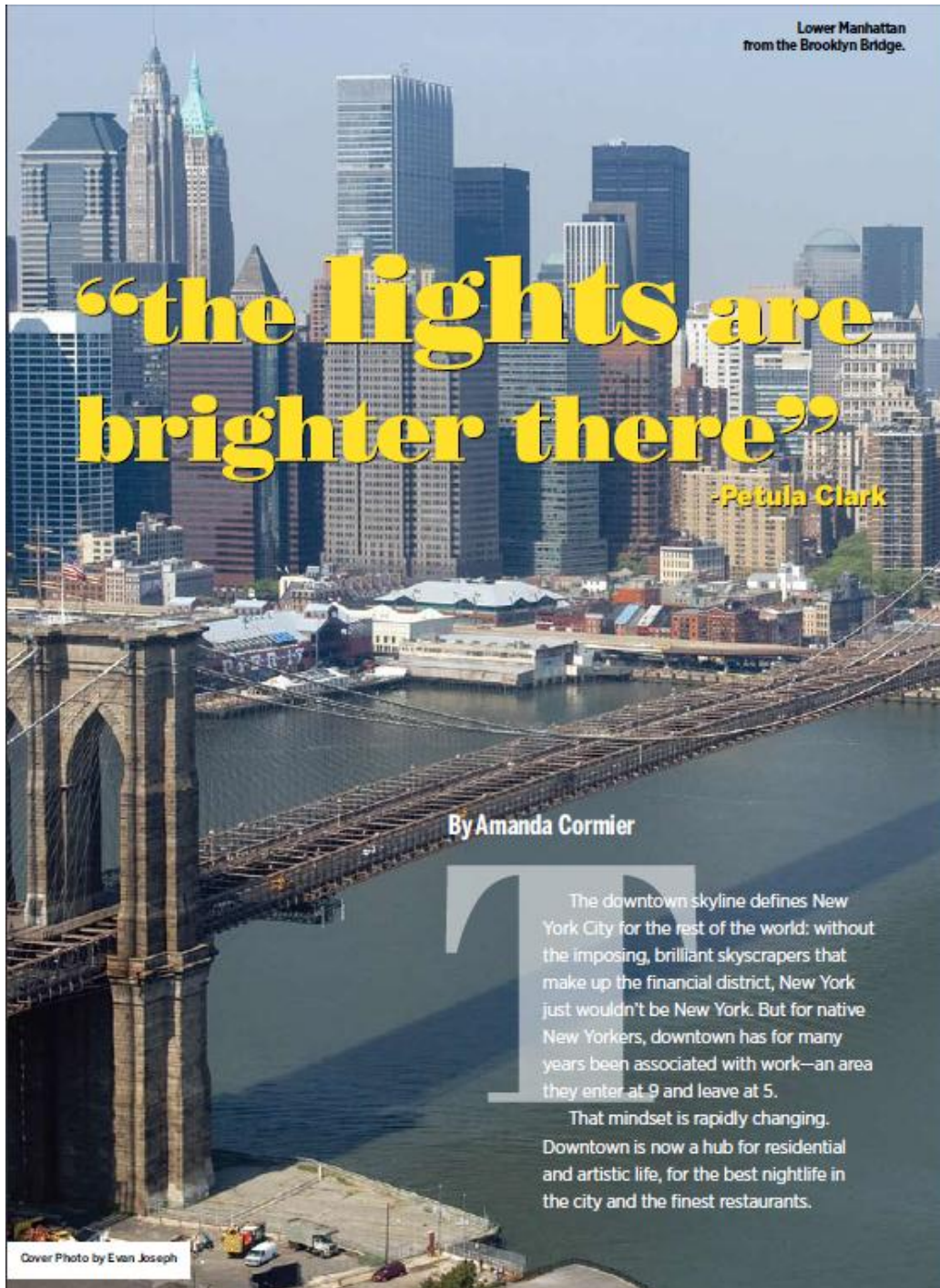


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From Chelsea and Gramercy to South Ferry, downtown is the capital of cultural, financial and residential life in New York. Revitalized recreational parks like the High Line in Chelsea and the Elevated Acre at 55 Water Street welcome young families to the area. Sleek, trendy clubs like Tenjune and Lotus in the Meatpacking District attract a twenty-something socialite crowd, while in the East Village, small cafes and dive bars are a hub of artistic activity. Steve Kilegerman, Executive Director of Halstead Property Development marketing, said he's seen a huge increase in demand for downtown markets and rentals because of these factors.

