

BROKERS WEEKLY

Foreign buyers make welcome return to real estate market

BY LIANA GREY

Not long after Amy Williamson began marketing the Centurion, a condo tower on West 56th Street designed by architect I.M. Pei, she found herself on a plane to Hong Kong and Shanghai.

With the help of local brokers, Williamson, a vice president of sales at Prodigy Network, held information sessions about the limestone-clad tower in hotel conference rooms, and met privately with prospective buyers to discuss finances.

Quickly, she learned that apartment hunting strategies vary by region: Entrepreneurs on mainland China treated their potential pied-a-terres like “incredible artworks,” she said, on par with the jewelry and sports cars they collected with loads of disposable cash.

Hong Kong residents, on the other hand, concerned themselves with practical matters — remarking on the building’s luxurious touches, like a water-filled courtyard off the lobby, Central Park views, and 17-foot living room ceilings with oversized windows, only if they related to resale potential. But at the end of the day, buyers from China to Peru to Senegal were drawn by one thing: the cachet of I.M. Pei’s name.

The same can be said for brand-name buildings across New York — all of which must compete for attention

abroad. The Manhattan House, a landmarked condo conversion on East 66th Street, managed to build a reputation overseas through its Upper East Side address and ties to a prestigious architect — in this case Gordon Bunshaft, the award-winning designer of the Lever House and 9 West 57th Street.

“We have an international broker outreach program through [The Corcoran] Sunshine [Group],” said Loretta Bradbury-Shanahan, director of sales at the building, which has 17 one- through four-bedroom units available from \$1.1 million, according to Streeteasy.com. “There are New York-based brokers that go overseas and travel.”

Like Williamson, Corcoran Sunshine agents partner with local Realtors, and place ads in newspapers like the New York Times. “They know the buildings that appeal to buyers, and we work with them to help them bring the buyer here,” Bradbury-Shanahan said of brokerage firms in Asia, Europe, and Latin America.

At the Centurion, some prospective buyers were so trusting of Pei’s brand — he designed the Louvre pyramid in Paris and the Four Seasons Hotel in Midtown East — that they selected apartments without ever stepping foot in the building, flying to New York only when contracts were ready to be signed.

Others asked Williamson to send photos of the model

units to their iphones before finalizing their decisions. One woman, who happened to be visiting Manhattan from China, dropped by the building to take video footage of a

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— MARCIA ROMA, FOX RESIDENTIAL

fourth-floor unit for her father, who was on the lookout for a pied-a-terre, Williamson said.

Since opening for sales in 2007, the Centurion’s 47 units are now nearly 60% sold. The remaining apartments range in price from \$2.5 million to nearly \$14.5 million. A publicist from Mexico recently bought a second home there, as did one of the building’s rare US-born residents: a wealthy couple from New Jersey that wanted a city home.

Trump SoHo, another property Williamson helped market, has equal appeal on other continents. Investors from Spain and Italy — as well as Colombia, Venezuela, Brazil, and Hong Kong — bought hotel-condos at the 46-story glass tower on Varick Street.

“Both buildings have incredibly diverse demographics,” said Williamson. But because of its trendy rather than

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old-money environs, and a policy that allows owners to stay for no longer than 120 days a year, the latter tends to attract young, globe-trotting investors rather than established families seeking second homes.

"They're looking for the luxury they expect on Park or Madison but in a more invigorating neighborhood," said Williamson.

Hip Gen Y entrepreneurs from Russia and China also have set their sights on 502 Park, a Trump building uptown. "It's shocking how young people are who are seeing these apartments," said Lawrence Rich, a broker at Prudential Douglas Elliman.

Though Williamson, of Prodigy International, has had to explain to some overseas clients that a Fifth Avenue address is more prestigious than one on Seventh, many of Rich's foreign clients are up-to-date on the swankiest thoroughfares and condo projects.

"It has to be prestigious," Rich said. "They like the address, the amenities, all the fancy things, all the bells and whistles, even if they don't use them."

When foreign buyers do look beyond a household name like Trump or Pei, they focus on proximity to world-class shops and restaurants.

"They will recognize the name, but they're not stuck on it," said Marcia Roma, a director of Fox Residential's international division. "I do have one customer that does name-drop, so to speak. However a lot of them will just buy into a condominium."

Robert A.M. Stern buildings like 15 Central Park West are particularly popular among foreign-born clients, she said. But the desirability of a neighborhood weighs in just as heavily. In the last few years, she has shown dozens of investors, many from China, Italy, and Brazil, around Columbus Circle, as well as the Upper East and West sides.

On the East Side, Roma recently sold a pied-a-terre to a couple from Santo Domingo that owned several properties. Buyers of third, fourth, and even fifth homes aren't uncommon in New York.

"People that are looking at the penthouse at 502 have many homes," and are in search of a trophy property that doubles as a place to rest their heads when they visit Manhattan, said Rich. As veteran investors, they know the house-hunting process inside out.

Less experienced buyers might hit

some bumps in the road. One of Rich's clients, an Italian businessman, disappeared right before closing on a condo, unaware of the urgency of the American sales process. "He went on his honeymoon and never told anyone," Rich said.

"He never gave a contact number. He almost lost his deposit."

Buyers looking to settle in New York fulltime, particularly after a last-minute job transfer, are especially at risk of hitting financial snags. The relocation process went well for several of Roma's clients, like a businessman from Dubai who recently traded a slice of Manhattan for a large house in Connecticut, and a South African couple who plan on renting an apartment in June before searching for a condo.

But some transplants don't have the appropriate credit history to secure a mortgage if they're strapped for cash — which most foreigners use to buy Manhattan apartments.

Rich sold a \$14 million apartment at 502 Park to an all-cash buyer listed on the contract as an LLC, and expects a similar deal to transpire for a penthouse at the building, which is on the market for \$25 million.

And five Brazilians recently bought into Hudson Hill, a condo complex on West 58th Street built by Alchemy Properties, without having to apply for mortgages.

"Those foreign buyers could do other things with their cash," said Tracy Becker, a credit specialist who has advised a handful of real estate professionals on securing loans for foreign clients. "How many brokers could sell better properties if their clients could get a mortgage?"

For aspiring homeowners without credit history in the US, the application process requires a patient wade through bureaucracy.

"If they have no credit and apply for a loan, once they're denied, they can then

force the bank to look at other types of credit," said Becker. Under equal opportunity regulations, banks are required to consider alternatives — like cable and electric bills, insurance history, and company credit card statements — when presented with a rejection letter, or in bank parlance, a notice of adverse action.

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"Most bankers don't even know they're obligated to look at alternative credit because it hasn't really happened much," Tracy said. So some clients prefer a more proactive approach. "They can talk to the bank right from the start and ask: can you build a credit profile for me with my alternative credit?" she explained.

To better ensure an influx of foreign buyers a smooth-sailing transaction, Fox Residential has begun to expand its international services. Roma and Marzia Kennedy, an Italian-born broker that co-chairs the division, first gave the program a boost three years ago, with a trip to a real estate conference in London.

"There were participants from every country," she said. "It was very good exposure. We got several clients from that show, and several referrals from clients we met at the show."

Now that the market is turning around, the two brokers are out and about again. "We kind of laid low," said Roma. "Now we're back full force."



L-R: Amy Williamson, Tracy Becker and Lawrence Rich.