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Will Zeckendorfs Get a Record \$130M for 520 Park Penthouse?

Top brokers weigh in on Manhattan's priciest condo listing



From left: 520 Park Avenue, Leonard Steinberg, Emily Beare and Michael Graves

Earlier this week, Zeckendorf Development announced that it would seek \$130 million for the penthouse triplex at its 520 Park development, the priciest current listing for a condominium unit in New York City. The ask surpassed the \$118 million listing for the Ritz Carlton Hotel's penthouse and surely made more than a few jaws drop.

To be sure, the space is one of a kind — at 12,394 square feet, it will be the largest condo on the Upper East Side. But in a luxury market in which contract signings have slowed to a trickle and listing discounts have deepened, was it a wise move?

The Real Deal sought the opinions of some of the city's top brokers to find out whether \$130 million is a bridge too far.

"My feeling is the mission has been accomplished already in the fact that you're writing about it," said Leonard Steinberg, president of Urban Compass.

He added that in an area packed with high-end development, Zeckendorf's penthouse has become the focus of attention.

Still, Steinberg noted that the steady announcement every few months of a new record listing can backfire for the next big thing. If buyers perceive that escalating asking prices are down to publicity rather than legitimate valuation, owners can lose some credibility.

Certainly, headlines about record condominium prices have been coming fast and furious in recent months. In June, Ryan Serhant of Nest Seekers International listed the Battery Park penthouse at the Ritz Carlton. Less than a month earlier, news broke that the penthouse at Alchemy Development's Woolworth Building conversion would hit the market at \$110 million.

Given that the 520 Park unit will likely be marketed to international buyers, the price may not seem out of this world, said Steinberg. He pointed to the \$237 million penthouse sale at One Hyde Park in London and the \$391 million listing for the penthouse at Tour Odeon, Monaco's tallest residential building.

Steinberg also noted that 520 Park is a spectacular property, boasting an exclusive address, views of Central Park and the imprimatur of celebrated architect Robert A.M. Stern. But that last point could swing sentiment either way, he said. While Stern's name lends a sense of exclusivity and stature, it is also associated with 15 Central Park West, and he has another project nearby — 220 Central Park South — in the pipeline.

"Does that take away from the luster and collector quality of living in a Robert A.M. Stern building? We don't know," said Steinberg. "We just have to see how this plays out."

Emily Beare of CORE is not so sure that Stern's output in the area will count against 520 Park. She points to the enduring allure of buildings designed by legendary and highly prolific architects Rosario Candela and Emery Roth.

And while those designers achieved fame nearly a century ago, 520 Park has something in common with their work.

"It is an iconic old world building and it's not even built yet," said Beare, "People like timeless and I think that's what this will be. I think it speaks for itself and I don't know that they need to do any hard sell on it."

That aspect of the building sets it apart not just from other condo buildings on Park Avenue, but also makes it more desirable than the ultra-luxury buildings rising on Billionaire's row, she said. Looking back 10 years from now, the time during which those buildings were constructed will be evident, Beare added.

While the market at the high end is a little quiet and buyers are not rushing decisions, Beare believes that the price of the penthouse is not out of the realm of possibility.

The timing of the announcement is significant, said Michael Graves of Douglas Elliman, given that no one knows if the market will hold and there is currently a race to the top in terms of similar product being delivered.

"What I think these developers are doing is they're trying to capture what I think has been a very strong luxury market over the last 15 to 18 months," he said. "They're trying to capitalize on that now and increase their exposure with foreign buyers."

Graves believes 520 Park was specifically designed to bring those overseas clients to the table and said that in the context of what the billionaire international buyer is looking at, a \$130 million price is not out of step.

Knowing that, increasing the penthouse's exposure at the top of the market could impact the way it is perceived among the international set.

"If they have already heard the name of the building we're bringing to them, that starts to open up a dialogue that can lead to a sale," he said. "If it's a building they've never heard of, there are more question marks there."

Ultimately though, Zeckendorf's ability to close the deal at the asking price will depend on the boots it puts on the ground, said Graves — and moving a penthouse of this caliber will require considerable relationship building.