

Brown Harris Stevens

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Manhattan Residential Market Report

Winter 1998

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I. Introduction

Trends in Manhattan's Prime Cooperative, Condominium and Townhouse Markets

A summary of average cooperative prices in our prime market area is on page 4.¹ For the 1997 market as a whole, the average price was \$1,145,897, 32% higher than in 1996.

Last year's strong market was also reflected in average price increases in every apartment size category.² The average price for four-to-five room apartments increased 11%; for six-room apartments it increased by 12%.

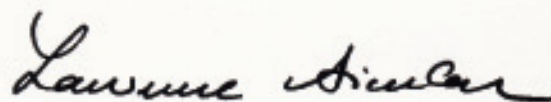
The most significant price gains were in the largest 7-8 and 9+ room size categories. The 1997 average for 7-8 room apartments, \$1,494,975, was 32% higher than in 1996, although only 15% higher than in 1995. The average for 9+ room apartments was 26% higher than in 1996 and an impressive 42% higher than in 1995. Indeed, the 7-8 room average is comparable to its average prices at the previous peak in the market, in 1988 and 1989, while the 9+ room average is significantly higher.

The strength of demand for the largest apartments is reflected not only in these average figures, but also in the demand for specific property types. The following three articles were written over the past six months. They analyze specific housing types at the very apex of our market, including the most expensive pre-war cooperatives, Upper West Side townhouses and the new condominium apartments at the former Mayfair House hotel. All three analyses show significant, sometimes extraordinary, price increases. These increases have been due to both a strong economy and a shortage of available inventory.

While a change in today's favorable economic conditions could affect the nature of our market in 1998, this past year has been the strongest since the previous market cycle.

Price increases have been strongest in the most expensive market categories.

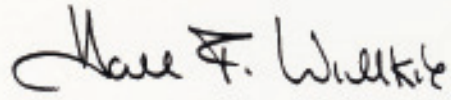
In every size category of the cooperative market, there have been significant price increases.



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¹This 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 located on East End Avenue and Gracie Square.

²The average prices have not been adjusted for inflation.

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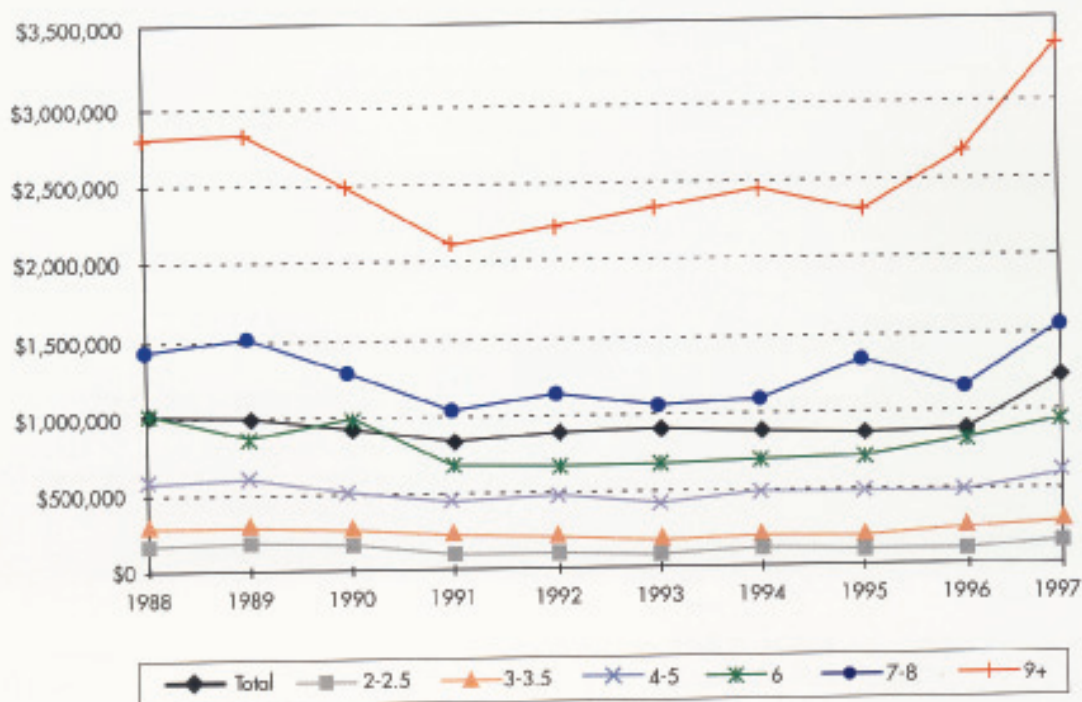
All information furnished in this report is from sources deemed reliable and is submitted subject to errors, omissions and changes as needed.

We are pledged to the letter and spirit of U.S. policy for the achievement of equal housing opportunity throughout the Nation. We encourage and support an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.

Average Cooperative Sale Prices by Size - Manhattan's Prime Addresses

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	\$998,474	\$177,235	\$296,932	\$571,338	\$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	\$842,792	\$106,682	\$245,751	\$449,678	\$672,707	\$1,025,152	\$2,128,816
1992	\$890,054	\$98,632	\$223,431	\$488,217	\$656,475	\$1,130,994	\$2,234,590
1993	\$876,061	\$85,143	\$194,900	\$415,795	\$685,313	\$1,049,944	\$2,345,545
1994	\$894,030	\$112,093	\$213,241	\$480,746	\$700,384	\$1,076,246	\$2,450,094
1995	\$887,692	\$109,979	\$213,785	\$476,908	\$712,033	\$1,303,379	\$2,319,845
1996	\$867,529	\$94,879	\$232,938	\$489,013	\$814,477	\$1,133,517	\$2,612,296
1997	\$1,145,897	\$112,700	\$240,006	\$542,838	\$911,621	\$1,494,975	\$3,289,698

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



II. Prices Reach the \$2,000-Per-Square-Foot Barrier *as Preferences in the Ultra-Luxury Cooperative Market Shift Towards Fifth Avenue*

Cooperative Prices

For the first time, Brown Harris Stevens has located a Manhattan sale price in excess of \$2,000 per square foot². This price was for a 5,400-square-foot apartment that sold for \$13,000,000 dollars in a pre-war building on Fifth Avenue. To our knowledge, this is a

record price in every category of the Manhattan residential sales market.

