

North American prime property

Luxury property downturn in New York hits Hudson Yards

The number of homes sold in Manhattan for more than \$10m has fallen 28 per cent in three years



'The Vessel', a \$200m sculpture by Thomas Heatherwick © Alamy

Hugo Cox JANUARY 17 2020

With its domination of the local skyline, [Hudson Yards](#), New York's largest private real estate development for a decade, is bringing the recent craze for high-rise, high-end living to West Chelsea. The average price of the 153 homes sold across its two luxury towers last year was \$4.36m, compared with \$1.48m in the local area.

Last year, the developers launched Penthouse 90, a grand five-bedroom apartment on the 90th floor of 35 Hudson Yards — the second and plusher of the two towers. The property is being marketed with Corcoran, and has an asking price of \$59m.

The timing could have been better. The development — which includes a new shopping mall and ["The Vessel"](#), a giant \$200m sculpture by Thomas Heatherwick — has been hit by the downturn in New York prime property.

Manhattan's luxury market — the top 10 per cent by value — recorded 241 completed sales in the three months to December, according to agency Douglas Elliman. The average price was down 14.5 per cent on the same period a year earlier. Over the past three years, the number of homes sold for more than \$10m has fallen 28 per cent, according to another luxury estate agent, Core.

The couple visit Chelsea to walk their dogs — two chihuahuas named Charcoal and Ashes — but admit that otherwise they spend little time outside the Hudson Yards development, which was built on the site of a former storage yard for railway trains. Both use the new facilities extensively, with Lo doing photo shoots around the building and using the meeting rooms on the 51st-floor business centre for work.

At 15 Hudson Yards, Compass is selling a one-bedroom apartment for \$1.5m. Outside the development, the same agent is selling a one-bedroom apartment at 407 West 40th St for \$529,000, after recently having its price cut by \$20,000.

“I don’t view Hudson Yards as part of Chelsea: it’s a brand-new neighbourhood,” says Krayn. “There was nothing here before: it was just a pit of trains, then a construction zone. Now a lot of New Yorkers are visiting this area for the first time because of it.”

Others see the potential for pieds-à-terre. “A lot of people are using the building for second homes,” says Ann Cutbill Lenane, a 57-year-old estate agent who owns an apartment in the development and has sold three others. She says it is popular with empty nesters from Westchester, New Jersey and upstate New York. “It’s part of a trend of people shedding themselves of big landed homes and moving to more of an urban environment,” she says. Some have moved out of New York state for tax purposes and return to visit in the portion of the year that they are permitted, she adds. Lenane admits that “two or three years ago” the slowing market made early sales hard. Today, the market is even weaker. It may take more than a glass of champagne at a fashion show to persuade buyers.

Buying guide

- In 2019, the average Hudson Yards sale was \$2,679 per sq ft. Homes sold in the local area went for an average of \$1,493 per sq ft
- In the last three months of 2019, the median price for the top 10 per cent of Manhattan’s homes was 28 per cent lower than during the first three months of 2017

Central Park West: one of New York's most sought-after addresses

Yet apartment owners in even landmark buildings such as The Dakota are having to lower prices to seal deals



MAY 4, 2017 by: **Troy McMullen**

The five-bedroom apartment on sale overlooking Central Park in Manhattan measures more than 7,000 sq ft, and has two wood-burning fireplaces, a library and a 31ft-long master bedroom suite with marble bath. Despite the bountiful amenities, however, what will probably make the home's \$29m price tag more palatable to potential buyers is its address.

The apartment is in The Dakota, a landmark building on the north-west corner of West 72nd Street and Central Park West that has been home to a long list of noted names, including Leonard Bernstein, Judy Garland and Rudolf Nureyev. A fourth-floor apartment owned for many years by Lauren Bacall sold last year for \$21m.

John Lennon was also a resident. It was here, just outside the building, where he was shot dead by Mark Chapman in 1980. Yoko Ono still lives in the apartment she shared with her husband.

Completed in 1884, the building set the standard for high-end apartments in Manhattan, says **Ann Cutbill Lenane**, a broker with Douglas Elliman and **the \$29m home's listing agent**. "Almost from the start, it was where well-off New Yorkers ended up," she says.

The Dakota's history and pedigree may make it a sought-after address in the city, but its high gables and deep roofs occupy an exclusive stretch of Manhattan that has been luring wealthy homebuyers for decades.



The library in a five-bedroom apartment at The Dakota, \$29m

The high prices being asked for some Central Park West addresses come as real estate prices in Manhattan are falling. In the first quarter of this year, the median resale price of a Manhattan home reached \$1.1m, a 3.3 per cent decline from the same period in 2016, according to a report by Miller Samuel.

Home prices on the Upper West Side have shown a slight uptick over the past year. The median sale price of a home in the district, which includes Central Park West, edged up 1 per cent to \$1.37m in April compared with the same month in 2016, according to real estate website Trulia.

