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## *real* ESTATE

### **Wall St. checks out of NY housing**

By [Amanda Fung](#)

Since listing a three-bedroom co-op in a classic prewar building on West End Avenue for \$2.35 million last month, Lisa Lippman has received a half-dozen bids. They come from a diverse group that included a contractor, a dentist and his therapist wife, an accountant and others—but one field was conspicuously unrepresented. Not one of the bidders works on Wall Street. The same holds true in the other three multimillion-dollar sales Ms. Lippman is working on.

“It’s unusual that not one of these buyers is in finance,” said Ms. Lippman, a top-producing agent at brokerage Brown Harris Stevens. “Like most high-end brokers, I find that most of my clients [typically] work on Wall Street.”

Maybe so, but many of them are also seeing what she is experiencing: a major shift in the residential real estate market. Both on the sales and rental sides, deep-pocketed bankers are waning in importance after decades of dominance. The shift has gathered steam in recent weeks as a growing list of banks have scaled back compensation by as much as 30%, after months of cutting back the size of their staffs. Meanwhile, the slack is increasingly being picked up by tech- and creative-industry employees, as well as foreigners.

The change reflects the evolving New York City economy. Recent reports predict that education, health services and professional and business services—including lawyers, accountants and computer programmers—will drive employment growth in the city, even as Wall Street continues to shed jobs this year.

“If you look at who is buying, the market is more diversified than in the past,” said Kelly Mack, president of Corcoran Sunshine Marketing Group, a sales and marketing firm for new luxury condominium projects in the city.

Back before the recession, in 2006 and 2007, finance professionals on average represented 35% of the buyers of new luxury condo developments in Manhattan sold by Corcoran Sunshine. Last year, that share tumbled to 24%, just ahead of the second largest group, the overseas buyers who accounted for 21% of the firm’s deals, followed by the 19% who worked in entertainment, media and technology.

#### **Examples abound**

That shift has played out in countless buildings in recent years. When Corcoran Sunshine began marketing condos at the 271-unit Rushmore on Riverside Boulevard six years ago, for example, 20% of buyers were working in finance, according to Beth Fisher, managing director at the firm. Five years later, when the company began marketing 150 condo units at the Aldyn, a new development nearby, the

portion of buyers hailing from Wall Street was 10%. This year, with about 80 units left to sell at the two buildings, the vast bulk of those looking are professionals in fashion, law, media and entertainment, she noted. At both properties, two-bedrooms start at \$1.475 million, and three-bedrooms at \$2.6 million.

A similar trend is unfolding in Manhattan's rental market. According to a recent analysis by Nancy Packes Inc., a consultant to residential developers, 41% of renters in buildings below Manhattan's 96th Street made their money in finance last year. That is down from 58% in 2005. Meanwhile, people in the tech and creative sectors have been rising as renters, accounting for 12.8% and 13.5% last year, respectively—up from 7.2% and 8.57% in 2005.

“Demand for apartments from those in finance has slipped, but it is being picked up by other sectors,” said Ms. Packes.

Surprisingly, that's true at the Frank Gehry-designed tower at 8 Spruce St., whose windows look down on Wall Street, just a dozen blocks south. There, where rents range all the way up to \$20,000 a month for a three-bedroom unit at the top of the tower, just over a third of the renters are in finance.

On the upside, the city's tech sector has become the big surprise.

“I am seeing more young entrepreneurs looking for their first apartment in the city,” said Gus Waite, co-founder of RentingNewYork.tv. Today, Mr. Waite has several clients who are techies relocating here from Silicon Valley, Boston and elsewhere.

“Our city now has a deep base in a lot of industries and jobs,” said Gary Malin, president of Citi Habitats, the city's largest rental brokerage. “It's not only the Wall Streeters anymore.”