

Deanna Kory

NEWSLETTER

Manhattan Real Estate Quarterly Review

WINTER - SPRING 2010

THE DEANNA KORY TEAM
transcending the ordinary



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Entering 2010 with Optimism and Signs of an Improved Market

What a difference a year makes! This time last year, no one knew what was going to happen in the economy in general. This affected all aspects of our lives. Thankfully, during the second half of 2009, we began to see several signs that pointed to a stabilizing US economy. And as we are at the beginning of the New Year, those signs persist as does an increasing level of consumer confidence in New York City. In our residential real estate market, most agents are experiencing a renewed but cautious optimism. This is no small feat considering that the real estate market in 2009, the year of the Great Recession, began so tentatively and with a great deal of instability. Sellers and even the most seasoned real estate professionals were challenged by rapidly deteriorating market conditions that created a stalemate between sellers who were in shock over falling prices (a decline of 20% or even more in some cases) and buyers who were terrified of overpaying.

Yet despite fears of a potential severe and prolonged downturn both for the US economy and New York City real estate, the outlook began to improve once the stock market hit a low point in early March and then began to rebound. Gradually buyers gained confidence in the real estate market just as sellers began to accept price reductions as the new reality. Add to that improving confidence, low mortgage rates and the stalemate began to subside. Pent-up buyer demand found an outlet; inventory began to shrink during the second half of last year and prices stabilized and in some cases increased slightly.

As the top five Manhattan brokerage firms released their much anticipated fourth quarter market data, many are breathing a sigh of relief to see data indicating that the downward price spiral has leveled off and a recovery may be in sight. As Corcoran CEO Pamela Liebman recently remarked, "People feel



there's stability in New York. The fear factor is gone. The year 2009 started out in absolute fear. This year is starting off in hopefulness".

4th Quarter Activity

Fourth quarter (4Q) data (comparing closed sales in 4Q 2009 with closed

sales in 3Q 2009 and 4Q 2008) reveal that median prices declined 15% and the average price per square foot was down 17% when compared to the fourth quarter 2008. But the prices in the fourth quarter of 2009 were essentially unchanged from the third quarter of 2009, suggesting that equilibrium had been achieved between buyers and sellers after a year of downward pressure. This was particularly apparent in the comparison of quarter-over-quarter re-sale prices: the median price for a re-sold apartment in the fourth quarter was \$725,000, down 3% from the prior quarter, while the average price per square foot rose 1% to \$936.

The large surge in activity in the second half of 2009 indicates that buyers have returned to the market after sitting on the sidelines during the first half of the year. When all sales are publically recorded, Corcoran anticipates that the number of fourth quarter closed sales will be up 48% over a year ago and 10% over the third quarter. Another measure of buyer activity is seen in the decline in inventory of residences for sale. Available inventory in Manhattan has decreased 36% since March and is now just above 7,900 units. Available units were last at this level in August 2007. (This number does not include unlisted and unsold new development units.) The number of sold listings has increased 126% since December 2008 and new listings have decreased 63% since the peak in February 2009. This is a recipe for rising prices even with modest demand.

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How Co-ops fared versus Condos

Both coops and condos experienced significant declines in 2009, with the fourth quarter median sales price for coops now \$622,250, down 13% from the peak of \$712,000 in the third quarter 2008, and for condos, now \$1,033,000 down 22% from the fourth quarter 2008 high of \$1,330,000. But largely due to new development, at least on the face of it, condos have weathered the recession better than coops. The median price for condos in the fourth quarter is 15% higher and the price per square foot 7% higher than the second quarter of 2006. For coops the median sales price and average price per square foot is now at late 2005 prices.

third quarter 2009 and 66% compared to a year ago. Downtown was the only neighborhood to experience an increase in townhouse median prices, rising 24% over a year ago. This is attributed to high-priced closings in the most prime areas of downtown: the West Village and Tribeca.

