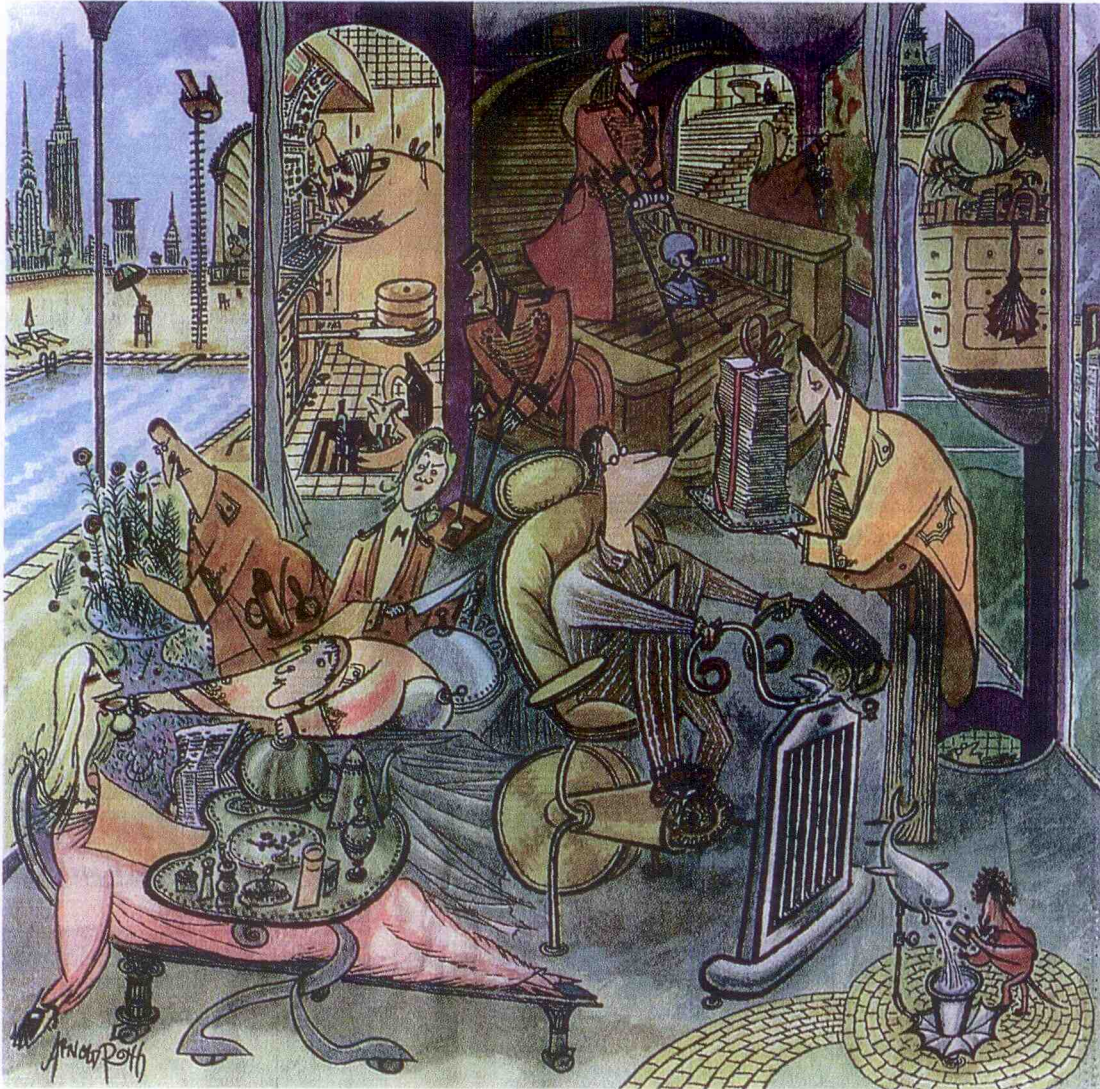


# The New York Times

## Real Estate

### When Top-of-the-Line Is the Minimum



Arnold Roth

What's an amenity worth in a luxury apartment? Sometimes \$100 a square foot, and up.

