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LUXURY MARKET REPORT 2020

Report on Contracts Signed Manhattan Residential Properties \$4 Million and Above

2 Contracts Signed

And then there were 2. Once again.

Two contracts were signed last week at \$4 million and above in Manhattan. This is the third week in a row that only 2 contracts were signed. Since New York State hit the shelter-in-place button on March 22, the luxury market has gone into hibernation.

The No. 1 contract was 15C at 108 Leonard Street, a penthouse apartment asking \$11.5 million, which started on the market in July 2018. It is in a 167-unit condo, created by the developer Elad, out of a former landmark court building with a clock tower. A 20,000-square-foot amenity space includes a fitness center, 75-foot pool, children's playroom, and a rooftop terrace.

15C has 3,683 square feet including 4 bedrooms, 5 bathrooms, and 2 terraces that total 1,509 square feet and feature 2 outdoor fireplaces. It has panoramic north and south city views and 10-foot high ceilings, plus 2 fireplaces in the great room and master suite. The listing broker was Elena Sarkissian of Douglas Elliman, and the buyer's broker was Bruce Ehrmann of the Anderson-Ehrmann team---also at Douglas Elliman.

Mr. Ehrmann described the deal as one of the most arduous of his 25-year-career. The buyers lived in the suburbs, and wanted to be close to their grown children, who are New York City residents. Their search started with rentals and then shifted to sales. In the summer of 2019, they saw smaller units at 108 Leonard Street, and brought their award-winning architect, Lee Skolnick, who designed their house on the East End of Long Island. Later, without the clients in tow, Ehrmann gave Skolnick a tour of other units in the building and one caught his eye: 15C. Skolnick saw the raw space's potential and created a floorplan, which helped convince his clients that the unit was unique and more suitable for the long term. Months went by, and the clients did not return to the building until February, when they came twice to see 15C. The unit was still unfinished.

At the end of February, Ehrmann presented an all-cash offer that was accepted by the developer. A day later, he was informed that a different buyer made a higher offer, but he convinced his clients to pay more. Over the next 5 weeks, Ehrmann said he devoted many long hours to negotiating contract points and terms. Some involved floorplan changes that the sponsor refused to make. In the end, it was agreed that the apartment would be delivered finished based on the original floorplan. The deal included a parking spot (there are 26 spots in the building), and the developer agreed to pay some of the closing costs.

On April 2, as pandemic panic deepened and deal fatigue set in, Ehrmann wrangled a price concession from the developer. The contract was signed on April 7, but he would not reveal the price. I asked architect Lee Skolnick why the buyers hung in, and he said that the property “checked all the boxes in a way that nothing else did.”

The No. 2 contract was a townhouse at 243 East 7th Street, asking \$4.995 million, reduced from \$6.75 million when it was listed in February 2018. It was purchased for \$2.9 million in 2014 by a French investor who rented out the house. This 24.5-foot-wide, 4-story house has 3,325 square feet including 4 bedrooms, 4 bathrooms, and 3 fireplaces. It can be expanded to 9,524 square feet, which attracted the interest of several developers. Patrick Lilly of Core represented both the seller and buyer. He said that the property was under contract to a developer in 2019 in the high \$5 million range. The buyer defaulted, but was able to get the deposit returned.

The house went back on the market in January for \$4.995 million, and Mr. Lilly reached out to another developer who had previously bid. A deal was struck within 5% of the price, and was not contingent on financing. It took 4 weeks for the contract to get signed, as the parties navigated through twists and turns, including the seller changing attorneys midstream. In the end, the buyer renegotiated an even lower price, which Mr. Lilly would not reveal. He said that the closing would be determined when the rental tenant can find another residence and moves out.

Stay Safe Everyone!!!