markets.

 The second section of this report consists of a recently written analysis of the high-end condominium market. This review, which focuses exclusively on condominium apartments selling for \$1,000,000 or more, identifies the locational and physical characteristics of these apartments and compares them with the most desirable cooperative apartments.

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The Cooperative & Condominium Report

Spring/Summer 1997

### **Table of Contents**

		Page
I.	An Analysis of Trends in Manhattan's Prime Cooperative and Condominium Markets	2
II.	The Cooperative Market  Table of Average Cooperative Sale Prices by Size  Price and Volume Trends	
m.	Manhattan's Million Dollar Plus Condominium Market  Analysis	6
IV.	"For Luxury Condos, a Changing Face"  The New York Times March, 28 1997	14
V.	A Partial List of Manhattan's Top Condominium Buildings	15
VI.	Manhattan's Million Dollar Plus Condominium Market  Summary of Findings	16

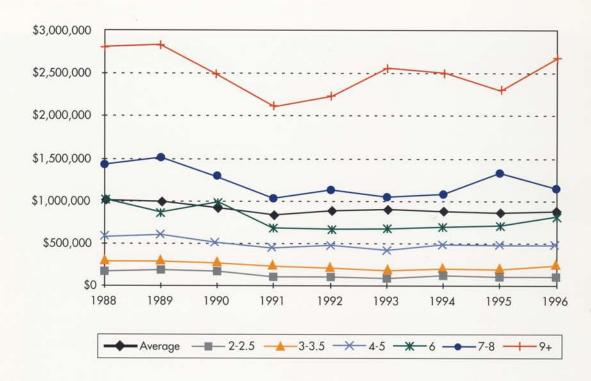
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The Cooperative & Condominium Report

Spring/Summer 1997

#### Average Cooperative Sale Prices by Size — Manhattan's Prime Addresses



Average Cooperative Sale Prices by Size - Manhattan's Prime Address							
Year/Rooms	Average	2-2.5	3-3.5	4-5	6	7-8	9+
1988	\$1,032,539	\$158,389	\$297,580	\$577,257	\$1,019,637	\$1,422,532	\$2,821,137
1989	\$997,432	\$177,235	\$297,411	\$591,388	\$867,534	\$1,513,900	\$2,833,460
1990	\$928,348	\$158,774	\$285,354	\$492,384	\$983,574	\$1,291,733	\$2,489,228
1991	\$843,753	\$106,682	\$245,751	\$449,678	\$672,707	\$1,025,152	\$2,124,032
1992	\$890,054	\$98,632	\$223,431	\$488,217	\$656,475	\$1,130,994	\$2,234,590
1993	\$910,787	\$85,143	\$194,900	\$415,795	\$685,313	\$1,047,188	\$2,566,597
1994	\$902,651	\$112,093	\$213,431	\$473,987	\$700,384	\$1,075,538	\$2,501,242
1995	\$885,120	\$104,761	\$215,435	\$480,354	\$716,723	\$1,326,797	\$2,312,863
1996	\$888,368	\$101,250	\$240,496	\$486,960	\$811,371	\$1,140,392	\$2,692,605

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The Cooperative & Condominium Report

Spring/Summer 1997

### II. The Cooperative Market – Price and Volume Trends

The prior page presents a graph that reflects overall price stability. The average cooperative price in Manhattan's most expensive market was virtually identical in 1996 and 1995, although lower than in 1994. For the different size categories, the averages suggest a continued decline in studio values, and steady increases in the 3-3.5, 4-5 and 6 room submarkets. The 3-3.5 and 6 room averages jumped significantly this year. On the other hand, average prices in the 7-8 and 9+ room categories have fluctuated over the past few years.

As in all of our cooperative reports, our analysis focuses exclusively on Manhattan's prime cooperative market. This market is defined as the prime addresses of the Upper East Side, from Fifth to Third Avenues as well as Central Park West, Sutton Place, Beekman Place, and select buildings on East End Avenue and Gracie Square.

Our experience indicates that changes in average prices do not always clearly reflect market trends. Changes in the mix of apartments sold affect the averages

Changes in the mix of apartments sold can also affect the averages.

suggesting that year-to-year comparison of average prices can be misleading.

In 1995, 59% of the 7-8 room transfers were located on Park Avenue, Fifth Avenue or Central Park West, while in 1996, these addresses

accounted for only 47% of the 7-8 room sales. Sales in excess of \$2,000,000 accounted for 10% of the 7-8 room sales in 1995, but for only 4% of transfers in 1996. Clearly, a change in the mix of apartments sold accounts for the lower 1996 average price in this size category.

By contrast, in the 6 room submarket, Fifth Avenue, Park Avenue and Central Park West accounted for 36% of transfers in 1995 and 41% of transfers in 1996. Sales over one \$1,000,000 accounted for 13% of the 6 room transfers in 1995 and 20% of these transfers in 1996. Here again, a change in the mix of apartments sold may have increased the average price.

