

Super-Luxury New York Apartment Sales Set New Record

With the peak of the [Manhattan Real Estate](#) market looking like it has passed for the near term, many observers are waiting to see when the drop in the market's value will begin and how far down it will go.

Those assuming the same will happen with the luxury market, however, are beginning to wonder if the old axiom about assumptions might start to apply to them. The number of super-luxury apartments – those with a cost greater than \$4 million – sold in the month of May hit a new all-time monthly record of 52 units.

Indeed, though the luxury market has led the way, the Manhattan market in general is faring relatively well. Even excluding some of the priciest closings on the island that took place at 15 Central Park West, the average price for an apartment has risen to \$1.54 million.

There was a widespread agreement among high-end brokers that demand for trophy apartments had hit a new high. The economics of it is simple: Those that are looking to purchase a home for more than \$4 million have far more in the way of liquid assets than the value of their homes. So much so, in fact, that their purchasing decisions are as immune to the business cycle as any segment of the larger economy.

Indeed, especially with the low dollar stimulating foreign demand, the luxury New York apartment market may be more sheltered from the larger macroeconomic situation as any major market in the country.

That being said, some of the more prominent condos in the city have recently cut their prices. The lay offs at Bear Stearns and other financial firms may have been a factor. At the Time Warner building overlooking central park, sixteen units have seen their prices reduced recently, three of them in the last week, and two of those by more than a million dollars.

It's easy to read too much into recent moves at properties like Time Warner, however. Since the overall economic situation affects the luxury [New York apartment](#) market far less than most real estate markets, the importance of quality is considerably more important. Some buildings simply do not live up to their hype, and after the initial luster wears off, landlords find few people who will actually spend millions on an apartment where small details are not as perfect as they should be for that price.

About the Author

Nicholas Adams Judge is a freelance writer specializing in business, politics and economics. He holds a B.A. in political science and will begin his PhD studies in political economy and public opinion next fall. He has studied economics and political science at a number of different institutions, both here and in the U.K., including Amherst College, Warwick University, Oxford University and the University of Massachusetts-Amherst. [Manhattan Real Estate](#)

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