THE REAL DEAL

August 30, 2011 | Adam Fusfeld

Chelsea Cond-op More Than 50% in Contract, as Higher Prices Loom

From left: Core CEO Shaun Osher, Centaur Properties CEO Harlan Berger and 305 West 16th Street

The cond-op at 305 West 16th Street in Chelsea, known for the 5,385-pound daisy sculpture atop its seven stories, is more than 50 percent in contract and closed its first unit today, Centaur Properties CEO Harlan Berger said.

Since sales launched June 1, 29 units in the 53-unit building at Eighth Avenue have entered into contract, including two yesterday, Berger said, and eight units should close this week. He expects to close 51 percent of the units by the end of September to secure Fannie Mae financing, which he called "critical" to the sales effort for the second half of the building's units.

The studios and one- and two-bedroom mix is being marketed by Core, and active listings on Streeteasy.com show prices ranging from $500,000 for a 454-square-foot studio to $1.395 million for a 978-square-foot, two-bedroom apartment. Core CEO Shaun Osher said most buyers were signing contracts at, or even above, asking prices.

After Labor Day, both Berger and Osher said, listing prices would increase.

"Some of it was mispriced," Berger admitted.

The $1,400-per-square-foot prices on the larger units (about 1,004 square feet), which sell for an average of $1,290 per foot, according to Berger, will likely stay the same. But studios and one bedroom apartments, which range from 438 to 771 square feet and had been asking $1,100 a foot, will begin to approach the $1,300 mark.

"We wanted to make sure we got to 51 percent so that the building becomes Fannie Mae-approved," Berger said. "Now going into the second half, it's going to be a lot easier to sell the smaller units and the one-bedrooms because of easier financing."

While the aforementioned sculpture has certainly contributed to the building's unique identity, Osher said Core is using the cond-op's website to market the building in a unique way. Rather than a traditional website, this is a blog updated regularly by the Core marketing team with news on the building and the Chelsea neighborhood.

"It connects to the person who is buying in this building," Osher said, noting that the budding technology scene nearby, including Google's new office across the street, is brining in young, tech-savvy entrepreneurs. "[The website] is a living, breathing conduit of information for people that are constantly on the Internet."

Though new development is sprouting throughout Chelsea, both Berger and Osher said they don't believe those other projects are in direct competition with 305W16, as the building is called. Those developments are much larger buildings at different price points, and, at 10th and 11th avenues, far less centrally located than the property they are selling.