"The downtown marketplace offers a lot of diversity both in neighborhoods, amenities, restaurants and culture that the uptown markets, according to our buyers, seem to lack," he said.

Downtown's history as the center of finance is part of the appeal for new buyers: living below 23rd Street offers a view into history, but also of cutting edge art, culture, and dining. "The

historical is intermingled with the contemporary," said Erin Aries, a Senior Vice President and Director at Brown Harris Stevens. "New restaurants, museums, galleries and emporiums pop up over night. People are drawn to the culture, the history and the constantly evolving nature of each neighborhood that comprises downtown. Nothing is ever stagnant." This influx of residents has transformed the area into one that is no longer sleepy on weekends, but a vibrant home for a diverse group of New Yorkers. The hard times are over – and sales demand is high

The recession of late 2008 and 2009 brought a severe dip in demand for downtown sales, but as Wall Street has recovered, so has the demand for homes nearby. Kilegerman said the downtown market is the strongest it's been post-Lehman. "As Wall Street has rebounded, so has downtown and we're both in demand and absorption of units," he said. "Prices are still lower than they were [pre-recession], but the demand and interest in downtown is still very



strong."

The slowdown of building during the recession, along with increased demand, has made inventory hard to come by, particularly in areas like Chelsea where the art district, High Line and Chelsea Piers beckon new buyers. Halstead is the developer of +ART, a new 91-unit condominium in West Chelsea. "The Chelsea art district has brought an entirely new amenity to the neighborhood because it's mainly in Chelsea now rather than in SoHo," he said. "You

have an entirely different demographic of people who were never really introduced to Chelsea until the district moved about 10 years ago."

Buyers looking downtown have a diverse range of neighborhoods to choose from, but because the downtown area is so small, amenities of all the neighborhoods are at their disposal. "Most [clients] are open to the incredible variety of properties that are offered downtown, from the cutting edge, architecturally significant new developments to the 1930s Bings and Bings, or the exquisite row houses that line the streets of the Gold Coast and the Seminary blocks," Aries said.

The rental market, too, has seen a steady increase in the past year—and in many unexpected places. Tricia Cole, executive managing director at Corcoran Sunshine Group, said the market's strength is giving new vitality to unexpected downtown areas. "The market in general has really picked

up tremendously over the past year, and we're seeing enormous interest at all levels, both in rentals and in sales," she said. "Interest rates being low has really driven a lot of buyers back into the market. It's a very strong market across the board, be it from the Financial District to Battery Park City to 15 Madison Square North."

Corcoran Sunshine is the developer of 1 Rector Park, a new development in Battery Park City. Cole, a downtown resident for more than 17 years, said that Battery Park City is a new hidden gem of downtown residential life. "I hadn't spent a lot of time down there in the last 15 years, and it is now so beautiful and has been so well developed, it's actually stunning," she said. "If you go down there on a weekend afternoon, you'll find everything you could think of to do. People are biking, jogging and walking down the esplanade. It's an amazing amenity that many Manhattanites that don't live in Battery Park City are aware of."

The diversifying of housing stock in areas like Chelsea has made the area attractive for many different types of residents—people who are capitalizing on downtown's boom. "A lot of those residents who graduate from rental to home ownership like to stay in the neighborhood, so now they're seeking out condominiums and coops in the neighborhood as well," Kilegerman said.

The economy's current upwards trend is unpredictable, but the constant of downtown living—perhaps its earmark—is change.