By NADINE BROZAN

**D**OES it make a difference in selling an apartment for a million dollars and up — and up and up — if the faucets are made of sterling silver, if the kitchen has a special refrigerator solely for salad, if there is a screening room

on the premises and a four star restaurant to deliver room service orders day or night?

Absolutely, say real estate marketers like Louise M. Sunshine, a believer in the power of the amenity to corral the right buyers for any given building. In her view, such leaps beyond necessity can endow a building with an identity that distinguishes it from comparable residences.

The term amenities, as used by developers and marketers of luxury buildings, includes not only the fixtures and finishes of the apartments them-

selves, but the views outside, the communal facilities on the premises and personal services, all of which drive up prices.

"Fine finishes or five-star hotel services are important in the creation of a lifestyle, enable us to target our market and the buyers to justify their purchases," said Ms. Sunshine, who has helped shape more than 50 buildings in the city since establishing her firm, The Sunshine Group, in 1986. "They create enduring value for a building and an ability for that building to appreciate in value over time because those amenities are important to buyers."



According to her calculations, the use of costly materials like marble and of high-cachet European appliances can augment the value of an apartment by \$50 to \$100 a square foot; a terrace or deck can add \$100 a square foot; a four-star restaurant providing room service, \$150. Apartments in such buildings can range from just under \$1 million (a one bedroom unit at Bridge Tower Place, 401 East 60th Street is going for \$965,000) to \$40 million (projected for 8,000 square feet in the residential section of the new building at Columbus Circle), Ms. Sunshine said.

In her opinion, nothing adds more heft to a price tag than the designer label of a prestigious architect. "Richard Meier is the ultimate amenity," she said of the designer of the pair of 14 story condominiums that are to rise facing each other across Perry Street. The unfinished loft apartments, ranging in size from 1,800 to 3,700 square feet that are being marketed by her firm are expected to fetch \$2 million to \$6 million.

Though the pursuit of luxury is most apparent in the condo market, it is evident in the rental market as well, albeit on a smaller scale. "We do see more of it, but obviously rentals cannot support the extensive amenities at the very, very top of the market that the for-sale side commands," said David J. Wine, vice chairman of the Related Companies. "But amenities are very important because people's lifestyles require that they get services and spaces that meet their needs. You don't think of a luxury building today without amenities."

For example, he continued, "We have a very large new luxury rental called TriBeCa Park, which has a private park, swimming pool, health club and a children's room."

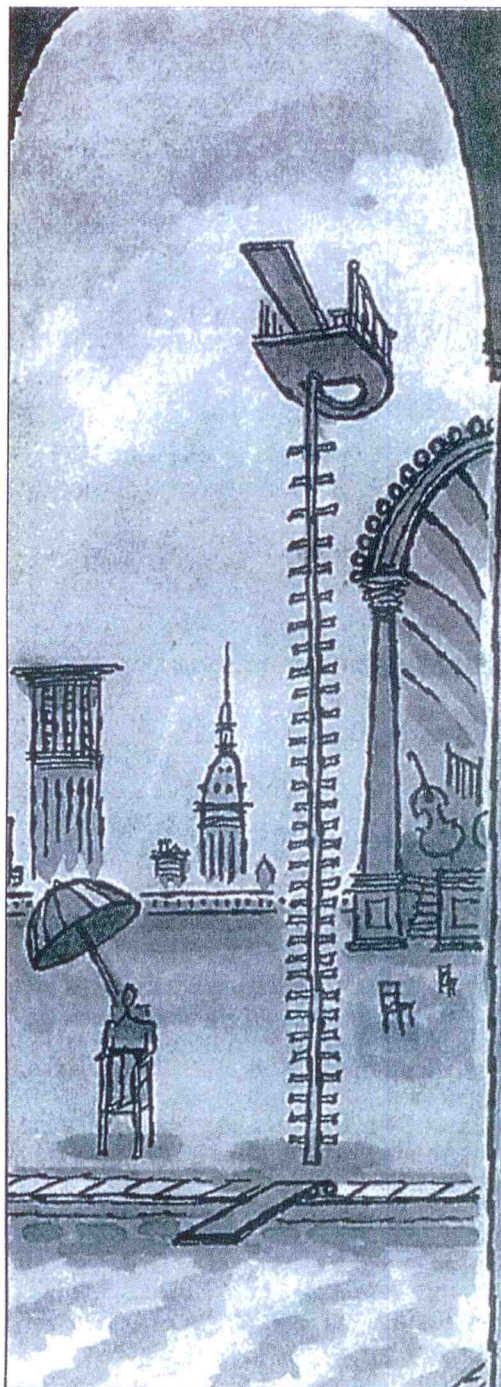
Frederick W. Peters, president of Ashforth Warburg Associates, a brokerage that sells both condos and co-ops, takes a more measured view of the importance of amenities.

