

AVENUE

PROST!

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COLOR THAT WON'T FADE
(HINT: IT'S NOT BLACK)

L'CHAIM!

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THE GREAT RECESSION'S
10TH ANNIVERSARY

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KELLY LAFFEY RAISES
A GLASS WITH
GABBY KARAN AND
GIANPAOLO DE FELICE

ON THE BEACH

LUXURY HOMES, NO BUYERS

WHY HAS THE SUN SET ON SUTTON PLACE?

by Christopher Cameron

The denizens of Manhattan's wealthiest zip codes have expectations for their homes. Despite competition from the new supertalls and Robert A.M. Stern's limestone cathedrals, they expect returns when it comes time to sell. Anything else is fodder for the gossip columns.

In the Upper East Side's townhouse market, those expectations are particularly easy to see. Allow us to demonstrate:

In 2006, a perfectly nice but perhaps unremarkable four-bedroom townhouse at 154 East 74th Street sold for \$6.5 million. In April, it hit the market once again, asking \$9.7 million.

In 2007, a similarly sized home on East 71st Street sold for \$6.7 million. It hit the market last year and is now asking \$8.7 million.

Even a more recent purchase, a slightly larger, five-bedroom townhouse on East 87th Street that sold in 2013 for \$4.7 million



Keith and Inga Rubenstein's 14,000-square-foot, \$79.5 million townhouse at 8 East 62nd Street, roll for doubles. It last sold for \$35 million in 2007.

But Sutton Place—once a worthy rival to Park and Fifth Avenues that attracted aristocrats like Consuelo Vanderbilt Balsan, Aristotle Onassis and Elsie de Wolfe, and pop culture icons like Lillian Gish, Marilyn Monroe and Freddie Mercury—as well as neighboring Beekman Place,



was listed last spring with an asking price of \$7.8 million.

Regardless of whether these homes eventually achieve their asks, after a decade or

so, owners look for a 30 to 60 percent profit on their investments, even in an ostensibly softer market. Only exceptional outliers, like

Midtown's Sutton-Beekman corridor, with its history, formality and prestige, is undervalued. Its special cachet is just waiting to be rediscovered.

have become embarrassing exceptions to that norm.

Consider the case of 4 Sutton Square, a five-story, four-bedroom townhouse that is a little smaller but far more distinctive than the listings mentioned above. It's one of 14 townhouses arranged in an L shape around a bucolic, private garden cantilevered above FDR Drive, between East 57th and Sutton Place (né East 58th Street).

In 2005, the then CEO of Abercrombie & Fitch, Mike Jeffries, laid out \$10.9 million for the 1921 brick abode abutting the exclusive garden. He then

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poured some \$4 million into a meticulous, extremely tasteful renovation of the property, taking it down to the studs, adding gray lacquer to the walls, and preserving the property's historic mahogany paneling and seven wood-burning hearths. In the fourth-floor bedroom suites, the walls are covered in cashmere.

The best of that renovation is visible in the grand, two-level library and sitting room, with its arched windows, intricate woodwork and gorgeous twin terraces, affording both garden and river views.

But today, nearly thirteen years and \$15 million later, the vine-covered beauty is asking a mere \$12.9 million.

Other excellent townhouses in the area, like 13 Sutton Place (which is being offered at a loss) and Guy Wildenstein's place at 7 Sutton Square (which has been

sitting on the market for two years at \$39 million), are facing the same briny pickle. Wildenstein—who was recently cleared of tax evasion charges and a \$265 million fine in France—paid \$32.5 million for the mansion in 2008. It, too, looks to have enjoyed a very careful and expensive renovation. It's likely that he's also selling it for close to cost.

To some, listings like Wildenstein's or Jeffries' are evidence that the Sutton-Beekman corridor, which offers the same history, formality and arguably prestige within walking distance of the Upper East Side, is undervalued. It's just waiting to be discovered.

"If you appreciate the amenities available on Park Avenue you are going to appreciate the amenities on Sutton Place," says real estate

appraiser Jonathan Miller. "So to someone who isn't obsessed with living on Park Avenue, it's a value play. You get more for your money."

To others, Sutton isn't a deal waiting to be had. Instead, the luxury microcosm along the East River is weak for a reason: its far-flung location. Good buildings, they say, exist like a halo around Central Park, while Sutton Place residents face a 20-minute walk to get there.

"The market is down and it's priced accordingly," says Lauren Muss, the Douglas Elliman broker marketing Jeffries' home. "Sutton Place has always been a little bit less than everywhere else. Fifth and Park will always get more than East End and Sutton."

Still, Muss adds that she believes in a Sutton Place renaissance, pointing to the

area's peace and serenity, a rare amenity in Manhattan.

"It's a very special place with a special cachet," she says. "And 4 Sutton Square is a little jewel box."

And perhaps it's worth noting that Sutton Place has seen some sizable sales in the past. For instance, the townhouses at 8 and 12 Sutton Place, which were combined by investor Neil McConnell in 1973, sold for \$30 million in 2008.

Meanwhile, 16 Sutton Square (the longtime home of former Goldman Sachs chairman John C. Whitehead) wants \$24.5 million. A sale that size for a single townhouse would no doubt set a welcome precedent in the elite enclave—as would a deal for the Wildenstein estate.

But for now, Sutton Place is more of a parking spot than a vehicle. ♦

"Everyone has a different motivation when buying or selling a home. The key is to listen and understand each person you are working with so that he or she ends up happy."

Marcy Braun's commitment to finding the perfect home for her clients is the driving force that has led to her outstanding success in real estate. She has an innate ability to find the perfect home that meets her clients needs and fulfills their dreams.

Her recent move to Douglas Elliman and the establishment of the Braun Team at Douglas Elliman Real Estate with Michael Commander has allowed her to expand her ability to meet her client's needs through the firm's international presence, outstanding marketing resources and expansive referral network in the luxury markets.



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