A second transaction at approximately \$1,900 per square foot matches the previous record, which was set in 1995. This apartment, which sold for \$12,000,000, was also in a pre-war building on Fifth Avenue.

These apartments are two of 13 transactions that

13 transactions at
\$5,000,000 or more
have closed in 1997.
Per-square-foot prices
range from less than
\$1,000 to \$2,400.

closed at \$5,000,000 or more in 1997. The highest price per square foot was \$2,400; however, the range was wide, with two apartments selling at less than \$1,000 per square foot, five apartments from \$1,000 to \$1,500 per square foot, and five apartments selling from \$1,500 to \$1,999 per square foot.

While the most recent prices are not always record prices in every building, there are several examples of very large price increases over the past few years. On Central Park West, in a desirable line of ten-room apartments, there was a sale at \$3,300,000 in 1993, another at \$3,900,000 in 1994 and a third at \$5,800,000 in early 1997. On Park Avenue, in the same line of 8,200-square-foot apartments, there was a sale at about \$6,100,000 in 1996, followed by an \$11,000,000 sale in mid-1997. On Fifth Avenue, a low-floor apartment sold for \$4,000,000 in 1994, while a higher floor sold for over three times this amount in 1997.

These apartments are part of a small ultra-luxury segment of the cooperative apartment market that still consists predominantly of apartments in buildings on Fifth and Park Avenues. Our research located 40 apartments

that have sold at \$5 million or more since January 1994, of which 19 were on Fifth Avenue, 15 on Park Avenue, three on Central Park West and three on Sutton Place or near East End Avenue/Gracie Square. Among the most famous of these buildings is the Dakota, which was built in 1887. However, it is much more common for the highest prices to be obtained in buildings which are more discreet in their exterior appearance, but actually very luxurious. These include, among others: 810, 834 and 960 Fifth Avenue; and 720, 730, 740 and 778 Park Avenue.

Views and Architecture

These ultra-luxury apartments are characterized by size, by views and/or by architectural grandeur. The smallest of these apartments is less than 4,000 square feet. The largest has about 11,000. Half of the 40 apartments analyzed range from 5,000 to 6,000 square feet.

With one exception, every one of the 35 apartments on Fifth Avenue, Central Park West, Sutton Place, East End Avenue, or Gracie Square faces directly to Central Park or the East River. Virtually every one of these apartments clears the tree line and has panoramic views. Generally, these are full-floor units with two or three exposures which both enlarge and vary the views, often looking not only to the Park but also south to midtown Manhattan.

Park Avenue has many of the apartments in this ultra-luxury category, indicating that amenities other than view characterize apartments selling at the highest prices. These non-view elements combine architectural grandeur with wealth and social prominence. Grandeur is due either to large rooms, high ceilings, and/or ornate architectural detail.

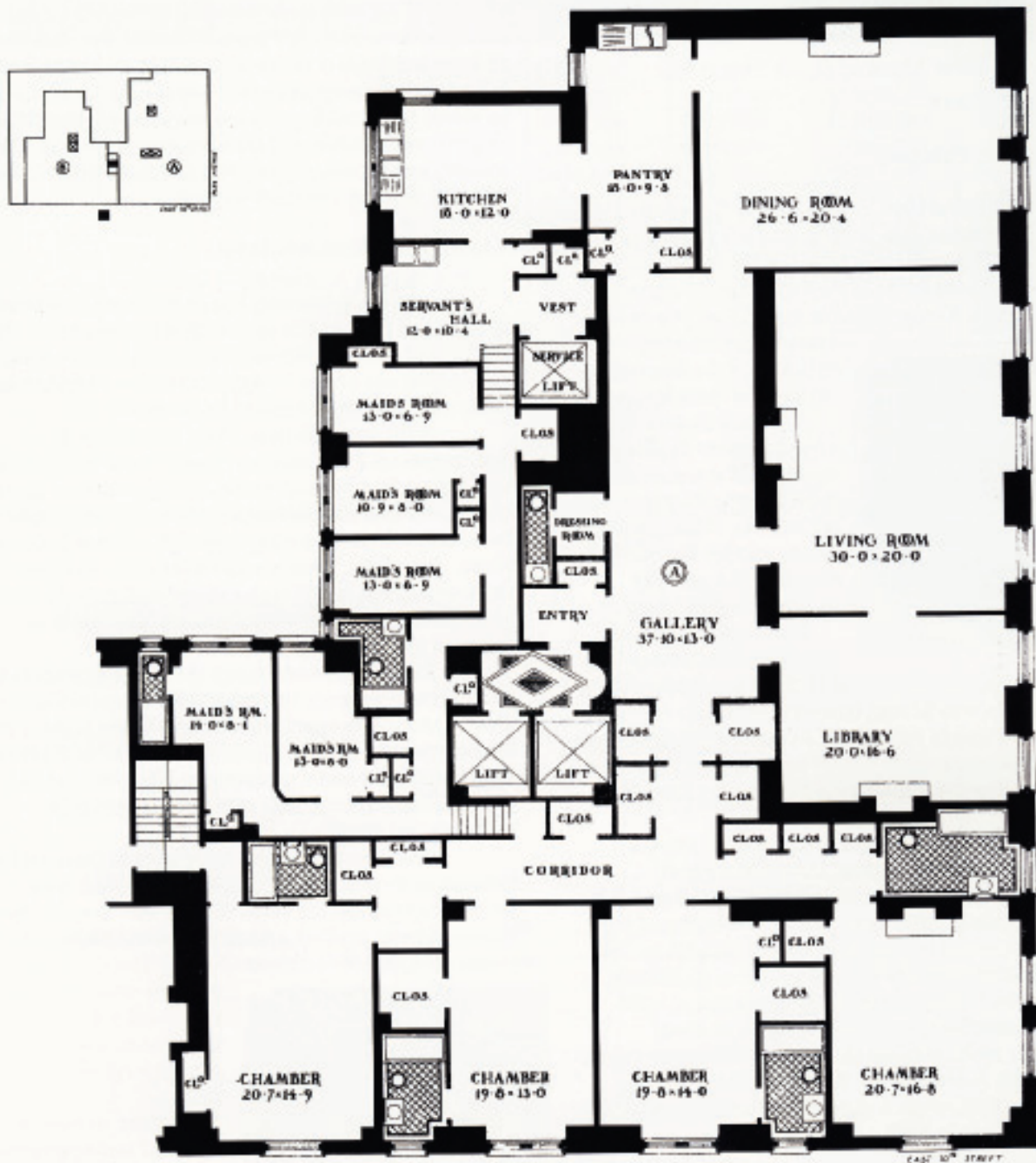
Prominent residents are drawn to these buildings because of their architectural distinction, but their presence enhances the value of their apartments. Brown Harris Stevens brokers advise us that the definition of social prominence continues to shift. These apartments

