

## The Morning Delivery

Feats, Facts, and Historic Firsts About Items in the News

August 15, 2011 | Bill Lucey

### Selling New York: A Q & A



Tom Postilio, picture courtesy of CORE

The more the housing market ebbs and flows in most of the country after the turbulence of the *Great Recession*, the more it pretty much stays the same in Manhattan, the financial capital of the world.

According to the brokerage firm Prudential Douglas Elliman, while home prices have plunged 30 percent in most of the country and as much as 60 percent in Las Vegas, Manhattan's median residential sale price in the second quarter was only 17 percent below the market peak in 2008.

If you want to get a better idea of just how pricey real estate really is in Manhattan, look no further than HGTV's "Selling New York", now in its third season, a reality show which depicts three prestigious real estate firms (CORE, Gumley Haft Kleier, and Warburg Realty) competing to sell luxurious, breath-taking multi-million dollar penthouses, townhouses and apartments to a collection of eager clients all too willing to dump their truck full of money if the property is to their liking.

To satisfy my heightened curiosity about just how competitive the housing market must be for real estate agents in Manhattan, [Tom Postilio](#), Founding Member and Managing Director of *CORE*, the real estate brokerage and advisory firm regularly featured on "Selling New York", agreed to answer my questions.

**Q. Are the majority of buyers for real estate profiled on "Selling New York"-plunking down hard cash for these properties or are they financing them through mortgages like the rest of homebuyers in the country?**

*A. Cash, as always, is king. It's especially prevalent in higher price points. Banks have imposed stricter lending guidelines, which can often delay deals for even the most qualified buyers. For sellers, this can be discouraging, so the cash buyer is always welcomed with open arms.*

**Q. Is the price of prime real estate in Manhattan continuing to rise or has it stabilized somewhat given the uncertainty of a down economy?**

*A. Demand for truly prime real estate in Manhattan rarely slips. An excellent example of this phenomenon is the meteoric rise of 15 Central Park West throughout the doldrums of 2008 and 2009. As prices around the city continued to tumble, 15 CPW defied trends and shattered sales records. Even in difficult economic times, there are exceptions to the unwritten rules about the wealthy abstaining from conspicuous consumption. Premium residential real estate in Manhattan is a potent cocktail made from equal parts of scarcity, passion, and power, with a twist of limestone. The market is often shaken, sure, but always stirring.*

**Q. Are there any unexplored areas/neighborhoods in Manhattan where a buyer for a penthouse or loft might find an unexpected deal?**

*A. Manhattan is a cornucopia of undervalued, overlooked neighborhoods. Some have simply yet to garner the attention they deserve, but they will. It's not easy to keep a secret in New York. The Financial District, for instance, still offers phenomenal value, in every sense of the word. Because it had never been widely considered a residential neighborhood, it was frequently eschewed by moneyed buyers. But recent high-end new development projects, attractive tax abatements, the new Fulton Street subway hub, and a renewed vigor surrounding the World Financial District have helped many buyers to realize that there's a lot more than perception to creating value.*

**Q. I noticed recently that a woman on the show had a budget of about \$350,000 and wanted to live in Manhattan. She eventually had to settle for property in Brooklyn. Do most of the agents have a cut off; that is, anything less than \$300,000 isn't worth their time to take on the client?**

*A. Many brokers prefer to operate in a specific price segment, and to an extent, I can understand that. It is as much work, if not more, to sell a \$300,000 studio as it is to sell, say, a \$15M penthouse. The math there is pretty simple. For me, however, I see each chance to work with a buyer or seller, at any price point, an opportunity to develop a lifelong relationship. When they're ready to sell their \$300,000 to buy a \$600,000, I can help them with both. It's surprising how quickly it snowballs!*

**Q. In most of the country, real estate is a buyer's market, probably not so in Manhattan. I rarely see any negotiating the price of property down. If the real estate agents show someone a property for say \$3.2 million; is that price pretty much set in stone; or are owners willing to negotiate?**

*A. Well, certainly, each deal is subjective. Most sellers tend to be negotiable on their price; which strategically plays to the psychology of the buyer who needs to feel they've gotten something off. In many cases, though, negotiating goes in the other direction... up. Bidding wars can actually become more prominent in an uncertain economic climate, as there is usually a lack of fresh, quality inventory that comes to the market. For those shopping in the under-\$1 million category, inventory is abundant, and a good argument could be made that a buyer's market does exist in Manhattan.*

**Q. It appears the competition among real estate agents in Manhattan is fierce? Is it as cut throat as it appears? What kind of resume does a good real estate agent need to show in order to get hired by prominent firms, such as yours?**

*A. Competition certainly is fierce. You should see what happens when the cameras aren't rolling—uncontrollable fits of hysteria, hair-pulling, mud wrestling. In all seriousness, most brokers get along very well with each other. We realize that this is ultimately a very small business, and we're probably going to have to work together again in the future. As for a resume, the New York real estate industry is a melting pot of people from wildly different professional backgrounds. Actors, lawyers, corporate executives, architects, chefs—you name it. In fact, I made a living as a professional singer of the Great American Songbook prior to launching my real estate career. Of course, it's necessary to be licensed by the State, but where background is concerned, the thing to remember is that this is a people-driven business. The agents we hire are self-starters with a friendly demeanor, the ability to listen as well, or better, than they speak, and with a healthy immunity to rejection. And because of its niche position in the marketplace, CORE has been successful in attracting the finest talent from other firms, which is to say that being a top-producer can't hurt, either.*

**Q. What is the biggest misconception about buying real estate in New York City?**

*A. That the entire process takes place in an eleven-minute HGTV segment.*

**Q. With so many rich people buying real estate, who probably value their privacy, do you have trouble convincing some of these clients to be profiled?**

*A. Not as often as you might think. The show has earned a reputation for showcasing beautiful properties and presenting its personalities in a positive manner. Many buyers and sellers have come to recognize that and are eager to participate. It's all in good fun, and we all have a great time doing the show. Sellers have also come to realize that it provides fantastic international exposure for their property.*

**Q. Even though they might not have been profiled on the show, are there any high profile celebrities that purchased real estate through your firm, such as Brad and Angelina, Alex Rodriguez, Katie Couric, etc?**

*CORE has maintained a celebrity clientele since its inception. We are diligent about maintaining the privacy of all of our clients and customers, so there are some transactions we simply cannot discuss.*