THE REAL DEAL
NEW YORK CITY REAL ESTATE NEWS

February 6, 2012

Wall Street's residential impact falls along with jobs, pay

From left: Rushmore, Aldyn and New York by Gehry (credit: Gehry Partners, LLP)

Wall Street professionals are accounting for less business in the residential sales and rental markets, as banks slash pay and jobs, and brokerages have begun shifting their focus towards home hunters in the technology, media and entertainment industries.

Citing data from Corcoran Sunshine Marketing Group, Crain's reported that just 24 percent of the brokerage's new luxury condominium buyers in 2011 worked in finance, compared to 35 percent in 2006 and 2007. Last year, foreigners (21 percent) and technology, media and entertainment workers (19 percent) closed in on Wall Streeters' share of new luxury developments.

Similarly, last year, when the brokerage began marketing the 150-unit Aldyn at 60 Riverside Boulevard, it found that just 10 percent of buyers hailed from the financial industry, while five years earlier, when sales launched at the 271-unit Rushmore, at 80 Riverside Boulevard, more than 20 percent of buyers were financial professionals. Law, fashion, media and entertainment professionals are expected to fill the remaining 80 units in the two developments.

In the rental market, 41 percent of renters below 96th Street made their money in finance last year, according to consultant Nancy Packes Inc., down from 58 percent in 2005. The share of renters in technology and creative industries has increased to 26 percent from 16 percent. Even in the pricy rentals at New York by Gehry, which is located a short walk from Wall Street at 8 Spruce Street, financial professionals account for just one-third of renters.[Crain's]