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Lower Manhattan Is Swimming In New Apartments And Buyers Are Demanding Discounts



*Unsplash/Brandon Jacoby
Lower Manhattan*

Apartments in Manhattan's Financial District are taking longer to sell, and are doing so at lower prices, thanks to a rush of new development that isn't slowing down.

In the second quarter, apartment inventory in the area jumped 24% year over year, Bloomberg reports, citing data from the Corcoran Group. Meanwhile, the average price for a new development unit plunged 46%, and the resale condo average price went down by 11%, the data found.

"Buyers are keenly aware of the amount of inventory available, and want to negotiate at all price points," Core's Garrett Derderian told Bloomberg.

Another broker, Warburg Realty's Steven Gottlieb, said "many of the people who wanted to buy there did," and added that he sees little demand for product remaining in the neighborhood.

The area has experienced something of a renaissance in recent years, as major companies have taken space downtown and the World Trade Center has taken shape. Some 10M SF of new office inventory has been added since 2009, according to Colliers International, and

more retail and restaurants are on the way. But the number of condominiums added is far outstripping demand.

Meanwhile, Harry Macklowe is building a luxury tower at One Wall Street, Lightstone Group is developing 130 William St., and Bizzi & Partners, Howard Lorber's New Valley, investment firm Carlton Group and equity partner China Cindat are working on 125 Greenwich St., which was recently facing foreclosure.

Plus, Metro Loft is buying insurance giant AIG's headquarters at 175 Water St. and is planning to convert part of the building to residential units, The Real Deal reported last week.