are now often purchased by very successful businessmen who have earned large sums of money.

720 Park Avenue, a "typical" building in this category, was built by the Straus family in 1928 and designed by the renowned architect Rosario Candela.

Park Avenue has many
apartments in this ultra-
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that amenities other than
view characterize the
highest priced apartments.

²Square foot estimates are based on published floor plans. Square foot prices should be viewed as rough estimates.



Floor Plan of a Grand Apartment at 720 Park Avenue

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The apartments were built to order and often included unique architectural detailing. An unusually grand apartment that sold in 1995 has very high ceilings in the main entertaining rooms. It measures approximately 5,300 square feet with an enormous 13' x 35'8" entrance gallery, a 20' x 30' living room, 16'4" x 20' library, and a 20'4" x 26'6" dining room. There are working fireplaces with elaborate mantels in the living room, library and dining room. The living room, library and dining room also have carved paneling, as do two of the bedrooms. The dining room has an elaborate coffered ceiling.

At 740 Park Avenue, also designed by Candela, the apartments were designed in four duplex layouts, each with 14, 16 or 18 rooms. In one apartment that just recently sold, it is clear that the classical detailing, although simple, was designed to ornament a grand apartment. The entrance gallery has an ochre marble floor with a black marble baseboard. There are concave crown moldings decorated with leaves in the living room and dentils in the dining room. Simpler cove moldings ornament the library and upstairs bedrooms. Coffered arches separate the entry gallery from the living room and the conservatory from dining room. The curved staircase has marble treads, a brass railing and an ornamental rail with a simple S-curved design. The original bathroom fixtures are oversized and white with large chrome fixtures.

At over 6,900 square feet, the apartment has the layout of an elegant house but with a minimum of hallway space. While the detailing is classic and the room scale is grand, the layouts are modern, or were modern in 1930. The plan does not emphasize symmetry or axial perspective. Instead, the main rooms are grouped around a large entrance gallery and spiral staircase. They open to the gallery, not to each other. The living room is 22' x 37', the library 20' x 17', and the dining room 19' x 25', with an adjacent "conservatory" or breakfast room. There are more maids' rooms (5) than master bedrooms (4). The ceiling height is 10'10" on the main floor and 9' on the bedroom floor.

A Shift in Preferences?

Combining architectural distinction with park views pulls the very highest prices in New York. Over the past several years, apartments at 4 East 66th Street, 960 Fifth Avenue and 834 Fifth Avenue have sold at the very highest prices. All have very large, grand apartments, excellent locations and a reputation for exclusivity. 960 Fifth Avenue, for example, is considered to be one of the two or three finest buildings in New York.



Staircase (above)
and coffered arch by Rosario Candela

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Its architectural distinction is described in an article published by the Institute for the Study of Classical Architecture in 1996.⁴ The building is characterized by a variety of ceiling heights and layouts. Some of the apartments were designed to suit the needs of individual purchasers, while others were built in accordance with Rosario Candela's designs.

The most recent 1997 sales, while only 13 in number, suggest a further emphasis on Fifth Avenue as relative preferences shift away from Park. While in 1994 and 1995 the highest prices were in the very grandest and best located Fifth Avenue buildings, the per-square-foot prices in architecturally distinguished buildings such as

720, 740 and 778 Park were roughly equivalent to those in buildings such as 810, 993 and 1030 Fifth Avenue. In these two years, there were several sales in these buildings in the \$1,100 to \$1,300 per-square-foot range.

1997 sale prices have most markedly increased on Fifth Avenue. This is where the record prices are being set.

