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REAL ESTATE

Real estate's on a roll! Experts dish on why housing is a hot market again

BY [JASON SHEFTELL](#)

DAILY NEWS REAL ESTATE CORRESPONDENT



Bryan Smith; FilmMagic.com; Gary He; Thaddeus Harden
Jacky Teplitzky, Ken Horn, Kelly Mack, Donald Trump, [Faith Hope Consolo](#) and Frederick Peters.

It all started a few weeks ago. First came the return of Tiger Woods, then the volcano eruption, then the sudden return of the real estate market. All over the five boroughs, reports started flying in about astronomical sales figures, bidding wars, and houses selling after just two days on the market. At first, I didn't believe it. A spring rebound? The federal tax deadline?

But it was more than that. Maybe, just maybe, buyers on the fence for the past two years started pulling the trigger. Open houses started seeing huge traffic numbers. At the high end, multiple townhouses sold for more than \$15 million. At the \$600,000 level, apartments for sale one week were all gone the next. Things were picking up. I asked around, trying to get a handle on just how fast things were moving. Prices shot up like lightning in all ranges. Every day, brokers were calling with stories about the market's comeback. From 40 sales at a condo in Long Island City since January, to a 300% increase in total sales from a broker in the Bronx, to new condominiums in Manhattan flying off the shelves, here are some of those stories:

Definitely back

[Donald J. Trump](#)

Chairman, Trump Organization

“The market is definitely back, and there are real advantages and opportunities out there. We leased 300,000 square feet at 40 Wall Street — the most activity in any single building downtown — and we are currently looking at several major deals. The penthouse at Trump International Hotel & Tower sold for over \$33 million dollars, and I recently purchased two new golf clubs in fantastic locations: Philadelphia and Hudson Valley. On a national level, I just received long-term financing for Trump International Hotel Las Vegas.”

Business doubled

[John Reinhardt](#)

CEO and president, Fillmore Real Estate, Brooklyn's biggest real estate brokerage

“In the past 10 days, we have seen business double. That's right, double. The amount of transactions to contract for the last week of April doubled the previous three weeks. If sellers are listing at the right price, they are selling quickly. The ones who are at the old prices are sitting there. It looks like every neighborhood in Brooklyn is booming, from Fort Greene to Canarsie. We are seeing record-breaking activity in Old Mill Basin, Bensonhurst and Sheepshead Bay. At MeadowWood at Gateway in East New York, 35 units have been sold this month alone, making this its best month ever.”

This is no spring pickup

[Louise Sunshine](#)

CEO, Domineum Global Solutions,
considered real estate's top New York and global consultant

“This is different than a spring pickup. Buyers know they won't see these prices ever again and now is the last chance to get in the market. Soon, it will be impossible to buy something

in the top buildings. Apartments in the Laurel, which has the best amenity package in the city, will not last.”

The lower end is up

[Luigi Rosabianca](#)

Principal and founder of Rosabianca & Associates, PLLC, real estate law firm serving an international clientele

“The past few weeks have shown a remarkable uptick. Specifically, the lower end of the market is showing some revitalization because of the tax credit, which has helped that demographic, while the higher end of the market remains solid for classic supply and demand reasons.”

Sales prices soar

[Kelly Mack](#)

President, Corcoran Sunshine Marketing Group, top new-development sales and marketing company

“In recent weeks, the performance of our portfolio has been a clear measure of the Manhattan market rebound. Corcoran Sunshine’s deal volume was up 200% in April of 2010 versus the same month last year. Even more encouraging is our average sales price – \$810,000 in April 2009 and now at \$2.8 million in April 2010 – a phenomenal 254% increase.”

Booming in the Bronx

[Gregory Tsougranis](#)

Century 21 Metro Star,
a top-selling Bronx real estate agent

“The massive increase in signed contracts has been a perfect storm caused by the April 30 federal tax credit deadline, low interest rates, steady prices and a supply of quality product. By April 30, we already surpassed our co-op sales for all of 2009. I have about \$2 million in contract in my pipeline. At this rate, we are looking at a 300% increase. It’s unprecedented in the Bronx. I hope the tax credit is extended to help people own homes.”

Continued momentum

[Greg Heym](#)

Chief economist, Halstead Property, a leading tristate brokerage

“This is not a recent phenomenon. We’ve seen strong activity for six months. Whether this frenzied pace will continue is the question. This happened without a rise in employment. When jobs come back, which could happen soon, this acceleration might continue.”

Crazy numbers

As reported by new condo sales offices from across the city:

At Solis in Fort Greene, developer Ping C. Moy reports contracts signed on eight of nine units in just five weeks.

At Crystal Point, a 42-story, 269-home condominium building on the Hudson River in Jersey City, 19 homes were sold by Marketing Directors Inc. the past month.

Nest Seekers International has completed close to 40 new sales (of 184 residential units) at The View, 4630 Center Blvd., Long Island City, in the first quarter of 2010.

The buyer is back

[Brian Fallon](#)

A partner of O'Connor Capital Partners, the owner and developer of Manhattan House "Since April 15, Manhattan House has had 11 transactions, two of which have backup offers on them. We are actively engaged in negotiations with others. The interest and offers received have shown us that the \$2 million-plus buyer is back."

A changed market

[Frederic Peters](#)

President, Warburg Realty Partnership

"We brought a classic seven-room (3 BR, living, dining, kitchen, maids) onto the market in a prime Park Ave. building in the 70s around this time last year. The price was \$3,650,000, and it was in nice but not fabulous condition. We kept it on the market till September and during that whole time we got one offer, for \$2.8 million. We brought it back on the market earlier this month, for \$3,750,000, and it was bought by the first person who walked in the door for \$3.7 million. I think that is pretty illustrative of the market then and now."

