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REAL ESTATE REPORT

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## Foreign Interest Returns To City Real Estate

By: Shazia Khan

*While Manhattan's real estate community searches for new ways to attract local buyers, foreign interest seems to be making a stronger than expected comeback with the help of some unique incentives. NY1's Shazia Khan filed the following report.*

Manhattan's residential market saw a tremendous increase in foreign buyers during the housing boom. But when the bubble burst, so did significant interest from overseas. That, however, is changing.

"We recently sold this two bedroom, three bath apartment for about two and a half million dollars to a German investor. He's looking to rent it out for about \$8,500 a month," said Platinum Properties Executive Vice President Daniel Hedaya.

In recent months, foreign buyers have returned.

With the dollar continuing to be weak we saw a resurgence of foreign buyers coming in and we're seeing not only from Europe, but we are seeing from Asia, South Korea specifically, China we're seeing that investment and we're also seeing South America as well coming in buying either a place as a pied-a-terre, meaning a second home, not exclusively as an investment property," said Miller Samuel President & CEO Jonathan Miller. "They are looking at a long term hold. They may rent it out, they may not. They may just want to have a place in the city."

Developers and brokers are going after this renewed pool of buyers, who often purchase in cash or make hefty down payments.

At The Chelsea Modern, the sales team recently introduced a program to further entice foreign investors.

"We rented some of the sponsor units so that from the first day of ownership for an investor they had an incoming producing apartment and there was no down time within the ownership there," said Dan Tubb, Director of Sales at The Chelsea Modern.

Tubb says since its inception in the summer of 2009, the program generated half a dozen sales from foreign buyers.

Platinum Properties also developed a similar initiative in response to the influx of foreign interest. In early 2009, the residential real estate firm launched Platinum Management.

"This is a service custom tailored to the needs of a private foreign investor that we manage the unit, rent it out for them, do everything from billing the apartment to collecting the rent to really making a very easy investment for him. Then once he's prepared to live in it we would be able to facilitate that as well," Hedaya said.

Gea Elika of the buyer brokerage Elika Associates recently sold a \$13.7 million apartment in the West Village to a British investor. He adds his services often extend beyond the closing when dealing with foreign buyers.

"I really had to become an onsite contact between the building, the interior designer as well as the vendors in making sure the home was completed in time for their arrival," Elika said.

