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At 46 Lispenard — 80% of units sold, five days in

This summer, NYC real estate was as hot as the mercury

By Katherine Clarke



Fredrik Eklund, John Gomes and 46 Lispenard Street

In the dog days of summer, New York City's wealthy traditionally flee to less-humid climes, sending the luxury real estate market into slowdown mode. But with Manhattan inventory tightening and global buyers rushing to put their money in New York as Europe falters, transaction volume has maintained its momentum.

In one instance, a new 11-unit Tribeca condominium project at 46 Lispenard Street has contracts out on more than 80 percent of its units after just five days on the market over the Labor Day weekend, its exclusive listing brokers Fredrik Eklund and John Gomes of Prudential Douglas Elliman told *The Real Deal* today. The contracts sent out for nine units, which are priced between \$2.65 million and \$4 million — at an average of \$1,373 per square foot — are all for the full-asking prices.

“We were battling back and forth over whether we should list it after Labor Day,” Eklund said. “That’s what everyone else is doing.”

But the Eklund Gomes team went for a different tack in an attempt to capitalize on low inventory, which reached a three-year low in August: “In the next two or three weeks, [inventory] is going to increase dramatically. People have been waiting for everyone to come back and the fall to begin. It’s the re-ignition of the market. So we thought, let’s be ahead of the curve [and list it at the end of August.]”

The tradition of waiting to list new properties till the official close of summer is longstanding, said Donna Olshan, president of Olshan Realty. “The traditional feeling has been that luxury traffic is not around. The brokers take time off. The feeling is to get a fresh start when the market’s in full swing and the buyers are back,” she said.

The inclination to hold off on marketing a luxury property till September, she said, is often counterproductive, especially in the current market. “If you have a market like this which has low inventory it also behooves one to just put it up on the market. If it’s priced right, there will probably be a buyer out there. Also, our market is very global. [Global purchasers are] not running on our calendar.”

The success of 46 Lispenard, which was designed in 1866 by Isaac Duckworth and features a pre-war cast-iron façade, comes on the heels of an extremely active summer for luxury transactions.

Six of 10 units at the Abington, a West Village condo at 607 Hudson Street are currently in contract after the building came online in late June. And sales at Walker Tower, JDS Development’s 50-unit Chelsea condo at 212 West 18th Street, have progressed throughout the summer, with a spate of units going into contract in July, according to Streeteasy.com.

Tim Crowley of Flank, the company behind the Abington, said provisional interest in the units had justified bringing the property on the market in June. “We felt that given the amount of people we’d done previews for and the amount of inquiries we were getting from the brokerage community, the market was ready to receive it despite what is traditionally a slower selling season,” he said.

He continued, “I don’t think we would have launched in August, which is traditionally the slowest real estate month but mid- to late-June, we were fine with. The last two weeks of August may as well not exist on the real estate calendar.”

According to a market report released yesterday by Olshan, 129 contracts were signed in the 10-week period that began on June 25 and ended on the day before Labor Day. That figure represents a 42 percent increase over last summer and is the best summer since Olshan began keeping records in 2007. The report attributes the success of the luxury market to the Dow Jones Industrial Average having finished August at 13,091, up 1,851 points over the same period last year, and to historically low mortgage rates.

Inventory is also at record lows. According to real estate consulting website UrbanDigs.com, there are currently only around 5,000 active listings available in Manhattan, representing a more than 25 percent decline in inventory over the last six months. At its most recent height in April 2009, there were around 9,500 apartments available.

“We’ve seen a steady improvement in the real estate economy,” Crowley said. “I think that’s going to present itself regardless of the time of year. That this summer was better than the previous three summers should tell us something about the real estate market in general.”