"Because the entire new construction market is essentially luxury, many luxury amenities have become baseline," he said. "Bathrooms, at least master bathrooms, have to be marble; kitchens have to be granite; refrigerators have to be Sub-Zero or Traulsen. It's really just a question of making certain you have top-of-the-line everything."

As for party spaces, health clubs, on-site restaurants and concierge services, he said, "A lot of those things have become standard."

To Ms. Sunshine, who spends up to four years on projects before construction begins and who has a voice in everything from the choice of architect to the placement of the front door, it is precisely those touches that set the tone and determine the demographics of a building.

"Before you decide on the amenities, you must decide on your target market," she said. "You don't want the wrong amenities sending the wrong message."



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**T**O illustrate, she cited the inclusion of a bicycle and baby carriage storage room on the ground floor of the Park Laurel, a \$99.5 million condominium tower rising over the Y.M.C.A. on West 63rd Street and due to open in the spring. "Parents don't want to have to take their children down to the basement to get their bikes," she said. Prices in the building, which sold out a year before the projected completion date, were \$1.83 million to \$10.5 million.

But bicycle storage would be meaningless at another of her current projects, the Park Imperial, a 111-unit condominium with sweeping views of Central Park and beyond that will sit atop Bertelsmann's Random House headquarters on Broadway at 56th Street.

There, embellishments — meant for executives and entrepreneurs who want a place to conduct business when they are in town — will include a business center with teleconferencing and video equipment and a terraced entertainment lounge designed by Adam D. Tihany, with a catering kitchen. "These will be adult apartments, though I can see young couples starting out there too," said Ms. Sunshine, who was executive vice president and a partner at the Trump Organization before establishing her own firm. "We also expect international buyers for whom these will be a second or third home." The building, where prices will range from \$650,000 to \$4.1 million, is scheduled for completion in the fall of 2002.

If, in fact, amenities serve as inducements to buy or rent, which ones have the most power to attract? The private wine cellar, say, or the guaranteed parking space? The granite countertop, the gargantuan restaurant range? The multifauceted steam shower?

As it has been for the last decade, the ultimate amenity is space. "Space was the opium of the 1990's, and apartments keep on getting bigger," said Andy Geringer, executive vice president of Douglas Elliman, the real estate services concern, who oversees development and marketing. "But," he said, in speculating about the next must-have amenities, "we also talk about little things, like having mail delivered to your door tied up in a nice little bow so you don't cut your hands on a jammed mailbox, that make a building memorable."

More than other rooms, it was agreed, kitchens and bathrooms lend themselves to accouterments of indulgence. "In the past, especially in rentals, developers put in kitchens and bathrooms that were the bare minimum they could get away with," said Christopher Wilson, senior vice president and director of development for Stribling Marketing Associates, who focuses primarily in the downtown market. "There was nothing over the top — you had to do that yourself."

That all changed starting in the mid-1990's. "Certainly it was developers who led the way in introducing purchasers to name brands from Europe, like Boffi and Varenna kitchens from Italy, and the latest craze, Bulthaup kitchens from Germany," Mr. Wilson said. Bulthaup kitchens, the food-preparation centers of the moment, are prized as much for the quality of the materials and workmanship as for their design, which tends to be understated. John Petrarca, an architect and developer who has used them in his designs, said, "The countertops are an inch and a half thick with 22 laminations of plywood and a slab of stainless steel an eighth of an inch thick bonded to the plywood."

Indeed, apartment buyers are increasingly demanding quality rather than flash. "Consumers, especially the ones downtown, are so sophisticated that they are driving the show," Mr. Wilson said. "They can tell you what a running foot of granite versus Corian is, the merits of Asko versus



Bosch dishwashers. They recognize all the brand names, so developers are compelled to keep up with them."

