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Mixed Use

By Patrick Hedlund

Staying sturdy?
A handful of Downtown homes have managed to buck the city's ailing real estate market by posting impressive gains over the past two years, according to a recent rental market report.

In The Real Estate Group New York's Manhattan Rental Market Report for May, the Financial District and the Lower East Side both showed increases over 2007 despite the market's recent wavering.

In the Financial District, average rents for both doorman and non-doorman units went up by 2 percent over the two-year period, including a 13.23 percent uptick in prices for non-doorman studio apartments.

On the Lower East Side, average rents increased a total 4.57 percent since 2007, including a 21.53 spike in doorman two-bedroom rents and a 15.33 jump in doorman studio rents.

Tribeca saw its rental average slip slightly over the past two years, by 0.6 percent, despite a 22.42 percent gain for non-doorman studios and a 12.11 percent increase for non-doorman two-bedrooms. (All doorman units in the loft-heavy neighborhood dropped an average of 13.17 percent since 2007.)

Soho suffered the most — posting losses in all categories — with a 5.77 percent falloff from 2007. Battery Park City also showed an average decrease of 6.89 across all unit types.

Average overall rents in all the neighborhoods dropped by 1.34 percent over the two-year period.

However, Soho and Tribeca both still have the most expensive average rents for doorman and non-doorman units across Manhattan.

Still dropping?
How low can it go?

That's the question buyers and sellers have been asking themselves about the ever-unraveling Manhattan real estate market, which forced a formerly $40-million Nolita listing down to $26 million in less than nine months.

Industry insiders have predicted that drops of as much as 30 percent will need to occur before buyers start acting again, and it appears that sellers of the city's ultra-luxe properties have taken that thinking to heart.

Take the $14 million discount at the aforementioned Candle Building at 11 Spring St., which represents a nearly 35 percent slash from its listing price last September.

The property — purchased from media scion Lachlan Murdoch in 2006 for $12 million before undergoing extensive renovations — was originally given a $39.8 million price tag when it hit the market last September, according to the New York Observer.

One global economic meltdown later, and the 12,000-square-foot building's three units are available for a bargain at $26 million total. (As a stand-alone, the building's ground-floor triplex saw its asking price plummet by more than half, from $15.15 million to $7.5 million.)

Similar price reductions have occurred at other luxury Downtown buildings, including artist Julian Schnabel's Palazzo Chupi in the West Village, which recently went rental after Schnabel cut prices for its triplex and duplex units from $32 million to $22 million and $19 million, respectively.

Legal on Wall St.
A pair of law firms recently inked deals to take over nearly 30,000 square feet on Wall St.

Gibson & Behman, P.C. signed a five-year lease for 7,000 square feet, and Newman Fitch Altheim Myers P.C. signed a three-year lease for 22,100 square feet at 14 Wall St. in the Financial District.

The 37-story building, owned by Capstone Equities and The Carlyle Group, is located between Broadway and Broad St. across from the New York Stock Exchange.

"Given the strategic location of this landmark property and its close proximity to the financial and insurance industries, both of these distinguished law firms will benefit from the synergy of the FiDi neighborhood," Joshua Zamir, managing principal of Capstone Equities, said in a statement. "These are prime examples that 14 Wall St. has broadened its tenant base from predominately financial services firms."

Le Souk reprieve

The saga of East Village nightclub Le Souk took yet another turn last week when a court ruled to reinstate the much-maligned hookah bar's hooch license following a revocation last year.

According to May 21 a decision by the State Supreme Court Appellate Division, evidence of overcrowding at the embattled Avenue B nightspot was based on a "'guesstimate' that cannot constitute legal evidence" to support the license's cancellation.

Le Souk has long proved a sore spot for residents living near the popular North African-themed bar, with a seemingly never-ending stream of noise complaints coming from its Alphabet City neighbors.

After Le Souk was cited for multiple violations in a January 2007 enforcement sweep, the club had its liquor license cancelled in March 2008 for an "extensive adverse history." However, the bar's owners appealed the decision, a challenge that was upheld in court due to the inaccurate inspection of the space in 2007.

"We find that testimony that patrons were standing 'shoulder to shoulder,' the only evidence proffered by the State Liquor Authority that the premises were overcrowded, is insufficient to support the findings that the petitioner violated" the rules, the court decision stated.

Additionally, the ruling cited inspectors' failure to perform an adequate head count the night of the investigation, stating that "substantial evidence of a violation of occupancy limits cannot be based on testimony that cavalierly assesses groups of people on a 'give or take' " basis.

Community Board 3 district manager Susan Stetzer, whose board has dealt with Le Souk for years, said she believed the club would reopen because they had reached out to a local block association to discuss the matter.

The club's owners recently negotiated for a three-level space in the South Village on LaGuardia Place that formerly housed an Egyptian-themed bar, fueling speculation that Le Souk would be reopening there this summer.

News of the reinstatement originally appeared on the nightlife blog Down By The Hipster.

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