

THE REAL DEAL

November 21, 2011

<http://therealdeal.com/newyork/articles/shortage-of-high-end-homes-has-rubicon-property-sending-letters-to-solicit-sellers-and-could-be-good-news-for-extell-development-s-one57>

High-end home shortage could help One57

A lack of new construction, an influx of international buyers and prices still far from peaks have fueled a shortage of high-end apartments in New York City, Bloomberg News reported.

There were 832 homes on the market asking at least \$5 million in New York City in October, according to Streeteasy.com, down 9.5 percent from the same time two years ago.

Simultaneously, sales of Manhattan luxury apartments increased 17 percent in the third quarter from the prior-year quarter, according to Miller Samuel. There were more sales of at least \$20 million in the third quarter this year than during any time since the third quarter of 2008.

Miller Samuel CEO Jonathan Miller traced the beginning of the trend to last November when William Lie Zeckendorf sold his 15 Central Park West penthouse for \$40 million and a Superior Ink penthouse went for \$31.5 million. By April, the number of pending contracts in the \$5 million and greater price range rose to 152, the biggest resurgence since 2008, according to UrbanDigs.com.

The shortage is becoming severe enough that Rubicon Property has sent letters to clients with high-end homes gauging their interest in selling. "That's a sign of the times," CEO Jason Haber said. "This is a ready, willing and able buyer and we can't find the product for him."

Bloomberg News said this could be good news for Extell Development's One57, which will launch sales later this month, two years ahead of other high end development.

