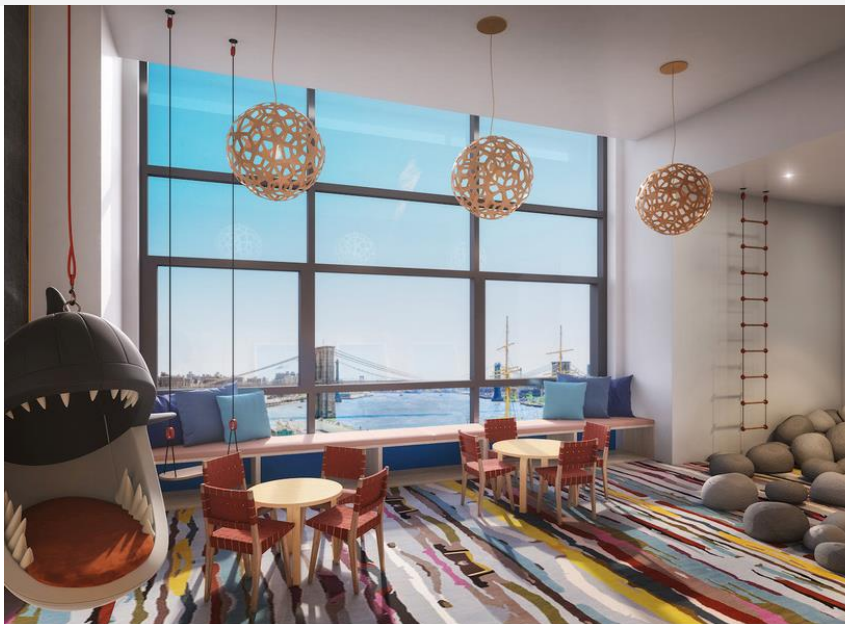


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## In Manhattan, High-End Luxury Makes Way for Mid-Market Luxury

“Affordable luxury,” with high-end amenities is de rigueur in new condos  
BY FANG BLOCK ORIGINALLY PUBLISHED ON JUNE 08, 2016 | [MANSION GLOBAL](#)



The Children's room at 1 Seaport, a new "affordable luxury" residential building in the historic Seaport District.  
WILLIAMS NEW YORK

The boom of ultra-luxury condos is slowly giving way to entry and middle market in Manhattan, with apartments priced at \$1 million to \$3 million range selling out the fastest, some industry experts say.

And this new trend is not only a New York phenomenon. “Everybody is in the same situation, across America, in Europe and Hong Kong,” said Jonathan Miller, CEO of real estate appraisal and consulting firm Miller Samuel, “the softest segment of the market is in the high end.”

Meanwhile, the entry and middle market are faring much better. In the first quarter, about 46% of the apartments sold in Manhattan were below the \$1 million mark, according to Miller.

For the mid-market, apartments ranging from \$1million to \$3 million in new developments are most appealing to buyers. The “resale market is still challenged by limited supply,” said Miller.

Some developers and brokers saw this trend coming before the super-luxury market peaked a couple of years ago.

Fredrik Eklund and John Gomes, the business duo of Douglas Elliman Real Estate and stars of Bravo’s Million Dollar Listing New York, convinced the developer of 1 Seaport, a new luxury residential building in the Seaport District, to build smaller units with similar amenities that high end buildings are offering.

“We have a good pulse of where the market is going,” said Gomes. He believes that the absorption rate largely depends on the absolute price point, the average price per square foot and the ideal layout. Mr. Gomes said he’s seeing more new developments offering smaller two bedrooms, each bedroom with its own bathroom. “This is the most sought-after layout for investment buyers,” he said.

When Chinese developer Xinyuan Real Estate bought the new development site at 615 Tenth Avenue last year, its plan was to offer apartments averaged at \$2,000 per square foot, far below the high-end luxury market.

After the successful Oosten condo building at 429 Kent Avenue in Williamsburg, Xinyuan’s foray into Manhattan was carefully maneuvered. “We want to stay ahead of the curve and build affordable residences with luxury amenities,” said John Liang, managing director of Xinyuan’s U.S. operations, known as XIN Development.

The secret to “affordable luxury” is to identify the upcoming thriving neighborhood while the land price is still very reasonable, said Liang.

And because of the expensive land in Manhattan, Mr. Miller said that the market was not swinging to affordable housing. “You cannot find any evidence in the market yet, but it might take a couple of years.”

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