The 1997 sale prices, however, have most markedly increased on Fifth Avenue. This is where the record prices are being set. Significantly, a few buildings without prior sales exceeding \$5,000,000 have joined the list, including 785 Fifth Avenue, a post-war building, 2 East 67th Street and 920 Fifth Avenue. This shift suggests an increased emphasis on views. This was already noted, albeit in a lower price range, in the very desirable line of apartments on Central Park West.

The hypothesis that relative preferences are shifting away from architecture towards views is preliminary, as it is based on very few transactions. If it holds, it could be part of a long-term trend in Manhattan. Now, not only a view of Central Park, but also the number of rooms on the Park and the quality of the view are considered to be important. In this sense, the cooperative market approaches the condominium market which, despite a shift towards "pre-war" design, much more markedly emphasizes views. Prior to World War II, some Fifth Avenue buildings were built with their living rooms facing the side streets and their best views reserved for the maids, on the roof. Clearly, this would no longer be the case.

August 8, 1997

III. Prices Soar in the Upper West Side Townhouse Market

but the Upper East Side is Still Most Strongly Identified with the Very Affluent

During 1996 and 1997 (through July, 1997) there have been 12 sales of single-family townhouses on the Upper West Side. Sale prices ranged from \$820,000 to \$4,275,000.

The table below provides a brief summary of some of the higher-priced sales:

Location	House Size	# of floors	Approx. S.F.	Sale Price	Sale Date	\$/SF	Condition
West 60's/bet. CPW & Columbus	19'x 66'	5	6,400	\$3,200,000	5/97	\$500	Renovated
West 70's/bet. CPW & Columbus	20'x 66'	5	7,200	\$4,275,000	10/96	\$594	Highly renovated
Riverside Drive	26'x 54'	6	6,800	\$3,850,000	10/96	\$566	Highly renovated
West 70's/bet. Riverside & WEA	18'x70'	5	6,700	\$2,175,000	6/96	\$325	Renovated

⁴"960 Fifth Avenue, A Case Study of The Apartment House Architecture of Rosario Candela", by David Netto, *The Classicist* No. 3, The Institute for the Study of Classical Architecture, 1996

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The Geographic Distribution of Sale Prices on the Upper West Side

With the notable exception of a recent sale on Riverside Drive, the highest prices — those exceeding \$3,000,000 — have been for houses located on park blocks between Central Park West and Columbus Avenue in the West 60's and 70's. On these blocks, the very highest prices, of \$4,000,000 or more, have been paid for the widest and most highly remodeled houses.

Townhouses that are located north of West 86th Street or west of Columbus Avenue have been selling at lower prices, but most of these prices are still very high. These include sale prices of \$2,100,000 for a park block house in the high West 80's; \$2,175,000 between West End Avenue and Riverside Drive; and \$2,400,000 for a townhouse on West End Avenue, both in the West 70's. Unusual views, width, or condition can pull a very high price, even without Central Park. The Riverside Drive house indicated above is a very remodeled, 26'-wide house with painted frescoes on the dining room and master bedroom ceilings. The house was designed by Clarence True and faces directly to Riverside Park; it recently sold for \$3,850,000.

The photograph below is of a townhouse in the West 80's which is exclusively listed with Brown Harris

Stevens at \$1,585,000. The asking price reflects the building's potential for conversion to single-family use. It now contains four floor-through apartments.

Significant Price Increases

These sale prices represent significant increases compared with prior years. While nine of the West Side townhouse sales since January, 1996 exceeded \$2,000,000, there were none sold at this price in either 1995 or 1994.

In 1993, there were three sales exceeding \$2,000,000, all located in the West 70's between Central Park West and Columbus Avenue:

- One very large, 25'-wide, partially renovated house sold in April, 1993 for \$2,050,000. It resold in August, 1996 for \$3,735,000.
- A renovated, 20'-wide house with much original detail sold in April, 1993 for \$2,200,000.
- A 25'-wide, partially renovated house, delivered as three vacant units, sold for \$2,900,000 in July, 1993.

Clearly, sale prices on the park blocks have been at least \$1 million dollars higher during 1996 and 1997. Houses north of West 86th Street and west of Columbus Avenue are now selling at prices that were previously limited to the blocks off Central Park West.

Townhouse
in the West 80's



*Sales of single-family houses, which appear as multi-family or commercial property in the public record, may not have been included.

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Higher Prices than at the Previous Peak in the Market

We reviewed Upper West Side single-family townhouse sales during 1988, 1989 and 1990, years which generally coincided with the previous peak in the market. The highest price paid during these three years was \$2,080,500, for a townhouse in the West 70's between Central Park West and Columbus Avenue. Most of the sale prices were between \$1,100,000 and \$1,400,000.

There was one 1987 sale at \$4,200,000, but this is the only sale price at this level that we are aware of in the previous market cycle. Clearly, prices were much lower than in the present market.

Current Availability

Brown Harris Stevens Residential Sales, LLC indicates that there are presently very few houses available for sale on the Upper West Side. As of August, 1997, there were only three single-family houses available, of which two were asking in excess of \$5,000,000. Although new houses are typically offered to the market after Labor Day, the extremely limited supply tends to increase the upward pressure on prices.

Distribution of Prices, East vs. West Side

The Upper West Side single-family townhouse market is much smaller than that of the Upper East Side. Our research indicated only ten West Side sales of single-family townhouses from January, 1996 through June, 1997 (the eleventh closed in July). On the Upper East Side, the public records indicate 41 sales of single-family houses during the same 18-month period. The West Side's fewer transactions reflect not only the neighborhood's smaller size, but also the limited number of single-family townhouses that are still available and were not subdivided into apartments during the neighborhood's economic decline following World War II.

