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## NYC Luxury Condo Tower Touts Itself as Highest, But Not on Price

*Madison House in NoMad has mostly one- and two-bedroom units  
Costliest apartment in the 800-foot building is \$28.5 million*



*Madison House Photographer: Angus Mordant/Bloomberg*

The 800-foot-high condominium known as Madison House is the tallest in Manhattan’s NoMad neighborhood. But its developers aren’t reaching for the sky on pricing.

In a luxury market plagued by sliding sales and mounting competition, the project is aimed at more down-to-earth buyers than the Billionaires’ Row towers to the north. Most of the property’s 199 units are one- and two-bedrooms starting at \$1.4 million and \$2.47 million, respectively. The costliest apartment is a 62nd-floor penthouse with 5,500 square feet of space, listed at \$28.5 million.

“I’d love to have a \$90 million penthouse, but I don’t want to hold it and never sell it,” said Evan Stein, president of JD Carlisle, which is building the project in partnership with Chinese investment firm Fosun International. “The whole story of this building is about the value. So we might as well replicate that throughout.”

There’s a balancing act required these days for anyone trying to sell luxury condos in Manhattan in the midst of a high-end glut. On one hand, developers are competing to build the tallest towers, with postcard-worthy views to entice the world’s wealthiest to spend several million dollars on a discretionary second (or third) home. At the same time, they’re vying to show good value—that even apartments priced out of reach for a majority of New Yorkers can be had for a relative bargain.

“It’s the antithesis of what we’ve been addicted to for the last five or six years, when everything is a record,” said Jonathan Miller, president of appraiser Miller Samuel Inc. “Now it’s more about fitting in than standing out.”

NoMad, long an area of low-rise office space and wholesale shops, isn’t particularly known for residential skyscrapers. Amazon founder Jeff Bezos set the neighborhood’s price record with an \$80 million purchase at 212 Fifth Ave., a building across from Madison Square Park that has 24 stories.

Madison House, on East 30th Street between Fifth and Madison avenues, has the expected perks of a new Manhattan luxury tower: 11-foot ceilings in every residence and amenities including a golf simulator and a 75-foot saltwater lap pool. Its dead-center Midtown location grants close-up views of the Empire State Building and the downtown skyline from the uppermost floors.

The project’s height was achieved in a way that’s since been outlawed: through a 90-foot-tall, windowless space where the building’s unglamorous mechanical systems are housed.

So-called mechanical voids didn’t used to count toward the total floor area that a property was permitted to have, a loophole that was used by many developers to build uncommonly tall towers for their neighborhoods. A zoning change in May limited mechanical rooms to 25 feet, after which they would count against the allowable height.

“We’re very proud of being the tallest” in NoMad, Stein said of the property, set for completion in early 2021. “It’s not the easiest thing in the world to construct an 800-foot tower.”

That high-water mark might be fleeting, though: A proposed tower nearby, at 262 Fifth Ave., is approved to rise over 1,000 feet. And there’s more competition coming from across the borough. Buildings with a combined 1,737 condo units are expected to reach the market next year, according to an estimate by brokerage Core. Projects debuting in 2021 are expected to have an additional 3,066 units.

Buyer appetites for high-end homes have waned since JD Carlisle and Fosun teamed up on Madison House in 2015, a first foray into New York condo development for the Chinese company, which owns a 60-story office building in the Financial District.

Back then, ultrawealthy investors clamored to pay record prices for Manhattan real estate, viewing it as a safe haven. Today, they’re shopping around for deals and demanding that developers throw in sweeteners. Stein said he occasionally has agreed to cover some closing costs at Madison House, where sales started in September.

“In this marketplace, that’s the first challenge we really have to get to,” he said. “There is a lot of optionality out there.”