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European investors are bailing out of Lower Manhattan as the dollar makes historic gains against the euro

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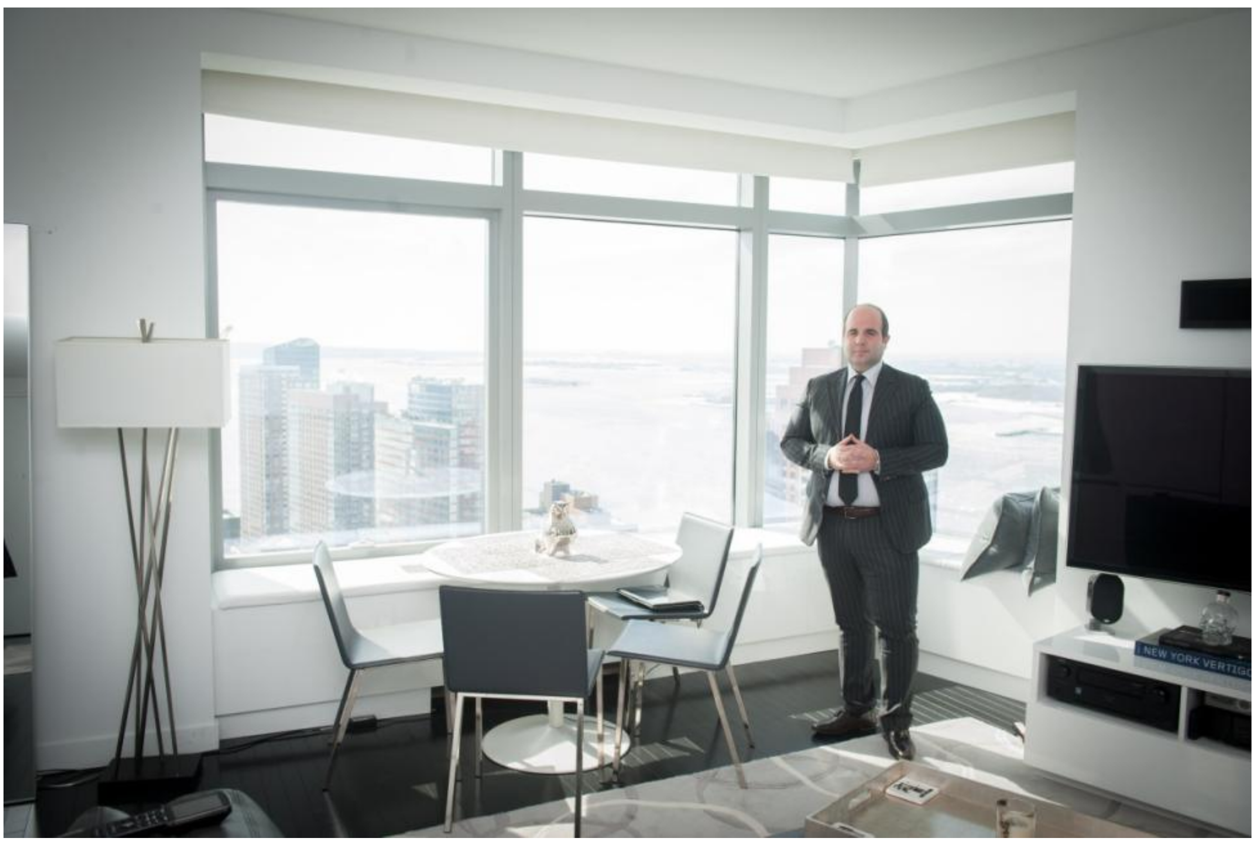

BRYAN R. SMITH/BRYAN R. SMITH - **Richard Nassimi, a luxury real estate broker who represents several European investors who are selling off their NYC assets**

European investors — who helped keep the Downtown real estate market afloat after the collapse of Lehman Brothers — are starting to bail out, thanks to high prices and favorable exchange rates against the U.S. dollar.

“Every day, two or three of my European investors are calling, asking if they should be putting their units on the market,” said Richard Nassimi, a luxury broker who specializes in working with foreign buyers. “I have about 20 exclusives on the market right now that are all owned by Europeans. They would be out of their minds not to sell.”

Here’s why:

For one, the U.S. dollar is at its strongest level in over a decade against the declining euro. When most of these investors bought, the exchange rate was about $1.60 per euro. But the gap between the once-mighty euro and dollar has narrowed.

“Even if these guys sold for exactly what they paid, they could still be getting 30% returns on their money because of the exchange rate,” said Daniel Hedaya, president of Financial District brokerage Platinum Properties, which also has an office in Paris. “It’s pretty incredible.”

Lower Manhattan apartment prices are at historic highs, to boot. For the first time in the history of the Financial District, the average price for an apartment topped $1 million in the fourth quarter of 2014, according to a new report by Platinum.

The average price per square foot was $1,192, an uptick of 11% since 2013. And the average discount off the asking price was just 3.56%, a nearly 32% annual drop.

“It’s the ultimate low for the currency rate and the ultimate high for real estate values,” Nassimi said. “It’s the perfect double dip.”

Brokers are also urging investors to sell sooner rather than later, since a wave of new condo inventory is slated to hit the market over the next 18 months, putting downward pressure on prices.

New towers coming to the neighborhood include the condo conversions of a former Verizon-owned building at 140 West St. and the distinctive Art Deco tower at 1 Wall St.

Gianfranco Garibaldo, a property investor based in Monaco, is now selling five apartments he bought at the depth of the market, he told the Daily News.

And he’s likely to be the first of many investors to do so. Even the real estate arm of Deutsche Bank is advising its investors to put their money in Europe over the U.S.

Garibaldo and other foreign investors flocked to the U.S. market after property values fell in 2009. Such investors often targeted the Financial District, where values plummeted disproportionately as layoffs hit the financial-services sector.

Garibaldo shelled out close to $10 million for his apartments in 2009 and 2010 and tapped Nassimi to rent them out. Now, he expects a return of more than 35%, just factoring in the exchange rate.

BRYAN R. SMITH/BRYAN R. SMITH

One of Gianfranco Garibaldo’s apartments at the W is currently on the market

A 40 Broad St. apartment he bought for $840,000 in 2010 just went into contract at $1.2 million.

“I’m just not personally convinced that the dollar can keep up against the euro in the long-term,” he said of his reasons for selling. “In the next year, probably it can. But I have to look three or four years from now.”

A flight of the European investors could spell trouble for the market in Lower Manhattan.

“New York City is held up by a couple of different currencies,” said Karla Saladino, a managing partner at brokerage Mirador Properties. “A slowdown in investment coming in from Europe could mean a cooling down in new development prices.”

That’s especially true in the Financial District, where foreign buyers make up a much higher percentage of the buying population.

As such, Saladino said she’s advising developers to play it safe by building units that could easily be converted to rentals if the market heads south again.