On the West Side, two of the single-family houses, between West 60th and West 110th Streets, sold for less than \$2,000,000. Three sold from \$2,000,000 to \$2,999,999; three sold for \$3,000,000 to \$3,999,999; and two sold for \$4 million dollars or more. The highest sale price was

\$4,275,000. An analysis of prices on a per-square-foot basis indicates that the highest prices were at approximately \$600 per square foot.

On the East Side, between East 60th and East 96th Streets, five houses sold for under \$1 million dollars. Sixteen sold from \$1 to \$2 million. Ten sales were in excess of \$2,000,000 but under \$3,000,000, while three sold for \$3,000,000 to \$3,999,999. There were two sales in the \$4 millions category and six that equaled or exceeded \$5 million dollars. The highest sale price since January 1996 was for a house which sold in December 1996 at \$10

million. While we have not analyzed all of these prices on a per-square-foot basis, there has been at least one transaction that exceeded \$1,000 per square foot.

At the present time, the Upper West Side is increasingly popular. An increased demand for single family houses on the West Side, and very limited availability, are causing very large price increases. Nevertheless, differences in the distribution of sale prices indicates that the Upper West Side market is very different from that of the Upper East Side. The West Side is more of a "middle" market, with fewer inexpensive houses, and only a small number of the most expensive houses.

Clearly, sale prices on the park blocks have been at least \$1 million dollars higher during 1996 and 1997. Houses north of West 86th Street and west of Columbus Avenue are now selling at prices that were previously limited to the blocks off Central Park West.

Price Comparison, Upper West Side vs. East Side

The differing distribution of prices does not answer the question whether West Side houses are more or less expensive than equivalent houses east of Central Park. The Upper West Side may be more or less expensive, depending on the size of houses or the actual locations compared. **However, comparison of the highest price houses on the Upper West Side, with similarly sized houses on the Upper East Side, shows that the Upper East Side is still substantially more expensive.**

As was previously indicated, the highest West Side prices have been for highly renovated houses located in the West 60's and 70's between Central Park West and Columbus Avenue. The two highest-priced houses sold for \$4,000,000 and \$4,275,000, or \$597 and \$594 per square foot respectively. Both are 20' wide, and contain five floors totalling approximately 6,700 and 7,200 gross square feet.

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On the Upper East Side, we located two sales of highly renovated 20' houses:

- One, located in the low East 80's between Fifth and Madison Avenues, sold earlier this year for \$6,800,000. This five-story elevated limestone house with an oak-paneled wine cellar, French walnut paneling and French windows sold for approximately \$1,030 per square foot.

- The second house, on a very desirable block in the East 60's between Park and Lexington Avenues, sold in mid-1996 for \$5,200,000 or \$846 per square foot. A five-story neo-gothic house, it included a St. Charles kitchen and a paneled living room with 15' ceilings.

These sales show not only much higher total prices for similarly sized houses, but also much higher prices per square foot. The logic for these price differences is clear to anyone who walks the side street blocks between Central Park West and Columbus Avenues. While charming, these streets do not exhibit the economic uniformity and maintenance levels of the better Upper East Side streets. Many of the West Side townhouses are still subdivided into apartments. Many of the stoops have been removed and the facades otherwise altered. Nevertheless, even the most expensive West Side houses offer a better value.

August 21, 1997

IV. 610 Park Avenue

The Mayfair House

A Redevelopment

Of the newer condominium buildings, the best located is 610 Park Avenue, formerly the Mayfair House Hotel, which is located at the northwest corner of East 65th Street. Both the location and the pre-existing hotel reflect a certain amount of status on the new condominium apartments. Le Cirque was a long time tenant and the bar was elegant, although faded. The hotel was built during the 1920's, which parallels the construction dates of Manhattan's best cooperative buildings and enhances the marketability of the new condominium.

Services

The Mayfair is in the midst of a complete renovation. The new condominium will offer many hotel-type services, including maid service, valet service, a gym and butler service for the restaurant. The hotel services will be paid for on an as-used basis.

Mayfair House, Summary of Available Apartments, 10/97

# of Bedrooms	1	2	3	4
Lines	D	C, F	E	A
Rooms/baths	3/1.5	4-5/2.5	5/3 & 7/4.5	10/5
Square footage	986	1,642- 2,057	2,115- 3,195	4,401
Asking prices	\$716,500- \$749,000	\$1,470,000- \$2,264,000	\$1,685,000- \$3,407,500	\$6,450,000- \$6,780,000
\$/SF	\$727- \$759	\$873-\$1,100	\$797-\$1,067	\$1,466-\$1,541
Monthly charges	\$1,186 - \$1,210	\$2,185- \$3,003	\$2,689 - \$4,513	\$7,516 - \$7,758

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A Successful Sales Effort

According to the sales office, these apartments have been available for sale since August, 1997. Completion of the building and closing of these sales is projected for the fall of 1998. The apartments are configured with one, two, three and four bedrooms.

Since the building has not yet been completed, sales prices are not available. However, the original asking prices on the first through eighth floors ranged from \$670 to \$1,220 per square foot, with units facing Park Avenue asking in excess of \$1,000 per square foot. On the ninth through sixteenth floors, the price range was \$790 to \$1,600 per square foot. The highest prices were for the largest apartments in the building — 4,401 square feet — which face Park Avenue. Asking prices have been increased from 1% to 10% since the initial offering.

Approximately three quarters of the apartments have signed contracts. Following is a summary of available apartments as of October, 1997.

Analysis

610 Park Avenue combines services and remodeled interiors with an excellent Park Avenue address, pre-war construction and condominium ownership.

