



7 WEST 54TH STREET: the conference room.



436 WEST 20th STREET: the great room.

436 WEST 20TH STREET:
the penthouse, right
and the rooftop, below.

Buying Your Dream Residence

Townhouses continue to retain high value as investments

By Charlotte Lytton

TOWNHOUSES ARE BECOMING an increasingly coveted form of real estate for New Yorkers, with the market heating up over the past year. Offering the best value for space in the city, townhouse demand has seen “exponential growth” lately, according to Douglas Elliman real estate agent Talin Sarraf. “More

people are living in the city longer and raising families here, thus they need more space,” she explained, but “the glamorous lifestyle that comes with living in a townhouse never changes.”

But while the number of people looking to buy townhouses is on the rise, the supply has “decreased substantially” in the past year, said Eva Penson, a licensed real estate salesperson at Halstead Property. “Prices have increased and time on the market has decreased,” expanded Paula Del Nunzio, senior vice president at Brown Harris Stevens, a luxury residential real estate company.

And the townhouse market in Brooklyn has begun to rival that of Manhattan, with a resurgence of interest in such properties in the likes of Prospect Heights, Clinton Hill and even further east. “Prices there have seen values jump 25 to 50 percent year over year!” said Town Residential licensed representative Bo Poulsen. The culinary scene in the area is a major factor for prospective buyers. CORE senior vice president and associate broker Doug Bowen explained, “The best chefs in New York City are going to Brooklyn to do their art, and the caliber of food in Brooklyn is at an all-time high. Brownstone neighborhoods such as Park Slope, Carroll Gardens, Clinton Hill, Prospect Heights and more have all become these charming standalone communities, each with their own set of services and amenities.

“Families with the desire to stay urban are flocking to Brooklyn ... Brooklyn is cool, and who doesn’t like to be cool?” Mr. Bowen continued. “There has never been a more powerful draw to stay urban versus going suburban; it is the polar opposite of the urban flight in the 1960s,” he said, explaining the current trend for townhouses in more urban areas of New York.

Manhattan still remains a valuable part of the market, though, with Douglas Elliman executive vice president Corinne Pulitzer estimating that 2 percent of all properties sold there are townhouses. “As in all real estate, it’s about location, location, location,” she said. “Homes closest to Central Park, east or west, command the highest prices, and homes are valued based on which block they are on. On both the Upper East and Upper West Sides, the most expensive townhouses are generally those blocks adjacent to Central Park in the 60s and 70s.”

But this area also boasts the most inflated prices, according to Town Residential senior vice president and associate broker Debra Stotts, who maintains that the “over-renovated” townhouses around Central Park are being put on the market for more than they are worth. Other real estate agents, such as Douglas Elliman managing director Michael Bolla, believe that buyers are getting a decent deal for their properties: “[The market] is not inflated, and townhouses are still a better deal than condos.”

This sentiment is shared by the majority of real estate agents in the city, who see condos as a lesser investment than townhouses. “There is only so much a condo can offer you with its limited square footage, even in a penthouse,” said Ms. Sarraf. “Although penthouse views are sensational, for some people, having a little bit more elbow room at the dinner table is worth beyond its value in window treatments.” With taxes on some condos rising up to 20 percent next year, townhouses “offer the most square feet for the lowest cost per square foot,” making

‘Prices there have seen values jump 25-50% year over year!’

—Bo Poulsen, Town Residential licensed representative

them a more attractive purchase, said Ms. Del Nunzio.

The luxury element of townhouses remains integral to its market value, she went on to explain: “The townhouse market is a unique segment of the luxury market that marches to the beat of its own drum. When a townhouse has the features a buyer wants, in a location they seek, the buyer will just step up to acquire it.” Ms. Sarraf knows this only too well. “The line ‘if you’ve made it here you can make it anywhere’ describes townhouses best,” she said. For a feeling of luxury, better tax rates and more space for your money, townhouses are undeniably an enviable purchase.

But buyers must still be wary of the perils of townhouses, as luxury living doesn’t come hassle-free. Many of the properties available for purchase are partially occupied by other tenants, who can be troublesome to evict, should buyers want the entire place to themselves. Leasing out separate floors can be a lucrative business, but this needs careful consideration before any contracts are signed, warned Ms. Penson. Townhouse enthusiasts must also take floor plans into consideration, as this can be crucial when deciding to lease floors to commercial groups.

“I would also recommend a townhouse with an elevator—it’s an incredibly important feature,” she said, and one that is scarcely found in the various historic buildings around the city. This also adds extra value to the property when the time for resale comes. Plenty of wide open spaces are also major selling points for keen hosts, whose ability to entertain at home will be greatly affected by the layout of the building. Renovations can be costly, so buyers must budget appropriately if they’re planning to carry out significant work on their properties, advised Ms. Del Nunzio.

Real estate agents in the city seem to be unanimous in their recommendation of townhouses as a cost-effective and luxurious way to live; as Ms. Penson said, “townhouses are the most economical way of living comfortably in the city.” With the added scope for leasing offering a potential financial boost to savvy buyers, it seems that the properties are well established as the most desirable yet affordable means of non-apartment living in New York. ■



116 WEST 71ST STREET:
the living room.



KEEPING UP THE ESTATE

WE CHATTED WITH OPTIMUS MANAGEMENT on how it is offering its luxury clients, primarily residing on the Upper East Side, a unique boutique service ranging from property management and handyman services to staffing demands. Here are excerpts from our discussion.

What do you offer townhouse owners and why?

Many new townhouse owners may have never realized how much is involved with maintenance of a building in NYC. All interactions with NYC, such as taxes, Department of Buildings, Department of Sanitation, Landmarks Commission, property insurance requirements, elevator, boiler and AC inspections, con-

tractors interaction, architects, attorneys and many other requirements, take not only time, it takes years of experience. In addition, personal services (i.e., superintendent, handyman, doorman, concierge), which are part of any luxury co-op or condo, are missing while living in a townhouse.

What services have been most popular with home owners that you have seen?

Our clients like our services in general. From simple management to compliance with the laws and regulations, to contractors selection and supervision, mechanical or other problem identification, to staff hiring, interview and back-

ground checking and payroll processing. Our services are tailored for each and every townhouse owner. We are very popular with out-of-town owners and investors.

Any recommendations for townhouse owners who might be interested in your services?

I guess one motto describes our services the best: “There’s nothing like living in a townhouse, except a townhouse with Optimus management.” Potential townhouse owners should not be discouraged by lack of services that townhouse living was affiliated with. We have pretty much eliminated that shortfall.

—Benjamin-Émile Le Hay