But some try mightily to stay ahead of the game. "Our job as marketers is to introduce people to this stuff," said Adrienne Albert, president of the Marketing Directors, whose recent projects include the Trump building at 220 Riverside Boulevard, at 70th Street, that opened for sale last month and the Beekman Regent, a condo under construction at First Avenue and 51st Street. "There are so many new products on the market now. For example, most of the major appliance manufacturers have come out with refrigerators in all kinds of shapes and sizes. If you love salad, you can have a whole refrigerated drawer dedicated to it."

"Not only is the direction to state-of-the-art in cooking and refrigeration," she continued, "it even affects laundry. You can get machines with 10 different fabric cycles so you can customize the laundry load."

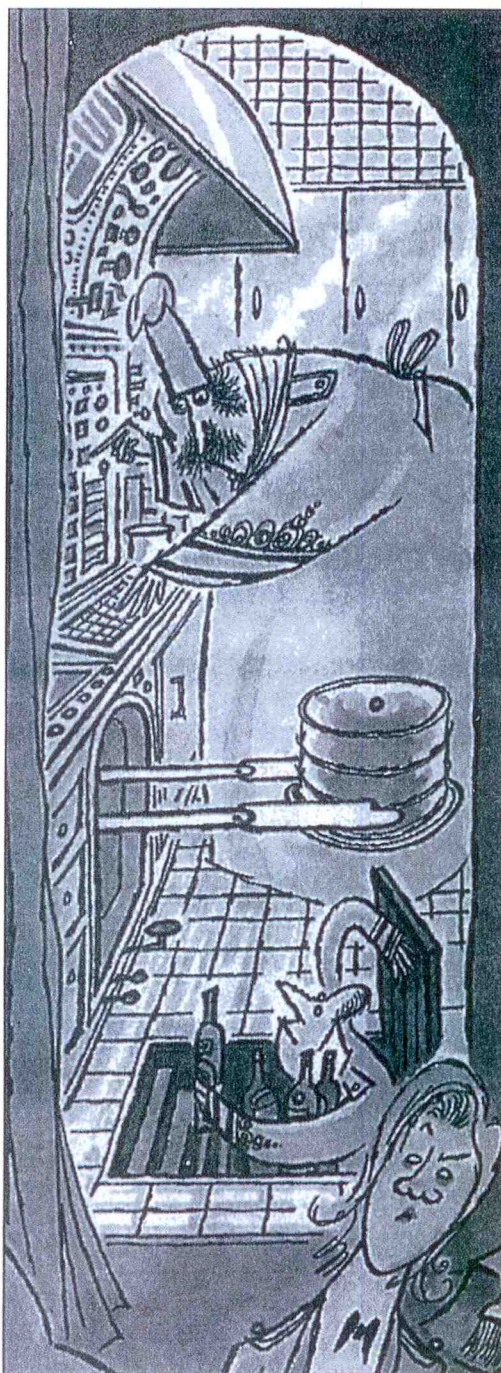
**G**RANTED, she conceded, buyers of multi-million-dollar apartments probably do not fret about choosing the right cycle, nor are they likely to boast about capabilities of their washing machines. "But what luxury is all about is options and being in control," she said. "So if they have the buttons and can be in control of them, it is a perfect world."

In Mr. Wilson's experience, there are marked differences between the expectations of buyers downtown and uptown. "Downtown there is more focus on finishes, materials, cabinetry and fixtures," he said. "Uptown they are more concerned with the concierge, valet, playrooms and meeting facilities."

His current project, a retrofit of a Renaissance revival building at 140 Franklin Street, has been designed by the Italian architect Aldo Andreoli. Among its 13 condos will be an 8,000 square foot penthouse with 3,200 square feet of outdoor space, 22-foot-high ceilings and a floating staircase. "There will be a doorman and a super, but nothing more in the way of staff," he said. "That is just not the focus there." All the apartments but the penthouse are spoken for, at prices ranging from \$2 million to \$6 million. Mr. Wilson said he expected the penthouse would go for \$14 million.