#### **Analysis of Brown Harris Stevens Transactions**

In order to obtain a clearer understanding of recent price changes, we studied new deals negotiated by Brown Harris Stevens brokers during January and February, 1997, including accepted offers and signed contracts. Of these new deals, 16 were in buildings with a sufficient sales history to permit comparison with similar apartments sold in 1994, 1995 and 1996 – all years in which the resale market has been active.

In analyzing these transactions, we took into account differences in view, floor height and condition. For eight of these transactions, prices were clearly higher than sale prices in 1994, 1995 or 1996. For the remaining eight transactions, sale prices were comparable. None of the prices were lower. There was no clear distinction

between the higher-priced and comparably priced apartments in terms of apartment size, building type or address.

Of 16 new deals analyzed, half were at higher prices than in 1994 - 1996, and none were at lower prices.

#### Sales Volume

Our statistics present a mixed picture with regards to sales volume. Our database has 711 transactions in 1996 and 735 transactions in 1995. These constitute a significant portion, but not all, of the transactions in Manhattan's most desirable locations. This difference in sales volume is minimal.

Sales figures reported by the Real Estate Board of New York, which collects closed sale data from participating brokerage firms throughout Manhattan, indicate somewhat different results. Since its first report in 1993, the Real Estate Board has reported a steady increase in transaction volume, from 1,343 transactions in 1993 to 1,703 transactions in 1994; and from 1,923 closings in 1995 to 2,273 closings in 1996. The Real Estate Board also reports that most of its 1995 and 1996 sales were in the \$100,000 to \$200,000 range. In the Brown Harris Stevens database, this price range accounted for only 8% of closed transactions in 1995 and 9% of transactions in 1996.

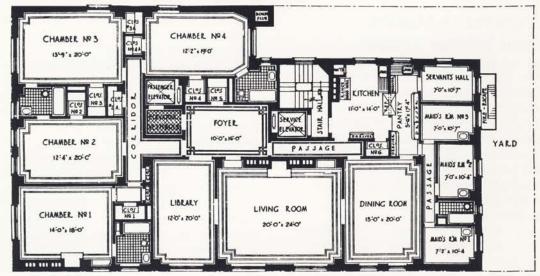
Clearly, the differences in sales volume may reflect the difference in neighborhoods and price ranges considered, and it is possible that the volume of sales in our prime market area has not increased as much as in the cooperative market as a whole. On the other hand, Brown Harris Stevens Residential Sales, LLC reports a significant increase in January and February, 1997 transaction volume, as compared with the first two months of 1996.

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#### The Cooperative & Condominium Report

Spring/Summer 1997



A Full Floor Pre-War Cooperative on Park Avenue

#### III. Manhattan's Million Dollar Plus Condominium Market

This study identifies the most expensive condominium apartments in the present market and compares these with the most desirable cooperative apartments. Recent price trends in this category of the condominium market are also examined.

Our analysis is based on 281 condominium sales at or over \$1,000,000 in 1994, 1995 and 1996. These were either sold by Brown Harris Stevens Residential Sales, LLC or reported sold in the public record. <sup>1</sup>

### The Locations of the Most Expensive Condominiums

This segment is almost exclusively a Midtown and Uptown market. Only 13 of these top condominiums are located south of 40th Street. Nearly half are on the Upper East Side. The remaining sales were divided between the Upper West Side and Midtown Manhattan.

Location	# of Sales	% of sample		
Upper East Side	128	45%		
Upper West Side	83	29%		
Midtown	59	21%		
Downtown	13	5%		
Total	281	100%		

This geographic distribution is both similar and somewhat different from that of expensive cooperative

apartments. While lower Manhattan is increasingly fashionable and affluent, it contains a tiny minority of Manhattan's most expensive condominium and cooperative housing. While many of Manhattan's most expensive cooperatives are located on the Upper East and

This study compares the most expensive condominium apartments with the most desirable cooperatives.

Upper West Sides, very few are located in the Midtown business district. Those located below 60th Street are typically adjacent to the East River, on Sutton Place, Beekman Place, East 52nd or East 57th Streets.

For condominiums, Fifth Avenue is the preferred midtown address, while most of the other expensive condominium buildings are a block or two east or west of Fifth.

Even within the uptown residential neighborhoods, there are significant locational differences between the top cooperatives and the most expensive condominiums. On the Upper East Side, few of the condominiums in this sample were on Fifth or Park Avenues, while a significant number were on Third Avenue in the East 60's, within walking distance of Midtown. On the Upper West Side, the bulk of the transactions were for condominiums near Lincoln Center, although this is a relatively new location for expensive condominiums, or on Central Park West, south of 72nd Street. In the cooperative market, the most expensive apartments are on Central Park West, West End Avenue or Riverside Drive, and many of these are north of 72nd Street.

