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HOME COVER STORY

BEST BUY

Summer buyers find good reasons to pull the trigger

IT was a lazy end of summer for many, but Halstead Property broker Brian Lewis was hustling last week.

He arranged a walkthrough and closing for Upper West Side buyer Ivan

Rodin, and he also scrambled to schedule open houses for a \$4.95 million apartment near Columbus Circle.

"I'm not seeing typical summer buyers looking for two- and three-bedroom co-ops," Lewis says. "Those folks take a siesta in August. They're hoping and praying that more inventory comes after Labor Day."

Instead, Lewis has been dealing with a lot of foreign buyers and a few first-timers like Rodin (who's just closed on a one-bedroom for around \$500,000 after a yearlong home search). And he is far from the only broker who stayed busy during the dog days of summer.

"Honestly, I expected the summer to be worse than it was," says Barbara Fox, president of Fox Residential Group — and this appears to be the general consensus.

While it's hardly a bullish market, the collapse many feared hasn't happened yet.

"It's definitely a slowdown," says Robert Roe, vice president of Roe Development, which is marketing Star Tower, a 180-unit condo in Long Island City that will be finished next year. "Inventory is moving at a slower clip, but we've been open for three months now, and we've got almost 100 contracts out on the building."

"Everything is off from last year," says Diane Ramirez, president of Halstead Property. "But last year was a record.

THE PIONEER

While some might shy away from the city's more underdeveloped areas, others go straight into the fray.

"This is New York City," declares Victor Jean. "There's not going to be a crash."

Jean, a 31-year-old financial advisor, is putting his money where his mouth is; he just went to contract on a 700-square-foot one-bedroom at Star Tower in Long Island City, Queens, for around \$500,000.

And it would seem that many others share his optimism; in the three months that the sales office has been opened, nearly 100 contracts have gone out on the 180-unit building.

What about financing his new condo?

"I'm not particularly worried," Jean says, "because interest rates are low right now. My only worry is around closing time."

But buyers at Star Tower are luckier than most; the building has a relationship with Wells Fargo.

Levels are more like [summer] 2006 levels.

"The higher end is holding up better than the others," adds Ramirez. "But it's all very value-related. If it's good value, then product is renting or selling. Unique apartments are still getting bidding wars. But buyers are being cautious and hesitant."

Indeed, the top of the market is still doing quite well.

"If it's a once-in-a-lifetime apartment, it's gone," says Darren Sukenik, executive vice president at Prudential Douglas Elliman.

Sukenik says he sold 11 units at the Superior Ink development in the West Village that ranged in price from \$2 million to \$10 million. He says the 68-unit building (which will probably end up being closer to 50 units after combinations) developed by the Related Companies is now 90 percent sold.

Meanwhile, downtown boutique buildings continued to do well. The 15-unit 52 E. 4th St. sold out over the summer, with penthouses going for \$2,500 per square foot.

"That's for a property on the Bowery!" says Fredrik Eklund, managing director of Core Group Marketing, who

handled sales for the building.

But outside the high end, the market tilted significantly toward the buyer.

Over the summer, "transactions that sold above asking price were 10 percent," says Prudential Douglas Elliman's Lisa Maysonet. "At asking price were 26 percent. Below asking price were 64 percent."

So, if you're a buyer, it's time to bid low. "It's very seldom that things come in at full asking price and people say, 'I'll take it,'" says Shaun Osher, CEO of Core



THE DEAL HUNTER

"I was in the real-estate market in Southern California," says Stephanie Muth, 23, who works for a wealth-management company and just bought a 1,337-square-foot one-bedroom (with a home office) at the Setai condo building with her sister Veronica.

So she knows what she's talking about when she adds: "Now's a good time to be a buyer."

The sisters looked at three buildings in the Financial District before settling on the Setai.

"We liked the exclusiveness, the demographics, the amenities; it includes a spa, a restaurant, a lounge."

Another bonus: The sisters bargained for 5 percent off the condo's asking price, getting it for under \$1,300 per square foot.



CHRISTIAN JOHNSON



"Now's a good time to be a buyer," says Stephanie Muth, who, along with her sister Veronica, went to contract on a 1,337-square-foot one-bedroom with an office at the new Setai conversion in the Financial District. They got nearly 5 percent off the price tag of nearly \$1,350 per square foot.

