

## Foreign buyers bolstering holiday home sales

Brokers report apartments are being given as gifts – with everything but the bow

By Gueda Voien

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From left: Shelley O'Keefe of the Corcoran Group, Soho Mews at 311 Broadway, Corcoran Sunshine's Joanie Schumacher, the Laurel condominium at 400 East 67th Street, Gumley Haft Kleier's Sabrina Kleier Morgenstern and Kirk Henckels of Stribling & Associates

Two years ago the holiday season was a dark time for New York City's residential real estate brokers. This holiday season could not be more of a departure. Appointments are up, housing supply is down and brokers are planning to work through the holidays, making sure to be available for international buyers who will be in town and may just want to pick up a multi-million dollar Manhattan apartment as part of a holiday shopping spree.

The bleak days of 2009 have not yet fully faded from memory. "Nothing compares to that," said Shelley O'Keefe, a senior vice president at the Corcoran Group and head of on-site sales for Soho Mews condominium, at 311 West Broadway, of the 2009 holiday season, shortly after Soho Mews premiered. But things are more than looking up this year.

Director of private brokerage at Stribling & Associates, Kirk Henckels said he recently made two "enormous" sales -- both foreign buyers and with Central Park views -- at lightning speed. Though addresses could not be disclosed, industry sources indicated that both went for more than \$10,000 per square foot.

Joanie Schumacher, Corcoran Sunshine Marketing Group's on-site head of sales for the Laurel, at 400 East 67th Street, said she would normally take a holiday weekend off. This year she is on call Christmas Eve, New Year's Eve and the day after Christmas.

"It's especially busy this year. Certainly busier than last year," Schumacher said. "We have more Europeans and more South Americans [looking at apartments]."

Those buyers are often families, looking to add a Manhattan home as a second or third residence, or investors looking to park money in a market that looks exceedingly calm in comparison to Europe's. Schumacher said one French buyer -- of a \$4.85 million three-bedroom home on a high floor -- began negotiations two weeks ago and will be dropping in later this week to sign documents and get the keys.

Sabrina Kleier Morgenstern, an executive vice president at Gumley Haft Kleier, reported more than one foreign buyer with plans to sweep through the city during the holidays to buy "Ippolita jewelry at Bergdorfs, crocodile bags at Hermes," and a condo. One buyer, whose new address near the High Line she declined to give, looked for only two days and wanted to be in before the holidays.

Corcoran's O'Keefe is also ready for a busy holiday. "I'm definitely going to be around and our sales office will definitely be open [until Dec. 24]," she said. "I live downtown. If someone called on New Year's Eve and wanted to see an apartment, I would absolutely come over and show it." Four of 68 units for sale remain on the market at Soho Mews, O'Keefe said.

While previous reports have indicated that more and more parents are buying apartments for their adult children, or at least signing on to their mortgages, brokers report that some foreigners are even buying apartments as holiday gifts. "I've definitely seen a graduation present," said John Tashjian, a principal at Los Angeles and New York-based Centurion Real Estate Partners, and sales and marketing director at Riverhouse, a condominium at 2 River Terrace.

And although no one has asked him to "put a bow on them" he suspects some sales currently in the pipeline could classify as holiday gifts, many of them given to a buyer's child. Of the nine apartments still available in the 264-unit Battery Park City building, where actor Leonardo DiCaprio owns an apartment, Tashjian said he expects two or three to close during the holidays, significant sales given the lack of available apartments in the building, all but one of which lack the stellar river views that units sold earlier offer.

Kathy Braddock, co-founder of Rutenberg Realty in New York City, agreed foreign buyers show a lot of interest at the holiday season, but said in her experience much of it was akin to window shopping -- touring properties but not necessarily signing the dotted line.

A major obstacle brokers mentioned with foreign buyers is that they are less value-driven than native New Yorkers and want something unique that may not always be available.

"When they look out the window [foreign buyers] want something iconic -- views of the park, the Statue of Liberty," whereas New Yorker buyers are more interested in resale value, Tashjian said. And there is not an infinite supply of iconic views.

That said, once foreign buyers commit to buying in New York City, they tend to move quickly. One Chinese buyer recently saw another family was also getting a tour of a unit with views at Riverhouse. As soon as the other family left, the Chinese buyer immediately took the apartment, and worked to get through escrow in three days, Tashjian said. "It was the fastest transaction I've ever done in my career."

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