

The New York Times

YOUR MONEY

At the Top of the World, a View of the New York Real Estate Market

OCT. 11, 2014

OCT. 11, 2014

Wealth

Rising home values around the country are welcome news six years after the housing market collapsed. But there is a growing segment of



When international owners are ready to sell or buy, that transaction typically takes longer and requires more patience on the other side. **Jason Walker**, another broker at Douglas Elliman, just brokered the sale of a \$7 million downtown loft that was owned by a Middle Eastern princess.

“It definitely added a layer of complexity to everything,” Mr. Walker said. “I had to be careful to manage the expectations of the purchaser. The offer came in during Ramadan so I stopped getting responses.”

He added, “You had American buyers, a Middle Eastern seller and European lawyers – there were cultural sensitivities.”

This is a segment of the market, the globe-spanning super-rich, that real estate firms are chasing the way other luxury brands are. To that end, Douglas Elliman and Knight Frank Residential, a similar high-end, London-based brokerage, recently announced an alliance to serve and share clients buying property around the world – and to keep them from going to different brokerages in different markets.

Regardless of where the buyers come from, Mr. Piraino said most super-rich international and American buyers looking at New York real estate as an investment are aiming in the \$2 million to \$4 million range.

International buyers “see the U.S. as a safe place to come to invest their money even if the return is not the highest return,” he said. “They look at it as a bank account: You come here, you park your money in real estate and you insure yourself that you’re in a safe place.”

Others, he said, look at New York real estate as a long-term growth investment, where they can use the monthly rent to cover their carrying costs.

Michael, a 45-year-old London-based digital media entrepreneur who asked that his last name be withheld for privacy, has done just that.

He bought the fourth-floor apartment at 50 Bond Street in New York’s NoHo for \$5.65 million at the end of 2012 and the third floor a few months later for \$5.3 million. He rents them for \$21,000 and \$20,000 a month,