

GOTHAM

A full-length photograph of Katie Couric standing against a light-colored wood-grain background. She is wearing a gold sequined, long-sleeved, knee-length dress with a high slit on the left side. She is also wearing black high-heeled sandals. She is smiling and looking towards the camera, with her right hand on her hip and her left hand near her face.

CANDID KATIE

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A penthouse condo at the Plaza hotel recently went on the market for \$59 million.

Haute Property

NEWS, STARS, AND TRENDS IN REAL ESTATE

A Home with Room Service

CONDOS IN HOTELS NOW TRADE AT TWICE THE PRICE OF THEIR EQUIVALENTS IN STANDARD BUILDINGS. BY C.J. HUGHES

It may be enough to get someone to order up a magnum of Moët and a couple of fluted glasses to celebrate. Hotel-condos—or more precisely, condos that happen to be located inside hotels, but whose residents can avail themselves of amenities like ordering Champagne from room service—seem to have recovered fabulously since getting short-sheeted during the Great Recession.

Just three years ago, owners in the Plaza, the converted Midtown landmark that perhaps is the best-known property of the type, for example, were forced to unload their units for millions of dollars less than they paid just a few years before. The sector seemed doomed.

Now, though, many condos in hotels are trading for more than twice the price of standard new development condos, which in the second quarter were selling at an average of \$1,400 a square foot, brokers say. Plus, a four-bedroom penthouse at the Plaza hit the market in June at \$59 million, which was more than double its purchase price of \$25.4 million in 2012.

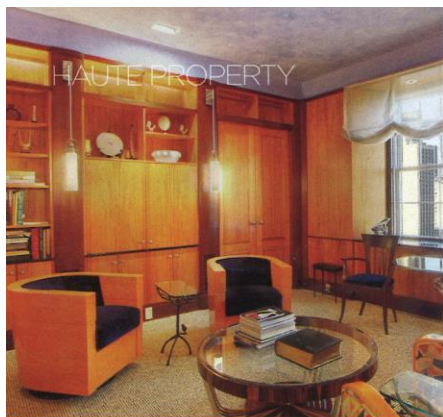
It seems that a certain type of buyer—in town on business, frequently from Brazil maybe, or eager for touch-of-a-button comforts after leaving a large empty-nest mansion behind in Connecticut—likes what these condos offer. “They don’t want to be bothered,” explained Ariel Cohen (575 Madison Ave., 212-418-2088; thearielcohen@team.elliman.com), the Douglas Elliman broker who handles sales at 75 Wall, a 42-story former bank tower in the Financial District with 346 condos atop an Andaz hotel. “They want to be serviced. And they like that they can just go downstairs and have a drink.”

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A sitting room in a co-op at The Pierre, a building that requires all cash purchases.

A four-bedroom Plaza penthouse is selling at double its purchase price in 2012.

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About 225 units have sold since 2009, although most in the past year, with current list prices averaging \$1,600 a square foot, says Cohen, who adds, joking, "if you're married and you don't want your in-laws to stay with you, they don't have to," as owners get a 20 percent discount on hotel rooms for just such an occasion. Residents can also get their beds made and shirts pressed by hotel staff, although full fees apply.

But though they may share maids, residents and guests may never cross paths—each usually has its own elevator, which is also the case at the under-construction Baccarat Hotel & Residences New York on West 53rd Street, on a site where an earlier Orient-Express hotel plan fizzled. The \$400 million Baccarat lodging is being developed

by Tribeca Associates and Starwood Capital Group, the firm headed by Barry Sternlicht that earlier created W Hotels.

Residents there may feel extra-special for other reasons, too. Though chandeliers with signature Baccarat crystals will dazzle the hotel lobby's second floor, homes in the building may be more glittery, as crystals will also be embedded in the knobs on residents' doors, says Larry Kruysman, senior sales director at Corcoran Sunshine Marketing Group (888 Seventh Ave., 212-634-6500; corcoransunshine.com). Baccarat's 60 units, ranging from one- to five-bedrooms (with prices starting at an estimated \$2,500 per square foot), have been selling briskly, he says, with sales evenly split between overseas and domestic buyers.

Although Baccarat faces competition from similar two-in-one high-rises like One57, a nearby 90-story tower combining apartments and a Park Hyatt, Baccarat's promoters say their 50-story offering with 114 hotel rooms, will create more of a boutique feel. Besides, "the hotel services are a notch above what anybody else has," Kruysman adds, citing a spa with a 55-foot indoor pool.

What's lacking at Baccarat and others, including recent developments like Cassa New York Hotel and Residences, on West 45th Street, and W New York Downtown, by the World Trade Center, are rooms that can be rented out when owners are away.

That configuration—the true hotel-condo model—is fully embraced at places like Trump Soho, as well as Trump's Columbus Circle property, Trump International Hotel & Tower, where residents can only stay for part of the year before their units are rented out.

In a healthy market, this rental income can cover purchase costs, but if the hotel economy sours like it did a few years ago and room rates plunge, owners can find themselves in hot water. Developers are now steering clear of these pure play hotel-condos for similar reasons, according to real estate brokers and industry analysts. Then again, there can be successful hybrids—the Pierre, at Fifth Avenue and East 61st Street, is actually a co-op, with would-be buyers having to plead their cases before a board just like at any nearby white-glove building.

But foreigners, who represent the bulk of recent buyers there, aren't worried about turning over bank statements, since the building requires all buyers to pay in cash, says Richard Steinberg, a broker with Warburg Realty (654 Madison Ave., 212-439-5183; warburgrealty.com) who's currently listing the four-bedroom 29th floor unit at \$27 million. Upstairs, the Pierre's penthouse is also on the market, at a staggering \$125 million.

The South Americans, Chinese, and Russians who flock to the Pierre like that it features the best security in the city, according to Steinberg, as it has a special desk in front of the elevators, in addition to a doorman and concierge. But the reason they come is the same draw for many other buyers, he added. "Foreigners have a hotel mentality when they travel," Steinberg says. "And you want to be taken care of by a great, dedicated staff." **G**

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FROM LEFT: Condos at 75 Wall sit atop the Andaz hotel; a penthouse at the Baccarat Hotel & Residences on West 53rd Street.