As published by TRW-REDI. Recorded sale prices include city and state transfer taxes which total 1.825%

Most of the top

cooperative apartments

are located in pre-war

buildings, while most of

the top condominiums

are in newer high-rise

buildings...

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#### The Cooperative & Condominium Report

Spring/Summer 1997

There is a tendency, therefore, for the most expensive condominiums to be located closer to the centers of activity and within walking distance of midtown Manhattan. In the cooperative market, the most expensive apartments tend to be in established, quieter residential neighborhoods, convenient to but somewhat more removed from the largest stores and office buildings.

#### The Most Desirable Condominium Buildings

The 281 condominium apartments in this sample are located in approximately 70 buildings. A partial list of these buildings is shown at the end of this article.

The largest numbers of sales were in the newest buildings, including 1049 Fifth Avenue (renovated 1992), 28 East 70th Street (renovated in 1995), Trump Palace (1990), Three Lincoln Center (1991) and the Millennium Tower (1994). As of this writing, there are a number of sales at the Trump International Hotel & Tower (1 Central Park West) which are in contract but have not yet closed. The largest apartments are in the non-

hotel portion of the building and are scheduled to close in April, 1997.

Building Types – With few exceptions, cooperative apartments are located in pre-war buildings, or in post-war buildings constructed prior to 1980. Most pre-war cooperative buildings have less than 20 floors, although post-war cooperatives tend to taller. Among the tallest cooperatives are the hotels, such as the Sherry Netherland (38 stories) and the Pierre (41 stories), or the tower cooperatives on Central Park West, including the Majestic (30 stories), the San Remo towers (27 stories) and the El Dorado (28 stories).

Generally, the condominium market is a newer market, in newer high-rise buildings. A distinct minority of condominium apartments are in buildings constructed prior to World War II although these are very desirable. The pre-war buildings blend two difficult-to-match preferences: the desire for both pre-war architecture and for condominium ownership. Some of the most expensive pre-war condominium apartments examined were in these buildings:

Address	No. of Stories	
988 Fifth Avenue	14	
817 Fifth Avenue	15	
525 Park Avenue	13	
55 East 86th Street	15	
25 Central Park West	30	

Most of the top condominiums are in buildings that were built in the 1980's or 1990's. Given the

popularity of pre-war apartments, several of these buildings have been built (or completely rehabilitated) in a pre-war style, with traditional lobbies, layouts and detailing. Like most pre-war buildings, these are mid-rise, rather than high-rise structures. Following is a partial list of new "pre-war" buildings. All are very well located on the Upper East Side.

Address	No. of Stories
1049 Fifth Avenue	23
60 East 88th Street	15
50 East 72nd Street	15
28 East 70th Street	15

With the exception of the downtown condominiums, which are converted lofts, the remaining luxury condominiums are in high-rise buildings such as the Millennium (56 stories), Metropolitan Tower (78 stories), Museum Tower (52 stories) and 30 East 85th Street (30 stories). Most of these buildings are much taller than their pre-war counterparts. Approximately 70% of the condominiums in our sample are located in high-rise buildings. The trend to taller buildings, over approximately the past 20 years, continues and is part of Manhattan's historic trend to higher-density housing.

The great architects of pre-World War II apartment buildings, – Rosario Candela, J.E.R. Carpenter, Emory Roth, McKim Mead & White, and Charles A. Platt – are famous or have become better known in recent years. The top condominiums were designed by a newer generation of architects and architectural firms including Schuman, Lichtenstein, Claman and Efron; Costas Kondylis; Frank Williams; and Philip Birnbaum & Associates. These firms, known as accomplished apartment house architects, were often teamed with famous designers such as Philip Johnson, Cesar Pelli and Kohn Pederson & Fox.

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#### The Cooperative & Condominium Report

Spring/Summer 1997

#### Characteristics of the (Multi) Million Dollar Condominium Apartment

The physical characteristics of the most desirable condominium apartments are somewhat different from those of the top cooperative apartments. For luxury cooperatives, the emphasis is on spaciousness, elegant layout and fine detailing. The high-end condominiums tend to be smaller, with luxurious kitchens, larger bathroom/dressing rooms and spectacular views. This

Most high-end condominiums have more informal layouts, with an open dining area, or no dining area, two or three bedrooms and no servants rooms. Even the larger units have no maid's rooms, or only one maid's room, smaller kitchens (without servants' dining rooms and pantries), and fewer hallways. They also have a minimum of detailing, combined with luxurious kitchens and larger closets and dressing rooms. Since most of the top condominium buildings are relatively new, the apartments are generally in excellent condition. Many are not large.