Less sleep

[Mike Lucev](#)

Contractor from Rockaway Beach

"I haven't slept in the past 20 days. It's been mostly commercial work. Custom residential work should come back soon."

Loads of loans

[Richard Mack](#)

Managing director at AREA Property

Partners, huge New York-based real estate developer and international lender

“Residential real estate in NYC has stabilized and is on the way back, but the commercial market is in a different place. The commercial market is awakening but not necessarily improving. I have seen as many loans on the market for sale in the last 30 days [as] I saw in all of the second half of 2009. What happens when people move to foreclose on these loans will determine the direction of the market, but the fact that lenders are selling means that we are on our way to unclogging the logjam in New York commercial real estate. Regularity should follow.”

More lumber

[Stephen Fanuka](#)

New York City contractor to the stars

“I’m seeing myself work eight hours per week more than average, meaning I’m doing a lot of estimating and planning forward. In the last 40 days, I’ve spent more on material purchases due to new jobs. Local lumberyards have more material in stock, anticipating a busy season.”

Bidding wars are back

[Jacky Teplitzky](#)

Managing director, Prudential Douglas Elliman, top upper East Side real estate agent

“We had a signed contract on behalf of our buyer for an apartment in the \$3 million range on the UWS. Buyer sent contract with deposit, and 10 minutes after we got a call from the seller that they had another offer that was \$100,000 higher. Our buyer had one hour to decide if he was willing to increase his offer. If not, seller will go with other buyer. The buyer actually thought the seller was bluffing and didn’t believe there was another offer on the table. My buyer upped their offer by \$100,000 and got the apartment.”

Immediate occupants

[Ken Horn](#)

President of Alchemy Properties, builder

of high-quality apartment buildings in Manhattan and Brooklyn

“At Hudson Hill, at 462 W. 58th St. in Clinton, we have done nine contracts in a span of three weeks at almost asking prices. We have averaged about 25 showings a week. It helps that we have immediate occupancy and that almost half of the building is now occupied and there is immediate move-in.”

Flipping foreclosures

[Sam Heskel](#)

Appraiser, Borough Park

“I feel the market is starting to rebound. I believe the recovery will be a long and slow process, but I hope it’s going to be slowly but surely. In Borough Park, condo sales were nearly at a freeze since last year; until the past two months, a couple of contracts were signed and a couple of sales closed at pre-2008 prices. In Jamaica, which is a neighborhood with a high rate of foreclosures, I saw last week a house which was purchased from the bank in January by an investor who renovated the house and put it back on the market. In less than three months, it is now in contract for \$400,000.”

Buying sight unseen

[Gea Elika](#)

Founder of Elika Associates, an exclusive local firm representing buyers

“While two weeks ago we were doing deals with first-time homebuyers looking to go into contract before the Federal Housing Tax Credit deadline, we are now seeing the top-end buyers reemerge and step up to the plate. I am working with eight buyers seeking homes priced at \$3 million and above, and several of these buyers are international investors willing to buy homes sight-unseen, as they are purely playing the currency game. In addition, I have had two offers accepted in the past week, both around \$1 million.”

Brooklyn is hot

[Highlyann Krasnow](#)

Executive VP, The Developers Group

“At One Brooklyn Bridge Park, we’ve been averaging six-to-seven accepted offers per week. These deals are not just on small apartments, as buyers are creating combos again. In Williamsburg, overall traffic is up and there is again a sense of urgency. We sold 18 units in the past three weeks at The Edge. Two of the penthouses sold for over \$2.2 million each.

Top of the market

[Paula Del Nunzio](#)

Broker, Brown Harris Stevens, the top-selling townhouse broker in New York City

“Having closed two townhouses between Fifth and Madison the week of April 15 for nearly \$30 million gives the impression the market is definitely improving. Although both transactions were negotiated within 60 days of their closing, the deals of 2010 require much more effort than in the past.”

Landlords end incentives

[Noah Freedman](#)

CEO, Bond New York, an NYC sales and rental company

“In rentals, we have seen a big change in who pays us. It was 40% tenant fees and 60% owner-paid commissions until this month. Now, it’s reversed, with 60% tenant fees and 40% fees paid to us by the owners. Landlords are pulling back on their incentives daily. It has gotten busier, and rents have firmed. Landlords don’t want to listen to offers anymore.”

Increased rental signings

[Carole Bloom](#)

Leasing manager, The Corner at 200 West,

a new rental building at 72nd and Broadway from the Gotham Organization

“In the past two weeks alone we’ve seen a 27% closing ratio (people in the door who signed leases), a conversion percentage much higher than the real estate market has seen in this price point in years. We’ve also raised prices on average 10% in the past two weeks and are renting at higher numbers than most developers and brokers would have ever thought possible. For example, a few days ago we rented an apartment at \$112 per square foot — for a two-bedroom, two-bath with a terrace, \$12,500. This week, we also rented a studio for \$81 per square foot at \$3,625.

The retail scene

[Faith Hope Consolo](#)

Chairman, Prudential Douglas Elliman Retail Group

“Retail rents are down 25% still, which is how Madison Ave. filled in all their holes. We hope the same thing [a decrease in prices per square foot] happens in SoHo, where there are at least 80 available locations on the market. The only rates that are holding are on Fifth Ave., at about \$2,000 per square foot, the most expensive retail in the world, and Times Square, at about \$500 to \$600 per square foot.”

Zero tolerance for overpricing

[Pamela Liebman](#)

President and CEO, The Corcoran Group

“People purchasing a home now will look back in 12 months and see this as a time of opportunity. Buyers are so much smarter than they were during the boom. Anything overpriced will not sell. We’re telling our agents to price for excitement, meaning to price

where people can buy. Today's buys are emotional, not financial. If the home has everything they need, buyers are making deals."
