

THE REAL DEAL

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What's ahead in

2013

A rundown of some of the biggest NYC real estate issues — and most impactful projects and trends — on tap for the New Year

By Tom Acitelli

If 2012 was the year of recovery for New York City's real estate industry, 2013 might be the year of uncertainty. New York City real estate faces a number of unknowns heading into 2013, from post-Sandy devastation to the upcoming "fiscal cliff." The year will also see the city's mayoral race heat up — another subject that brings nail-biting anxiety to real estate professionals.

In this end-of-the-year issue, *The Real Deal* looked at these and other key issues that will impact the real estate industry in 2013.

ONE57 CLOSINGS

Extell Development's under-construction condo One57 got more than its share of newspaper ink in 2012 as word of record-setting apartment sales leaked to the press. And while the 90-story tower is not expected to be complete until the start of 2014, it's the next year that could have the largest impact for the building and for what it means to the residential luxury market, sources say.

That's because the megadeals that have been the talk of the town will finally begin closing in 2013. Indeed, while the building is expected to open by 2014 (despite a partial crane collapse there during Hurricane Sandy), closings, according to sources, are expected to start in the summer, providing official market data and likely setting new benchmarks for the luxury market.

Like with 15 Central Park West five years ago,



Apartments are slated to begin closing at One57 in 2013.

One57's sales prices will alter not only the statistics of the marketplace, but sellers' perceptions of it as well, brokers say.

A duplex in One57 — which has 95 units and is located at 157 West 57th Street — is reportedly in contract for \$90 million, along with several of the 11 full-floor units for at least \$53 million. The highest price paid so far in One57's closest luxury ancestor, 15 Central Park West, which opened in 2008, was \$88 million.

"It could potentially sway the average up artificially," said Douglas Elliman managing director Leonard Steinberg of One57.

"That's not a good thing," Steinberg added, "because then people think their apartment is worth so much more when maybe it isn't."

As news outlets inevitably report on One57's closings in 2013 (more than half the units in the building are already under contract), brokers may have to talk luxury sellers out of inordinately high asking prices, sources say.

"High prices always have an effect on sellers because they, too, feel they are entitled to a very high price, especially if they have a very good property," said Paula Del Nunzio, a managing director at Brown Harris Stevens, speaking generally about the higher-end market.