Size Distribution of Condominium Sales	: (at or over \$1,000,000) 1994-1996
----------------------------------------	--------------------------------------

Size Range (SF)	1994	%	1995	%	1996	%	1994-6	%	Av. \$/SF
under 2,000	21	36%	40	38%	38	32%	99	35%	\$777
2,000 - 2,999	18	31%	40	38%	37	31%	95	34%	\$673
3,000 - 3,999	7	12%	13	12%	22	18%	42	15%	\$741
4,000 - 4,999	4	7%	3	3%	3	3%	10	4%	\$592
5,000 +	2	4%	1	1%	1	1%	4	1%	\$479
unknown	6	10%	8	8%	17	15%	31	11%	
Total	58	100%	105	100%	118	100%	281	100%	\$719

distinction is not universal. As we have already indicated, there are a number of new mid-rise "pre-war" buildings on the Upper East Side. In the high-rise buildings, buyers are creating larger apartments by purchasing adjacent apartments, while developers are accommodating this trend by pre-designing a number of larger units. Generally, the larger the new condominium apartment, the more "pre-war" the layout.

Floor plan - The most expensive cooperative apartments and even the most expensive post-war cooperatives, generally have traditional floor plans which include three or more bedrooms, or two or more bedrooms and a library, a formal dining room, and two or more maid's rooms. Many have one or more working fireplaces. All of the prewar cooperatives have high ceilings, plaster walls and crown mouldings. Some have wood-paneled libraries, coffered ceilings or other unusual detailing. Many cooperative apartments are expensively remodeled. Their remodeled kitchens and bathrooms emphasize custom cabinetry, "top-of-the-line" appliances and stone or "Corian" counters. Those that are remodeled sell at premium prices. However, a well-located and elegant prewar cooperative, in original condition, is a very marketable commodity.

Square footages were not available for every apartment in the sample, but the table above indicates that 35% of the apartments have less than 2,000 square feet and that 69% have less than 3,000 square feet. Only a tiny number are larger than 4,000 square feet. While the square foot size of cooperative apartments is generally not available, our experience indicates that a much higher proportion are larger.

Views – Many of the most desirable cooperative apartments have views, including those on Fifth Avenue, Central Park West, the East River or Riverside Drive. The views are directly to the River or the Park and are from

Many of the most desirable cooperatives have direct river or park views from fairly low floors. Equivalent condominiums offer panoramic views from taller buildings.

fairly low floors. Most, however, do not have views and are located in mid-rise buildings on Park Avenue or the Upper East Side side streets. (The Brown Harris Stevens database indicates 255 cooperative sales on Park Avenue in excess of \$1,000,000 since January 1, 1994. A minority of these apartments have views.) The equivalent condominium

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#### The Cooperative & Condominium Report

Spring/Summer 1997

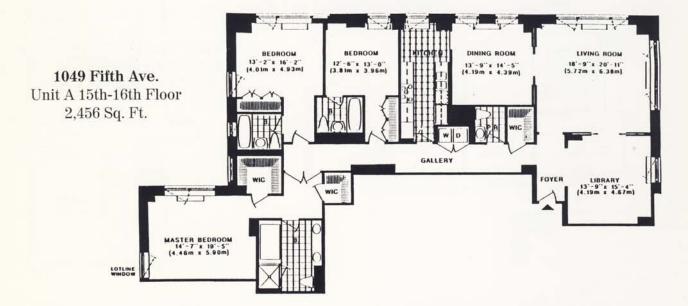
building is rarely directly on the Park or on the water, but the buildings are much taller, and the views tend to be more panoramic. In this sample, 186 (68%) of the apartments were penthouses or located above the 19th floor.

Following is a brief description of apartment types in two mid rise "pre-war" condominium buildings and three high-rise buildings:

At **60** East 88th Street, a 15-story building between Madison and Park Avenues that was built in 1986, there are three sales in this sample. Penthouse B, a smaller unit of 1,673 square feet, has a fireplace, but is modern in plan with an open living/dining area. The 11th

for sale elsewhere in the building. Only three have direct Central Park views, although several have city or partial park views.

At Trump Tower (721 Fifth Avenue, 68 stories) ten top apartments sold during the period examined. Five of the apartments were smaller two-bedroom apartments, between 1,500 and 1,800 square feet. The larger apartments were 2,293 to 3,400 square feet. Two of the larger apartments were combinations of smaller units. All of these apartments were located above the 41st floor. Six of the apartments face north, towards Central Park. Three of the apartments face south and have panoramic city views, including the Empire State Building. Trump Tower is a curtain-walled building with large windows;



and 12th floors are 3,494 square foot full-floor apartments, in the "pre-war style" tradition, with a private elevator landing, living room, dining room, and library, "en suite", four bedrooms, walk-in pantries, windowed kitchen, maid's room and a separate service entrance. The penthouse apartment has limited city views; neither full-floor apartment has views.