Uptown at 838 Fifth Avenue, the 10 unit condominium going up at the former quarters of the Union of American Hebrew Congregations at 65th Street, staff quarters — 500-square-foot studios — on the first floor were snapped up for \$500,000 each by buyers of the \$9 million to \$18.5 million condos above. "They went like hotcakes," said Taylor Stein, a sales and marketing executive with the Athena Group, which represents the building.

Buyers in the condominium, known as the "Love Thy Neighbor" building for the commandment carved into its landmarked facade, are entitled to



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two nearby parking spaces each. "Parking is so difficult in midtown, and we assume that everyone will have two cars," Ms. Stein said. "We will also have a 24-hour concierge, who will function like a hotel concierge who can make restaurant reservations, theater reservations and get your car."

Whatever that concierge does, he will be hard pressed to match the initiative of a concierge in a rental building in the East 50's, who puts out a sterling silver basin in the winter in which he washes the paws of dogs whose toes are stung by salt sprinkled in the snow.

The greater the demand for hotel-style services, the more marketers are promoting the concept of

marrying hotels and private dwellings, as was done in the past in the Waldorf-Astoria, the Pierre and the Carlyle.

"This is a very big trend in the very high end market," said Kirk Henckels, senior vice president and director of private brokerage at Stribling & Associates. "I have had a couple of billionaire clients, and that is what they want: 24-hour car valet service; a concierge to handle theater reservations, food shopping and repairs; and 24-hour restaurant service, the more stars the restaurant the better. Donald Trump started that trend with Jean Georges at the Trump International Hotel and Tower."

Millenium Partners is putting up two buildings that will combine residences and hotel rooms, one where the St. Moritz once stood at Central Park South and Sixth Avenue, the other in Battery Park City.

The building at the St. Moritz site will have 11 floor-through condominiums, to be priced from \$15 million to \$27 million, and 287 hotel rooms. At Battery Park City, there will be 122 condos, ranging from \$637,000 to \$6 million, and 298 hotel rooms.

"This is for people who are only in the city for limited periods of time and who prefer to be in their own apartments but want all the hotel services," said Roderick Johnson, who is in charge of marketing and sales for Millenium Partners.

But, he emphasized, the apartment owners will not have to cross paths with hotel guests. "The residences will be separate entities with separate elevators and staff," he said.

Condo residents at the Columbus Centre complex at Columbus Circle that will also include a hotel, corporate offices and the Jazz at Lincoln Center complex will have access not only to five star tea service from the Mandarin Oriental Hotel but also to a screening room and video and music library.

"Time Warner AOL will have its world headquarters there, and we intend to capitalize on what they bring to the table," said Ms. Sunshine, who meets with the Related Companies three half days a week, planning the complex and its marketing. Among the more rarefied offerings planned is a lounge where chauffeurs can pass the time while they wait for their passengers.

**T**HE thirst for luxury is no less strong in the suburbs, especially in areas where sprawling homes are the norm and space no constraint.

"We're putting features into houses now that we didn't see five years ago," said Peter Cadoux, an architect who has designed homes as large as 28,000 square feet in Greenwich, Westport, Darien and other southern Connecticut communities. "Elevators are becoming an important feature. They run about \$30,000, and in a \$2 million home that is not a scary number."



"Media rooms that have the characteristics of real theaters with reclining seats, curtains that draw, lights that dim and tiered platforms with the little lights under the nose of the stairs are also increasingly popular," he said. "I just did one in Greenwich in which a motion detector triggers a mannequin that hands you a ticket" (but no popcorn).

Extensive wiring to accommodate new technology, including wiring for future additions, is common. "We're also doing houses where there are video cameras outside and when dad is not home, he can link up from a computer to a video camera and watch his kids in the pool," Mr. Cadoux said.

With outdoor pools, tennis courts and home gyms taken for granted in the more affluent suburbs, Gary Gallagher, an architect on the north shore of Long Island, who also has clients in the Hamptons, said he was beginning to do more indoor pools and racquetball courts. "And I recently did a bowling alley in a home," he said.

Is there a limit to what people will want to put in their homes — or what marketers will convince them they need?

"I don't know, short of a helicopter pad, how much further we can go," said Mr. Henckels, the Stribling executive. "We passed decadent a year and a half ago."



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