



PARK AVENUE:
FADING BEAUTY?

SELLING A HOME ON MANHATTAN'S "Gold Coast"—the Upper East Side corridor between East 59th and 96th streets and Fifth and Park avenues—was once as good as gold, but the influx of new luxury condos has hammered prewar co-op sales in recent years. According to Jonathan Miller of real estate appraisal firm Miller Samuel, the median sale price for a Park Avenue co-op has fallen 18.3 percent during the last five years,

to \$2185 million, while the top end of the market saw an even steeper drop-off, with the median price for a co-op with four or more bedrooms dipping 25 percent, to \$7.5 million. Even iconic buildings like 740 Park Avenue—where Jacqueline Kennedy Onassis grew up and John D. Rockefeller, Jr., lived for two decades—have taken a hit: A four-bedroom spread went for \$25.25 million in 2017 (down from \$44 million in 2014),



Falling Out Of Favor Tough co-op boards are pushing out potential buyers on Park Avenue (LEFT), even in exclusive buildings like 740 Park (INSET).

and a four-bedroom originally priced at \$32.5 million in 2014 ended up closing for just \$18 million in 2016. "This used to be one of the safest market segments in Manhattan," Miller comments. "But new condo towers have two things that prewar co-ops can't compete with: better views and no byzantine approval process."

Halstead broker Lauren Cangiano concurs, asserting that potential co-op buyers are being "scared away" from Park and Fifth avenues

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because of draconian board approval processes, which ultimately lead to depreciating values. Case in point: Cangiano recently represented a buyer who was turned down at 770 Park Avenue, despite having "assets in excess of three times the apartment's value," she says. "Co-op boards don't have to provide a reason for applicant rejections and often put forth some unusual requirements, like knowing certain people or belonging to a specific political

party." Even more, adds broker Mickey Conlon of Douglas Elliman Real Estate, many co-ops "don't allow any financing at all, which can tie up a buyer's money. With a new condo, you leave a down payment on the table. There's no interview, no scrutiny, and the process is much faster."

But "there will always be people who want the exclusivity of a Park Avenue address," asserts Cangiano, who believes the market is correcting itself after a bout of overpricing. "Some old-school buyers

want a gatekeeper to ensure that feeling of a members-only club," adds Conlon's partner, Tom Postilio. "Park Avenue co-ops aren't dead quite yet." —*Jessica Dailey*