At 1049 Fifth Avenue, an older mid-rise building that was gutted and rebuilt in 1993, the replication of prewar cooperatives is also evident, although less pronounced, as in the plan for apartments 15A and 16A above. Of the 12 apartments in this price range, (million-dollar plus) only two had less than 2,000 square feet. The remaining apartments have six to nine rooms and range from 2,074 to 3,335 square feet. All have formal dining rooms and several have libraries, but none have maids' rooms or pantries, although maids' rooms were available

many rooms have double exposures, but only the largest apartments were designed with windowed kitchens. Only two of the ten apartments have separate dining rooms. None of the original layouts have maid's rooms. The building dates from 1983, prior to the trend to large, formal apartments in new high-rise buildings.

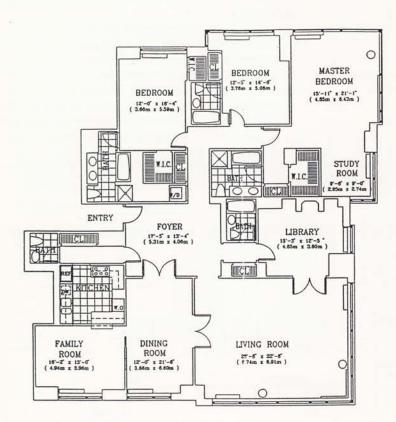
In the newest high-rise condominiums, including The Millenium Tower and the Trump International Hotel & Tower, most of the apartments are relatively small, with informal layouts. However, a significant number of adjacent apartments have been sold together, and there is a small but significant number of pre-designed, large luxury units with traditional "pre-war" layouts. Unlike their pre-war cooperative and condominium counterparts, on the Upper East Side, these units virtually all have fabulous panoramic views.

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The Cooperative & Condominium Report

Spring/Summer 1997



The Millennium Tower 101 W. 67th St. Penthouse 3A 3,464.47 Sq. Ft.

At The Millennium Tower (101 West 67th Street), a new high rise built in 1994, we located 27 sales over \$1,000,000. All have Central Park views. The park views from this building are exceedingly beautiful, as they encompass the buildings on Central Park West. The smaller apartments are 4 and 4.5 room units of 1,500 to 1,600 square feet, with modern layouts. Some, but not all, have open dining areas. ZECKENDORF REALTY, L.P. indicates the building was designed to facilitate combining units, and that ten of these apartments were sold in combination with other smaller, adjacent units. A

few larger apartments were part of the original design. For penthouse apartment 3A (floor plan above) the 8-room layout approximates that of a pre-war apartment, with a large central foyer opening to a corner living room, formal dining room and library. (The addition of a family room, study area and powder room, and the loss of the pantry and maids' rooms, differentiates this apartment from its pre-war predecessors.)

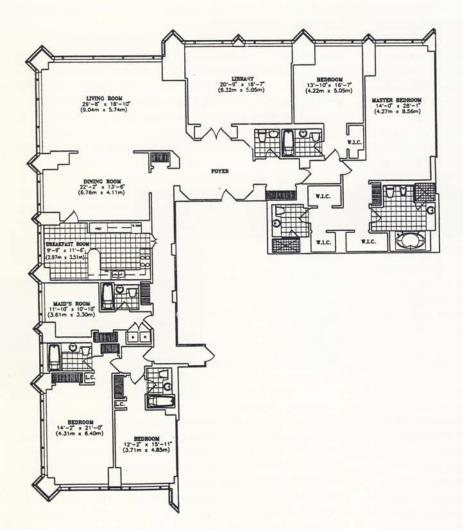
ZECKENDORF REALTY, L.P. & Brown Harris Stevens were responsible for over \$80,000,000 in sales in **The Millenium Tower.** 

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The Cooperative & Condominium Report

Spring/Summer 1997



### Trump International Hotel and Tower

1 Central Park West Penthouse 48A to 50 A 4,489 Sq.Ft.



At the new Trump International Hotel & Tower (One Central Park West), the larger apartments are in the non-hotel upper portion of the building, from the 27th to the 52nd floors. Floor plans for the two bedroom apartments, which are less than 2,000 square feet, are informal; some have and some do not have separate dining areas. The largest apartments, however, have very traditional layouts. Again, the larger the apartment the

more "pre-war" the floor plan. Penthouse A, on the 48th to 50th floors (see plan above), has nearly 4,500 square feet, with a formal dining room, library and separate maid's rooms.

Brown Harris Stevens has been responsible for over \$25,000,000 in sales representing over 40 apartments in the **Trump International Hotel & Tower**.