The slowdown has left some pricier listings on Central Park West struggling to find buyers. Despite its amenities and location, the apartment on sale for \$29m at The Dakota originally hit the market in March 2016 with a price tag of \$39m. And a home listed at The Eldorado for more than a year has yet to sell despite the price being cut from \$12.9m to \$10.7m.

“Sellers are slowly realising that prices need to be more in line with what the market will bear,” says Robert Dankner, president of Prime Manhattan Residential. “We’re seeing more sellers lowering prices in order to seal deals.”

New York City

New York volunteers pick up trash as city cuts collections

Complaints about dirty sidewalks grow after pandemic-related fall in tax revenues hits services



Ann Cutbill Lenane and Jake Russell, the co-founders of OneBlock UWS

Mamta Badkar, Billy Nauman and Marc Filippino OCTOBER 3 2020

Many people see garbage on the upper west side of Manhattan these days and shake their heads. Ann Cutbill Lenane looks over the trash and dreams of romance.

Ms Lenane, a 58-year-old single mother who works as a luxury property broker at Douglas Elliman, is a co-founder of a volunteer army — called OneBlock UWS — that has taken to cleaning up the neighbourhood amid complaints it has become dirtier during the pandemic.

The group has signed up 500 people, and Ms Lenane has grown so enthusiastic about the enterprise that she has talked with cofounder Jake Russell, a transplanted Texan, about expanding its activities.

“I want to do a singles garbage night,” she said. “I mean, I might meet my guy leaning over a garbage can.”

The rise of the citizen garbage collector on the well-to-do upper west side — and in other areas of New York — comes as the city struggles to provide basic government services during the Covid-19 crisis.

Mayor Bill de Blasio estimates that lockdowns have led to a loss of \$9bn in tax revenues, and that has sent city officials scrambling to cut costs.

Reductions in sanitation spending led to a dramatic reduction during the summer — from 736 to 272 — in the number of trucks emptying out litter collection baskets on city streets every week.

New Yorkers did not like the results. Complaints about dirty sidewalks on the city’s 311 telephone hotline hit 2,922 in July and August, up 14 per cent from the same period a year ago.

“With the corner basket pick-ups, they cut us down to three days a week (from every day), which is insane,” said Justin Brannan, a City Council member from Brooklyn’s Bay Ridge neighbourhood.

The city’s sanitation commissioner, Kathryn Garcia, stepped down on September 8, expressing displeasure with the budget cuts.

Two days later, more than 160 business leaders, including the chief executives of Citigroup, Goldman Sachs and Morgan Stanley, expressed their alarm. They sent a letter to Mr de Blasio warning of “widespread anxiety over public safety, cleanliness

The fights over garbage collection point to bigger battles to come over paying for city services. Mr de Blasio has repeatedly beseeched the federal government for help and sought approval from state lawmakers to allow the city to borrow billions to close the budget gap.

Mr Brannan of Bay Ridge said the city's financial situation is unsustainable. While he said he agreed "with a lot" of the sentiments expressed by the CEOs in their letter, he added: "I wish it would have ended with 'and we were going to set up a fund to help' — because we don't have the money."

Progressives are pushing for higher taxes on the wealthy to pay for services. But such a proposal would need approval by the state, and Governor Andrew Cuomo has opposed such calls on the grounds they would cause people to leave for lower-tax locales.

Tax-increase advocates say the state's history shows Mr Cuomo is wrong. In 2009, New York state levied a "millionaire's tax" in 2009 to help cover its budget shortfall during the financial crisis. Despite fears this would drive away the wealthy, IRS data show the number of people in New York City making more than \$1m per year grew by 22,000 from 2010 to 2018.

Jamaal Bowman, a Democrat running for a US House seat in a district that includes parts of the Bronx, said it was a "false narrative" to suggest the rich would flee. "Many millionaires or billionaires have said on the record that they will not leave," he said. "People love the city of New York."

Such affection depends on a pronounced local tolerance for griminess. Given the city's lack of alleyways and a chaotic network of 90 companies that collect commercial trash, New York has never been the cleanest of US cities.

This year, with many restaurants shut down, New York's massive rat population has grown more aggressive, appearing more frequently on the streets during daylight hours to look for food, experts say.

"The rats . . . took more risks, including travelling farther to obtain food," said Michael Parsons, visiting research scholar at Fordham University's biology department. "Rats are competing and even cannibalising."

Still, the citizenry on the upper west side is resolute.

Mr Russell of OneBlock UWS said he was moved to collect litter by "Covid angst" and "the pent-up inability to help". To begin, he picked up a bag full of trash, and posted a picture of it on Facebook.

"I started walking outside and felt like here's something that bothers me and I have control of," he said. "In 15 minutes, I can see the results."

So strong was the response to his posting that he started a Google sign-up form to see if any of his neighbours would adopt a block to clean up. Initially, volunteers equipped with trash pickers from hardware stores bagged litter to take back to their residential bins.