

NEWS

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City landlords breaking out bells and whistles

Lure brokers, buyers with trips, other freebies as demand slows

By Amanda Fung



Early this month, nearly 100 brokers turned up for an open house at Miraval Living on East 72nd Street. Sure, the upscale condominium features its own mini-park and spa, but what drew the crowd on a cold night was something else entirely—a chance to win a weekend trip for two at one of the nation's top spas, Miraval Resort in Tucson, Ariz.

Faced with a rising supply of condos and co-ops and a severe thinning in the ranks of buyers, developers across the city are pulling out all the stops. They are luring brokers in for a look-see with an ever-growing array of raffle prizes and giveaways. Meanwhile, they are wooing buyers directly with everything from glitzy parties to free construction of extra closets and help with closing costs.

"Who knows if giveaways generate a sale?" says Mike Katz, a broker at RP Miller & Associates, which markets condos at The Prime in the meatpacking district, with monthly broker parties and sweepstakes. "But you have to get people through the door."

Sluggish sales

As the number of doors continues to rise, pressure is only growing. During the fourth quarter of 2008, selling a new condo in Manhattan took 164 days, nearly a month more than it did a year earlier, according to real estate appraiser and consultancy Miller Samuel Inc. At the same time, the combination of sluggish sales and new buildings hitting the market has boosted the supply of units 31% over year-earlier levels, to 5,273.

"These are times that call for creative marketing ideas that incentivize buyers to get off the fence," says Kevin Singleton, senior vice president of Rockrose Development.

The company has been practicing what it preaches on the Long Island City, Queens, waterfront. In December, it began offering buyers at The View at East Coast, its 184-unit tower, a five-year price guarantee, offering to buy back units for 110% of the original purchase price.

"The incentive was a shot in the arm for us," says Mr. Singleton, who notes that Rockrose is now close to hitting its goal of selling 15% of its units, at which point it plans to end the promotion.

Across the river, developer Henry Justin will soon begin marketing fully furnished units created by well-known designer Shamir Shah to help units at 211 E. 51st St. stand out. The price will be the same as that for raw units, for a savings of at least \$50,000. The developers of Century Tower Condominiums at East 90th Street in Manhattan are offering coupons on the building's Web site that buyers can redeem for everything from full payment of the transfer tax to free closet build-outs and cable TV installations.

Others are offering a raft of financial incentives. Alchemy Properties will contribute \$10,000 to a buyer's closing costs on top of paying the transfer and mansion tax for three of its new Manhattan developments. Others, have launched plans that effectively reduce mortgage rates for up to three years.

Even owners of rental buildings are jumping on the incentive wagon. In the financial district, Metro Loft Management, which leases 20 Exchange Place, waives the standard one-month security deposit and gives away a dog-spa day at The Salty Paw. Not to be outgunned, Platinum Properties recently doubled, to 10%, the discount it is offering new tenants who sign up with Oz Moving & Storage. Platinum is also offering a free housecleaning service for a day and free sessions with a personal trainer. For brokers, the pickings are far richer. Glenwood, developer of a collection of high-rise luxury rentals in Manhattan, is offering brokers who rent three of its apartments before the end of March a four-day beach vacation for two, including airfare. In December, select brokers were invited to private showings of Belltel Lofts in Brooklyn, where the landlord handed out Apple iPod Nanos in fine leather cases. To drive home the point, developer Clipper Equity had helpfully loaded the devices with images of the new development.

GIVEAWAYS

FOR BROKERS

Apple iPods

Weekend for two at spa in Tucson

Four-day beach vacation for two

FOR BUYERS

Five-year price guarantee

Furnished units for raw-unit price
Closing-costs' discount
Free additional closets

FOR RENTERS

Free day at The Salty Paw pet spa
Discount on moving service
Free personal trainer session
Free housecleaning service

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