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#### The Cooperative & Condominium Report

Spring/Summer 1997

#### **Condominium Prices and Price Trends**

The following table indicates that the high-priced condominium market is less than half the size of the equivalent cooperative market. In fact, the relative size of the condominium market is overstated. While the condominium sales include all the million-dollar-plus sales recorded in Manhattan during 1994, 1995 and 1996, the cooperative sales are only those in the Brown Harris Stevens database – a significant portion, but not all of the most expensive transactions. The condominium market is

1996 than in 1994, while the average cooperative price was a bit lower. The average square foot condominium price was also higher in 1996.

These million-dollar-plus figures contrast markedly with average condominium prices for all price ranges in Manhattan, which are published periodically by the Real Estate Board of New York. The Board's average per-square-foot prices for the fourth quarter of 1996 were \$281 for pre-war condominiums and \$298 for post-war condominiums.

The table on page 8 indicates that on average, the

The Highest-Price Condos and Co-ops, # of Sales by Price Range 1994-1996						
Price Range	# of Condos	%	# of Co-ops	%		
\$999,000 +	281	100%	686	100 %		
\$999,000 - \$1,499,999	157	56%	311	45%		
\$1,500,000 - \$1,999,999	57	20%	152	22%		

45

22

16%

8%

131

92

also more tightly clustered, with a higher percentage of transactions under \$2,000,000 and a lower percentage of sales for over \$3,000,000.

\$2,000,000 - \$2,999,999

\$3,000,000 +

The lower distribution of prices at the upper-end condominium market is reflected in lower average prices, as indicated on the table below. The figures in this table, however, indicate a significant increase in condominium sale volume since 1994, while the data suggests an actual decline in the number of cooperative transactions. At the same time, the average condominium price was higher in

highest prices per square foot are for the condominiums which have less than 2,000 square feet. Those units which have from 3,000 to 3,999 square feet also average more than \$700 per square foot. The largest condominiums, in excess of 4,000 square feet, sell at the lowest square foot prices. Review of the sales also indicates that those units selling in excess of \$1,000 per square foot are generally located on the Upper East Side. There were a number of sales at this price in the new "pre-war" buildings, 1049 Fifth Avenue and 28 East 70th Street.

19%

14%

Year	# of Condo Sales	Average Condo Price	Average Condo \$/SF	# of Co-op Sales	Average Co-op Price
1994	58	\$1,686,492	\$709	270	\$2,047,610
1995	105	\$1,627,919	\$712	212	\$1,954,896
1996	118	\$1,774,356	\$731	204	\$1,971,486
1994-6	281	\$1,701,502	\$719	686	\$1,996,320

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Spring/Summer 1997

### Are Condominiums as Expensive as Cooperatives?

This question cannot be easily answered because condominiums are priced on a per-square-foot basis, while cooperatives prices are typically based on their room count.

The Average Price table on page 12 indicates that high-end condominiums sell at lower prices than the most expensive cooperatives. However luxury condominiums are a relatively newer phenomenon in Manhattan and they do not conform to the current preference for classic, prewar architecture. They are less well located, and generally have less prestige in the eyes of resident New Yorkers. The difference between these averages is therefore less than was expected. Furthermore, because luxury condominiums tend to be smaller, their average price on a per-square-foot basis is probably higher. <sup>2</sup>

The price competitiveness of luxury condominiums vs. cooperatives is unexpected.

The desirability of condominiums is due to the differing preferences of condominium buyers. These buyers, often foreigners and other parttime residents, prefer the convenience and

modernity of new buildings, and do not meet or will not accept the restrictions of cooperative boards of directors. Condominiums do not regulate corporate or investor ownership, and condominium apartments can be rented long term.

Analysis of a small number of condominiums and cooperatives on or near Fifth Avenue indicates that the prices of the most desirable condominiums and cooperatives are competitive, on a price per square foot basis:

• At 1049 Fifth Avenue, apartment 15B, a 9 room apartment of 3,335 square feet, sold in July, 1996 for \$3,157,000, or \$947 per square foot. Monthly carrying costs, including common charges and real estate taxes, totaled about \$6,000. This apartment has direct Central Park views, with four bedrooms, a library and an open dining room. The building, which is located on 86th Street between Fifth and Madison Avenues, was completely rehabilitated in 1992.

• At 30 East 85th Street, the 23rd floor, a 7 room apartment of 3,364 square feet, sold in January, 1996 for \$3,400,000, or \$1,011 per square foot. Monthly carrying costs totaled about \$3,800. This apartment, a combination of two, formerly separate apartments with three bedrooms (including a double master) and a library, has four exposures and 68' facing Central Park. The building is located at Madison Avenue and East 85th Street.

The following cooperative apartments both face Central Park and are similar to the two condominiums in location and size. They are both in pre-war Fifth Avenue buildings. Because cooperative sales are not in the public record, specific addresses and apartment numbers have not been indicated.

