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Manhattan's \$60 Million Apartment Will Be The Most Expensive Co-op Sale Ever

While some outrageously pricey homes have been facing foreclosure and bankruptcy auction, Manhattan's multi-million dollar apartments welcome billionaire buyers. So is the case at the storied Upper East Side cooperative building, 740 Park Avenue, where a combination of two duplex apartments asking \$60 million have found a moneyed taker.

The posh property is actually two side-by-side apartments belonging to one owner and selling to one buyer. As a joint sale, it will be among New York City's top four most expensive sales ever and the U.S.'s second-highest transaction year-to-date, once finalized.



Michael Gross, whom has written a book about the high-brow building, first reported the deal, noting that the full \$60 million asking price had been obtained. Forbes has heard the same number from sources familiar with the deal. But the Wall Street Journal reports the accepted offer may actually be for less — \$52 million. The folks at Brown Harris Stevens, the luxury real estate firm representing the pricey pads, declined to confirm the details of the contract.

"If it goes for \$52 million or if it goes for \$60 million, either way, it will be the highest Manhattan co-op sale ever. It will be a record," says Jonathan Miller, chief executive of Miller Samuel, a New York City-based real estate appraisal firm. Since New York City's co-op market is the priciest and largest (co-ops account for 70% of all residential properties in the Big Apple), one could argue that this will be the highest price ever paid for a co-op across the country in general. (Note: Miller created a fantastic chart of NYC sales prices [here](#).)

The identity of the high-rolling buyer is as of yet unknown, but folks familiar with the deal says it is someone locally based, rather than another uber wealthy Russian trophy home hunter taking a cue from Dmitry Rybolovlev, who plunked down \$88 million on a condo for his daughter in January.

"You tend not to see foreigners buying in co-op buildings because the co-op board is in first position and it's harder to go after someone if they aren't based in the U.S.," notes Miller. In other words, since co-op properties actually represent ownership shares of the overall building, prospective buyers must disclose all of their stateside assets, which must be substantial, to the co-op board for approval. If for some reason that buyer were to get approved and then fall upon economic hard

times, the board also reserves the right to be able to exercise legal options over those property shares before other creditors. If the owner lives abroad, that becomes nearly impossible to do. And since a sale hinges on co-op board approval, in a swank building like 740 Park Ave, that tends to mean local buyers.

Since 740 Park Ave is an all-cash building, the sale will be in cold hard cash. But the board will want to determine whether the prospective buyer can afford to shell out an additional \$412,000 per year in maintenance fees, and more implicitly, whether they will assimilate well with the rich and famous residents of the building who include Blackstone billionaire Stephen Schwarzman, Estée Lauder billionaire Ronald Lauder, and fashion mogul Vera Wang. And board denial is not uncommon either: the notoriously picky board reportedly blocked the late actress Joan Crawford and billionaire investor Nelson Peltz from buying in the building.

The \$60 million pair of apartments is owned by Courtney Sale Ross, the widow of the late Steven J. Ross (not to be confused with Related Cos' Stephen Ross), the former chairman of Time Warner Inc. The couple bought the apartments, located on the 12th and 13th floors of the Rosario Candela-designed building, in the 1980s through separate transactions that together totaled about \$8 million.

The Rosses used the unconnected neighboring units as one home. Combined there are 30 rooms, including eight bedrooms and 10 bathrooms. Together they boast six terraces, seven wood-burning fireplaces and, according to the listing still posted at Realtor.com, "The options in this enormous entertaining space are endless including a great room, 2 intimate libraries, game room/gym and formal and informal dining rooms."



"The building has an incredible history, some of the most affluent, powerful New Yorkers are in this building, and it is a coveted address so that makes it that much more special," explains Jarrod Guy Randolph, a vice president at CORE Group. While Randolph is not involved in the sale, he has toured units in the building with clients. "Those apartments are not combined so whomever is purchasing this is probably going to do a substantial renovation combining them so price spent will be beyond the \$60 million they may be

paying for it."

The units officially hit the sale block in November, but they had been quietly shopped on and off since 2008 as a \$75 million pocket listing.

Luxury brokers like Randolph believe more trophy homes will trickle onto the market this year, encouraged by the \$88 million 15 Central Park West sale in January and now this pending purchase.

Big ticket buyers, both domestic and foreign, have already been flocking to the Manhattan market. The first quarter of 2012 welcomed 17 sales above \$10 million, according to Brown Harris Stevens. And bidding wars abound. The Corcoran Group reports that 44% of their Manhattan luxury real estate agents have been embroiled in bidding wars since the start of the year (compared to 30% in the fourth quarter of 2011).

“There is such a finite amount of property at this high level that there is room for appreciation over a long period of time,” notes Randolph. “This is a trend we are going to see more of in 2012.”