Of course, just because it's a buyer's market, this doesn't mean that buyers and their brokers are having an easier time overall. Why? Because financing has gotten much more difficult to secure for buyers.

"I'm in OK financial shape," says buyer Alexandra Bauer, who just grabbed a two-bedroom condo at 125 N. 10th St. in Williamsburg, Brooklyn, for \$762,500.

Because she works in the financial sector, Bauer thought it wouldn't be too difficult to

Group Marketing.

And perks like rooftop cabanas or parking spots can be negotiated into transactions.

"We got a pretty good deal," says Sharon Emek, who with her husband, David Gilmore, found a 1,800-square-foot three-bedroom co-op on the Upper East Side with Corcoran Group broker Debra Duneier that they closed on in late August.

The previous owners had "already dropped the price by 10 percent," and Emek and Gilmore got an additional \$125,000 knocked off the new \$1.925 million price tag. (Of course, this cuts both ways. When the couple sold their old apartment they had to chop a little off their asking price.)

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THE SAVER

Getting your dream apartment requires sacrifice . . . and Ivan Rodin, 28, has been sacrificing for the better part of a year.

For one thing, he saved money by living in his family's house in Westchester during his yearlong home search. And he sacrificed time and energy diligently

going to numerous open houses all the while.

"I learned from making a few offers and then backing down that it is easy to be wowed into a sense of a perfect place on first visit," cautions Rodin.

Over the summer, his sacrifices paid off with a one-bedroom co-op for \$500,000 on the Upper West Side.



CHRISTIAN JOHNSON



THE BUYERS AND SELLERS

"My daughter is [also] looking for a house," says Barry Goldstein, 64, who recently bought a one-bedroom co-op at Towers at Water's Edge in Bayside, Queens, that he'll be moving into with his wife, Phyllis, in January. "I said, 'Don't you dare buy before you sell!'"

But the Goldsteins are believers in the "Do as I say, not as I do" philosophy.

They couldn't resist their \$400,000 unit and bought before they could get an offer on their four-bedroom house in Plainview, Long Island, which is currently on the market for \$579,000.

"It was against my better judgment," says Goldstein. "Am I nervous? Absolutely. But it's something we wanted to do."



Victor Alcorn(2)

"We haven't lost one single deal [to financing issues]," she says, noting that this summer's sales have been better for her than last summer's.

"I just had a deal with a young buyer, an attorney, and because of the financing, she's co-purchasing with her mother to make her look stronger," says Tamir Shemesh, a managing director at Prudential Douglas Elliman.

So, yes, a buyer can still have options if a bank is being hard-nosed. However, it would be a mistake to be too cheery about the market in general.

"Part of [what's been] picking up the slack was all the business we wrote last year on new developments that have finally closed," says Fox.

And while year-end bonuses in the financial sector have propped up the market during the recent boom, that money could dry up this year.

"If Wall Street gets hurt, everybody gets hurt," says Shemesh. "It's a trickle-down effect."

We'll no doubt be watching.

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get a mortgage, but she saw firsthand just how rigorous lending standards became.

"But if you meet those lending standards, it's a great time to be a buyer," she says.

"Obviously, buying power has been reduced," says Barak Dunayer, president of Barak Realty. "This creates a smaller buyer pool and less demand. What buyers need to do in this market is make sure they're pre-qualified."

And brokers have learned that they have to get creative to make deals happen.

Prudential Douglas Elliman Vice Chairman Dolly Lenz says she has formed strategic alliances with lenders and worked with clients to improve their credit scores.

THE WORKER

"I hadn't thought about purchasing anything," says Alexandra Bauer, 28, who just bought a two-bedroom at 125 N. 10th St. in Williamsburg, Brooklyn.

But after her rent was raised, Bauer, along with

Core Group Marketing broker Emily Beare, spent a hot July day sweating through the open houses and found a \$762,500 dream place (with a rooftop cabana!).

"If you can meet the lending standards [for getting a mortgage], it's a great time to be a buyer," Bauer says.



Dinah Penna/PR