- On Fifth Avenue in the East 80's, a seventh floor apartment, which, according to brokers, has approximately 3,500 square feet, sold in May, 1996 for \$3,700,000, or \$1,057 per square foot. Monthly maintenance charges were approximately \$6,000. The apartment, which includes four bedrooms, a library and three maids' rooms, was in original condition.
- On Fifth Avenue in the low 90's, a sixth floor apartment, of approximately 4,000 square feet sold in February of this year for \$4,050,000, or \$1,013 per square foot. Monthly maintenance charges was approximately \$4,000. This apartment also has four bedrooms and a library, with three maids' rooms. It was updated and in beautiful condition.

All four apartments sold at similar per-square-foot prices. The cooperative apartments are actually on Fifth Avenue, and both were on lower floors with lesser views. One was clearly not renovated. Still, the high and competitive prices of the condominium apartments is very significant.

<sup>&</sup>lt;sup>2</sup> Please note that our analysis considers only the sale prices and does not account for differences in monthly carrying costs. Most cooperative buildings are carrying some form of underlying debt, and the monthly maintenance charges include the apartment's share of the interest payments. On the other hand, real estate taxes, which are billed to cooperative buildings as a single entity, but separately to each condominium owner, are generally higher for new condominium apartments than for the older cooperatives.

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The Cooperative & Condominium Report

Spring/Summer 1997

IV.

As seen in

# The New York Times

### For Luxury Condos, a Changing Face

By TRACIE ROZHON

Remember those rather small "luxury" condo apartments — sheet-rocked white-painted spaces with open layouts and breathtaking views — built by the hundreds in the building boom of the mid-to late 1980's?

According to a report to be released next week, the views are still featured, but the new luxury condominiums being planned and built now are generally bigger and of what architects and developers call the "prewar type," with maids' rooms and formal dining rooms and separated bedrooms and grand entrance foyers, just like the layouts of the best prewar apartments along Park and Fifth Avenues.

"The bigger and more expensive they are, the more their layout looks like a prewar apartment," said Lawrence Sicular, chief statistician for Brown Harris Stevens, an old-line real estate firm.

In a comparison with the older, well-established co-ops and the newer condominiums — all selling for more than \$1 million — Mr. Sicular found that the condos were still generally smaller than comparably priced co-ops, "with a greater emphasis on state-of-the-art kitchens, larger bathroom-dressing rooms and spectaoular views."

Increasingly, the report said, those distinctions are blurring. There were more midrise condominium buildings being built with huge three, four- and five-bedroom apartments and without spectacular views — and in the 1980's high-rises, buyers have often combined adjacent apartments to create larger ones.

"When we designed a luxury twobedroom apartment in the 80's, it had 1,150, 1,250 square feet," said Peter Claman, a partner in Schuman Lichtenstein Claman & Efron, who has drawn the layouts for thousands of Manhattan apartments. "Now, we give it 1,650 square feet.

Mr. Claman spoke of two recent buildings for which he designed the apartments: the Knickerbocker, at 308 East 72d Street, and the Siena, at 186 East 76th Street. Both feature large apartments, and unlike many of the 1980's condominiums, both are on locations on the Upper East Side that developers now consider desirable for family-sized apartments.

"Both are sold out," he said. "People are looking for more space: a central foyer with entrances to the sleeping areas, to the living rooms, to the kitchen and dining rooms. Ideally, there's a library off the living room with its own bathroom, so it

can serve as a guest room. Every bedroom has its own bathroom and there must be a powder room. Dressing alcoves are a must; his and hers bathrooms off the master. Otherwise, there'll be a divorce!"

Costas Kondylis, another architect known for his Manhattan residential buildings, agreed. "In the 80's, you had apartments where you opened the door and fell right into the living room; maybe you had to squeeze by a dining room table just plunked down there," he said. "The 80's were all minimal. There were rooms without moldings, doors without trim. The average apartment was a two-bedroom."

According to Diane Ramirez, sales director for the Halstead Property Company, the growing taste for apartments of the prewar style has other causes as well. "These new condominiums are not being built for investors as they were in the 80's," she said. "The days of the studios and one-bedroom condos are over." The aim of the investment purchasers was usually to rent out the apartment rather than live in it.

The buyers of these large condominiums — developers say those are the majority of their new apartments now — may come from a foreign country. They may be investment bankers with large incomes but not enough savings to satisfy a co-op board. Or they may simply not want

to disclose their finances, as they may have to do to a co-op board.

Nevertheless, these people "still want the prewar life style," she said.

"Most people in that price range tend to be conservative, traditional," said Alan Rogers, managing director of Douglas Elliman, one of New York City's largest real estate brokerage concerns. "They don't want to experiment. It's not the 1960's."

Philip E. Aarons, one the partners at Millennium Partners, a development group generally credited for the residential renaissance around Lincoln Center, when asked about the move toward prewar layouts, said, "We've worked very hard toward achieving exactly that."