- The timing of this offering has been perfect. The resale market has been very strong, prices are typically higher than last year, and there is a shortage of available, well-located condominium product.

- In most size categories, its apartments are selling at substantially higher prices than similarly-sized pre-war cooperative apartments, even though, architecturally, 610 Park Avenue only approximates the pre-war buildings that it emulates.

Alternative Condominiums

Prices at 610 Park Avenue are high, compared with the most recent sales in other well-located condominium buildings. However, there are very few available alternative listings at this time, and virtually none of them are pre-war. This is due to both the present market conditions and to the limited number of condominium buildings, particularly "pre-war" condominium buildings, at prime Upper East Side addresses.

At 1049 Fifth Avenue, a completely rehabilitated pre-war building located on East 86th Street, two-bedroom apartments with two bathrooms have been selling in the same range as the \$716,500-to-\$749,000 one-bedroom asking prices at 610 Park Avenue. One of these apartments, with four rooms and 1,225 square feet, was recently on the market at \$795,000 (\$650 per square foot) and now has a signed contract; it has partial Central Park views. Another two-bedroom apartment with 1,128 square feet sold for \$725,000 (\$643 per square foot) in June of 1997.

28 East 70th Street is perhaps the most traditional of the pre-war condominium buildings. Its location at East 70th Street and Madison Avenue, its discreet side-street entrance and lobby, and its full-floor apartments faithfully reflect the atmosphere of the finest side-street cooperatives. Although its facade is pre-war, the

apartments are new, full-floor units with seven, eight or nine rooms. A number of eight-room apartments — with 3,768, square feet and four bedrooms but no maid's rooms — sold in 1996 for \$2,495,000 to \$2,877,000, or \$662 to \$764 per square foot. These had pleasant although not panoramic views of Central Park over the Frick Museum. The only

apartments which sold for over \$3 million dollars had large terraces and were on the top three floors of the building. Again, none of these apartments is presently available.

Available listings are very limited in number, although asking prices are at times more reasonable than at 610 Park Avenue.

One bedrooms: At 30 East 85th Street, a five-year-old highrise at Madison Avenue, an 1,100-square-foot apartment with partial Park views is asking \$695,000. Otherwise, the few remaining one-bedroom condominiums with this type of space and location are at 900 Park, a 1970's highrise; or at 923 Fifth, a 1950's building, and on a low floor.

Two bedrooms: At this writing, excepting the units at 610 Park, there is only one two-bedroom condominium in the prime Upper East Side that is listed for more than \$1,000,000.

Prices at 610 Park Avenue are higher than recent sales in other well-located condominium buildings. However, there are very few alternative listings at this time.

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Three bedrooms: At 1049 Fifth Avenue, two 2,100 and 1,900 square foot, six-room, three-bedroom apartments are available at \$1,995,000 and \$1,650,000 (\$950 and \$868 per square foot) respectively. These apartments are comparable to lower-floor apartments at 610 Park, which also have six rooms, three bedrooms and 2.5 bathrooms and are asking about \$1,700,000. The larger, more expensive apartment has city views. Common charges and real estate taxes are approximately \$2,400, slightly lower than at 610 Park.

Also at 1049 Fifth Avenue, a smaller 2,800-square-foot apartment with three bedrooms, a formal dining room and two small terraces has been on the market at \$3,750,000 since June. This apartment has spectacular Park and reservoir views. It last sold in May, 1996 for \$2,380,000.

Four bedrooms: Condominium apartments which can double as grand pre-war apartments are extremely rare. On Fifth Avenue, 817 and 998 Fifth Avenue are condominium buildings. Both were built in 1925. However, there have not been any sales in these two buildings since 1995. 60 East 88th Street and 28 East 70th Street, previously mentioned, both have large full-floor apartments, but almost all of these apartments have less than 4,000 square feet.

At 500 Park Avenue, a modern highrise, an upper-floor apartment of about 4,700 square feet, presumably with views, sold earlier this year for \$4,900,000, or \$1,047 per square foot. This midtown location is much less desirable than that of 610 Park Avenue. At 30 East 85th Street, a triplex apartment of 3,800 square feet on floors 29, 30 and 31 sold for \$5,800,000, or \$1,526 per square foot. This apartment has direct Park views.

Few of the available condominiums could compete with these apartments. A 6,000-square-foot pre-war maisonette is available at \$6,000,000, but it needs work and most buyers avoid ground-floor apartments. Three large apartments are available from \$5,800,000 to \$6,500,000 at 1049 Fifth Avenue. These have park and city views, but the largest is 3,600 square feet. A modern penthouse is available at 30 East 85th Street for \$4,500,000, but has only 3,050 square feet.

In all categories, the supply of available condominium apartments is extremely limited.

Pre-war Cooperative Prices

Buyers who do not need a pre-war condominium can find much more reasonably priced apartments in the

cooperative market.

At 930 Fifth Avenue, a superbly located pre-war building, south-facing one-bedroom apartments with exposures over East 74th Street are listed in the mid \$400,000's. These have over 1,000 square feet and monthly maintenance charges which are in the same range as the taxes and common charges for the one-bedroom apartments at 610 Park Avenue. The price premium being asked here for condominium ownership is

Buyers who do not need a pre-war condominium can find much more reasonably priced apartments in the cooperative market.

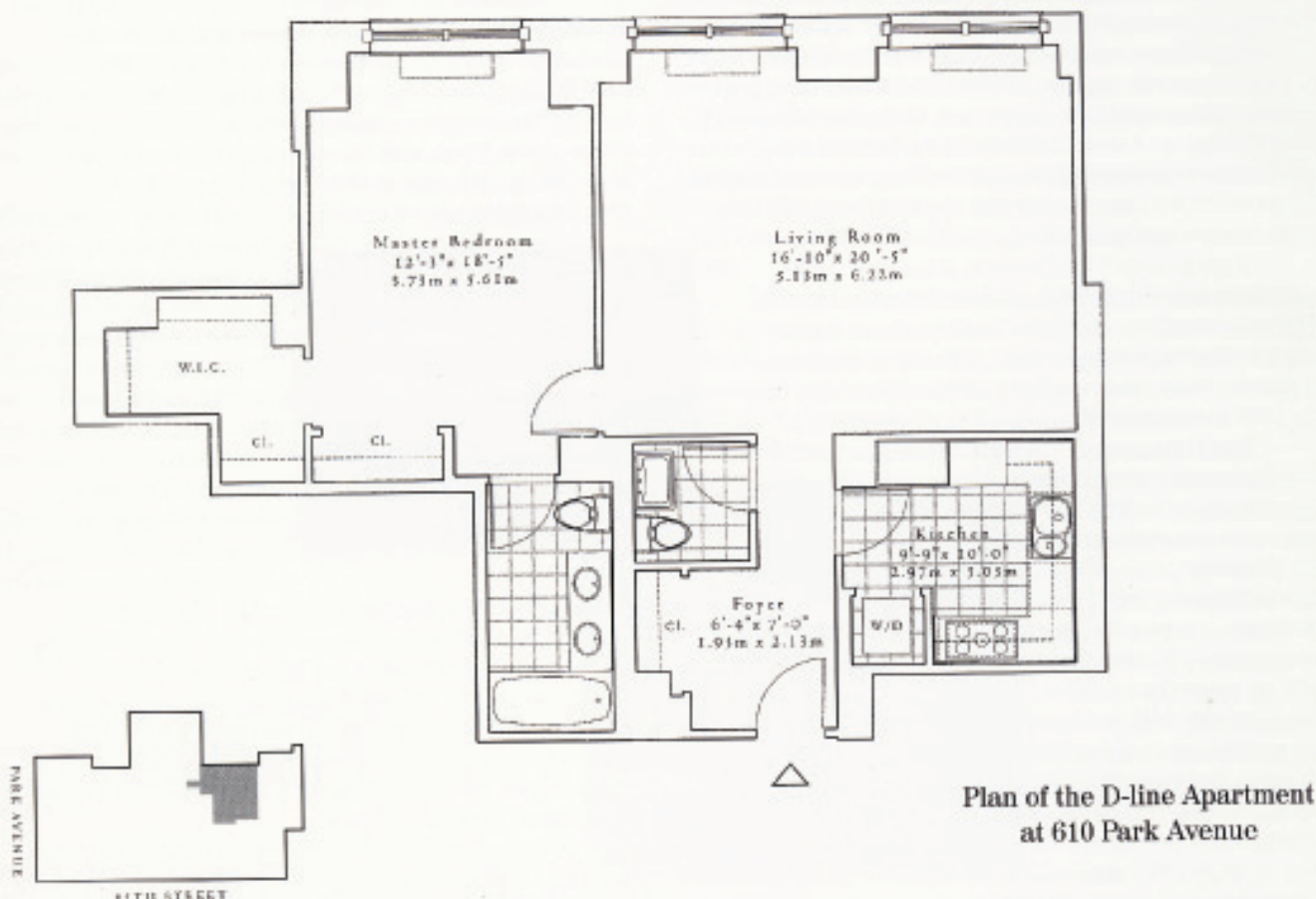
at least \$250,000. A 1,000-square-foot one-bedroom apartment with direct Central Park views from every room is on the market at \$650,000; however, it does need remodeling.

A number of three-bedroom (typically seven or eight room) Park Avenue pre-war cooperatives have sold this year. The highest prices, about \$2,300,000, were for apartments exceeding 3,000 square feet. These prices can be compared with \$3,242,500 and \$3,407,500 for 3,195-square-foot units at 610 Park. The smaller units, typically 2,200 to 2,700 square feet, have sold in the low-to-mid \$1 millions, even when renovated. At 610 Park, 2,115-square-foot units are available at about \$1,700,000.

In the largest size category, pricing at 610 Park compares much more favorably with that of cooperatives. An earlier article in this publication indicates that sale prices of many, if not all, of the grandest cooperatives exceed \$6,000,000, or \$1,500 per square foot.

Are They Really Pre-war?

While it retains its pre-war facade, the interior of 610 Park Avenue is entirely new. The hotel rooms are being replaced by 70 "pre-war" condominium apartments which incorporate some of the most and least desirable characteristics of new buildings. Although the building has not been completed, the proposed floor plans show that the smaller apartments tend to be modern and only superficially classic in their layout. Even the larger apartments, which have incorporated modern features and have retained many pre-war characteristics, are nevertheless different from the pre-war apartments they emulate.



The one-bedroom D-line apartments, for example, are extremely large — about 1,000 square feet — but are at the rear of the building without views (plan above). Although they combine large rooms and an entry foyer, with a separate half bath, a double sink in the master bath, a large walk-in closet and a washer dryer, the kitchen is directly off the entry foyer and the bedroom is entered directly from the living room.