Donald J. Trump, whose layouts have changed substantially from those at Trump Tower (1983) to those at Trump International Hotel and Tower (1997), said he had gone from the more open floor plan to more formal layouts because of current market demand. He is currently planning large, grand layouts in his coming condo conversions at the Mayfair Hotel and the St. Moritz.

Robert S. Skolnick, director of marketing and head of development for the Jack Parker Corporation, the developer of the Knickerbocker, where prewar-style condos range from \$350,000 to \$2.2 million, said his organization was planning another project in the same style.

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#### V. A Partial List of Manhattan's Top Condominium Buildings

Buildings with at least three sales of \$1,000,000 or more in 1994, 1995 and 1996

Address	Building Name	# of Sales	Date Built*	Aver. \$/SF**
15 West 53rd Street	Museum Tower	16	1982	\$644
150 West 56th Street	Citispire	4	1987	\$484
146 West 57th Street	Metropolitan Tower	3	1986	\$721
22 West 66th Street	Europa	8	1994	\$529
101 West 67th Street	The Millennium Tower	28	1994	\$769
117 East 57th Street	The Galleria	4	1975	\$547
200 East 61st Street	The Savoy	3	1986	\$696
188 East 64th Street	The Royale	5	1986	\$762
200 East 65th Street	Bristol Plaza	10	1987	\$796
200 East 69th Street	Trump Palace	24	1990	\$739
28 East 70th Street	Hampton House	10	1995	\$834
30 East 85th Street	(C)	9	1987	\$977
55 East 86th Street		5	1924	\$618
60 East 88th Street		4	1986	\$554
144 Columbus Avenue	One Lincoln Square	3	1995	
106 Central Park South	Trump Parc	4	1988	\$689
160 Central Park South	Essex House	3	1990	
1 Central Park West	Trump International	4	1996	\$956
25 Central Park West	The Century	6	1932	\$712
Three Lincoln Center	700	15	1991	\$686
641 Fifth Avenue	Olympic Tower	3	1975	\$762
721 Fifth Avenue	Trump Tower	10	1983	\$946
923 Fifth Avenue	5.**	5	1950	\$960
1049 Fifth Avenue		12	1993	\$793
500 Park Avenue		4	1984	\$564
525 Park Avenue		6	1914	
944 Park Avenue		4	1929	
100 United Nations Plaza		6	1986	\$709
152 Franklin Street		3	1993	
211 West Broadway		3	1995	

 $<sup>*</sup>Or\ substantially\ rehabilitated.$ 

<sup>\*\*</sup> Averages of the \$1,000,000+ sales

 $Where\ averages\ are\ not\ indicated,\ square\ footages\ were\ not\ available.$ 

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#### VI. Manhattan's Million Dollar Plus Condominium Market

Summary of Findings

- Our study focuses on 281 Manhattan condominium apartments that have sold for \$1,000,000 or more during 1994,1995 and 1996.
- The average price per square foot was \$709 in 1994, \$712 in 1995 and \$731 in 1996. The number of closed sales in each year was 58, 107 and 119 respectively. This is a tightly clustered market where 76% of the sales are for less than \$2,000,000. Only 22 units sold for \$3,000,000 or more during the three years studied.
- Forty-five percent or 128 of these apartments are located on the Upper East Side. Only 5% or 13 apartments are located downtown. The remaining apartments are located in Midtown or on the Upper West Side. Within these districts, the most expensive condominium apartments tend to be located within walking distance of midtown Manhattan. In contrast, the most expensive cooperative apartments dominate the most prestigious addresses in established residential neighborhoods.
- The 281 condominium apartments in this sample are located in approximately 70 buildings. While the most desirable cooperatives are usually in pre-war buildings, most of the top condominium units are in high-rise buildings built after 1980. A number of them are in pre-war buildings, and an increasing number are in new mid-rise buildings designed in the "pre-war style".
- The most desirable condominium apartments are somewhat different from the top cooperative apartments. While luxury cooperatives generally emphasize space, layout, workmanship and detailing, the most expensive condominiums tend to be smaller, with a greater emphasis on state-of-the-art kitchens, larger bathroom/dressing rooms and spectacular views. The growing number of large apartments in new "pre-war" condominium buildings indicates that this distinction is not universal. In the high-rise buildings, buyers are creating larger apartments by purchasing adjacent apartments, while developers are pre-designing a number of larger units. Generally, the larger the new condominium apartment, the more "pre-war" the layout.
- For 1996, the average high-end condominium price was \$1,774,356, while the average cooperative price was \$1,996,320. Since luxury condominiums are a relatively newer phenomenon in Manhattan, the competitiveness of these averages is unexpected. Because condominium apartments tend to be smaller, their average price, on a per square foot basis, is probably higher. Analysis of a small sample of condominiums and cooperatives on or near Fifth Avenue indicates that condominium prices, on a price per square foot basis, approach those of even the most desirable cooperatives.

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