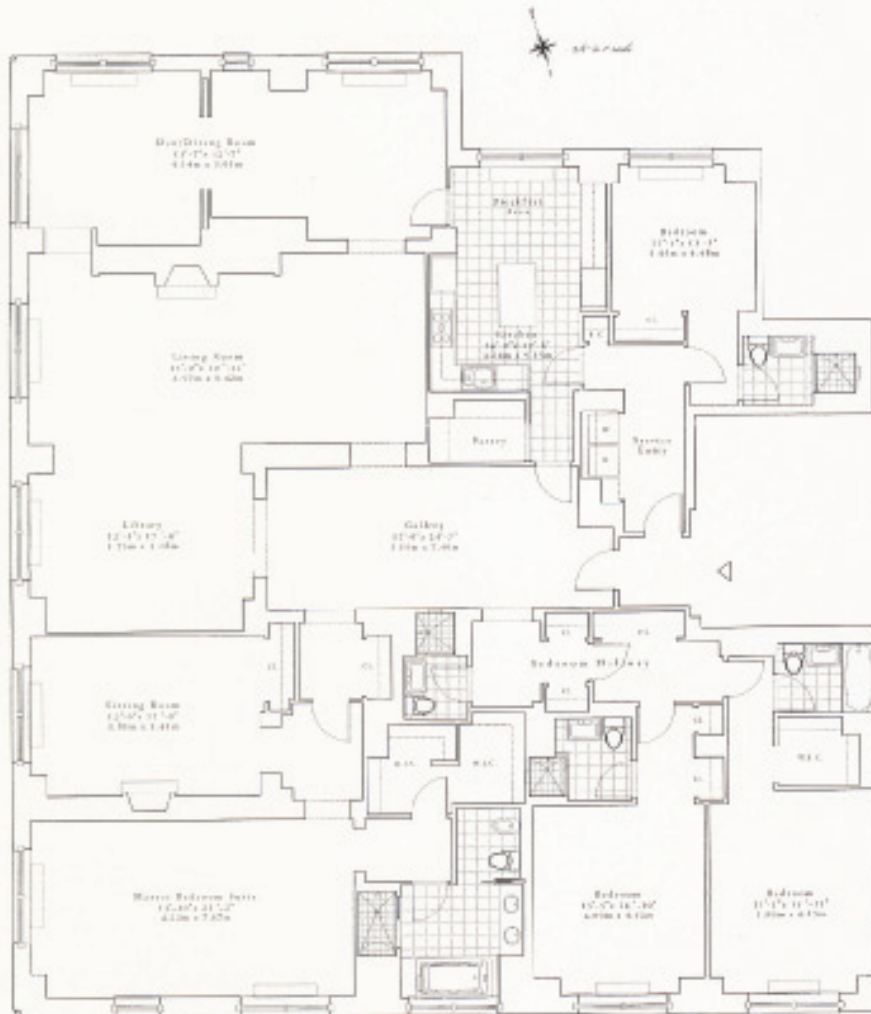
The largest A-line apartments are much more grand and pre-war in appearance and layout (plan on page 15). At 4,401 square feet, they have open exposures over Park Avenue, East 65th Street and adjacent brownstones. The apartment is attractive for entertaining, with an 11' x 24'7" entry gallery and a 15' x 30'11" living room. The gallery, living room and

den/dining room all open to each other. There are three bedrooms, a sitting room, a maid's room and two fireplaces. The master bathroom is large, with double sinks, bidets, separate stall showers and tubs.

Nevertheless, the A-line differs from its pre-war counterparts:

- The den/dining room is an ungainly 13'7" x 32'7" long. The pocket doors and den/dining room differentiation are an attractive concept, but the placement of the den is not ideal in an apartment at this level.

- The kitchen is large, but the pantry is no more than a walk-in closet. There is no serving pantry, with the separate counter space, dishwasher and sink that are useful when hosting large parties.



Plan of the A-line Apartment
(floors 9-15)
at 610 Park Avenue



- Throughout the building, ceiling heights are approximately 9'. The rooms will be fitted with coffered ceilings, crown and baseboard moldings, herringbone-patterned floors, solid-core doors and polished brass hardware. The kitchens will have General Electric Monogram appliances, high-gloss wood cabinetry, granite floors, countertops and backsplashes and Franke faucets in chrome. The bathrooms are marble with Kohler fixtures. Master baths have double sinks. All of the apartments have powder rooms. These features are attractive in the smaller apartments, but the ceiling

heights are low for a large apartment, the detailing is less elegant and ornate, and the quality of the kitchen cabinetry and appliances is below the quality level we typically see in large, renovated pre-war apartments.

- The largest apartments will have service entrances. However, there is no separate service hallway.

As in most condominium buildings, large apartments co-exist with smaller ones. This is infrequent in pre-war cooperative buildings where a more uniform mix of apartment sizes tends to define the quality of the each building.

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Conclusion

The new Mayfair House at 610 Park Avenue offers an excellent Park Avenue address, "pre-war" construction, condominium ownership and hotel services — a unique blend of characteristics which has proven to be of considerable appeal.

For buyers who are open to other types of apartments, there are less-expensive alternatives at prime Upper East Side addresses. Few of these are condominiums, however, and available "pre-war" condominiums are even fewer in number.

In every size category, the market indicates a substantial "cost" to cooperative ownership, in the form of lower asset values. Even in this active market, pre-war

cooperatives are more readily available, and prices are substantially less expensive, despite the architectural superiority of cooperative buildings. In layout and detailing, the Mayfair House only approximates the pre-war buildings which it emulates.

However, condominium buildings offer much more freedom to rent, finance and resell than do cooperatives, while cooperative boards are restrictive and require full disclosure of financial assets. A small but increasing number of wealthy buyers are unable or unwilling to comply with these requirements and prefer the flexibility of condominium ownership. These buyers are paying a substantial premium at the Mayfair House and other top-quality condominium buildings.

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