New Development

New development continues to undergo larger price declines than the overall market. Both median sales price and average price per square foot fell 23% and 13% respectively from the fourth quarter of 2008 and 14% and 9% from the third quarter of 2009. One-bedroom units saw the biggest price drop falling 18% from a year ago and 10% from last

- Manhattan is an island with limited potential for expansion, greatly reducing the risk of overdevelopment that other parts of the country have experienced.
- The return of multiple offers (and even some bidding wars) is a positive indicator of renewed buyer confidence in the market.
- Price declines are leveling off and in some cases prices may be increasing.
- Certain neighborhoods and market sectors that declined dramatically last year, such as the Downtown market and luxury properties, are making a comeback.

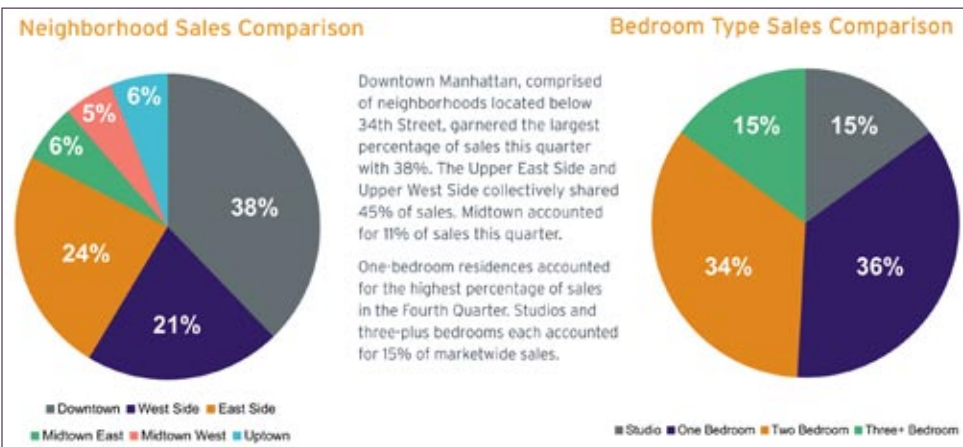
Factors to Keep in Mind

Much of what the market is experiencing is positive, and indications are that the worst may be behind us. But it is important to keep in mind that there are still challenges ahead for buyers and sellers.

- Inventory may increase with an influx of new listings as sellers who waited for the market to stabilize decide to put their homes on the market. Increased inventory could have a negative effect on prices.
- Unemployment is still as high as 10% in New York, and whether jobs continue to decline or rebound, caution may moderate buyer confidence.
- Financing remains more difficult to obtain for some buyers or buildings and as requirements are relaxed the lending climate will have a direct effect on sales. We are seeing some improvement happening as of this writing.
- There is a significant risk of rising interest rates that would exert downward pressure on the market.

Although the outlook is more optimistic in a market that remains in flux, it is important to work with a real estate professional who has weathered decades of market cycles and who is best equipped to represent your best interests as a seller or a buyer. Knowledge of the market, inventory, and financing options, plus

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The Luxury Market

Defined as the top 10% of all coop and condo sales, the luxury market suffered a 22% drop in median sales price and 13% decline in price per square foot between the fourth quarters of 2008 and 2009. Yet in line with the current market trends, the median sales price lost only 1% and the price per square foot gained 2% in the fourth quarter as compared to the third quarter of last year. Anecdotally, the number of sales of such properties decreased in volume and now, we are beginning to see an increase in sales activity.

quarter to \$725,000. From the third quarter studios increased 10% in median sales price to \$637,500 while two-bedrooms remained virtually unchanged at \$1,695,000 and three-bedrooms declined 7% to \$3,375,000.

Townhouses

Townhouses on the Upper East Side suffered the largest declines in median price, falling 37% versus the

Positive Signs for 2010

- Bonuses are making a comeback on Wall Street. Although only 5% of the jobs in New York City are in the financial industry, these jobs account for 25% of earnings and greatly affect real estate sales and the economic health of the city.
- The stock market began to rebound last year and has remained on an upward trajectory.
- International buyers are returning to the market.

First Time Buyer's Tax Credit

Extended and Expanded

This is a great opportunity for first time buyers to invest in the real estate market for many reasons. One of these reasons is the extension of the Homebuyer's Tax Credit in response to the housing and credit crisis by the federal government. It is extended until April 30th of this year and has been expanded to include more than just first-time buyers.



Key provisions of the bill are as follows:

- The maximum home purchase price to qualify is \$800,000.
- The new law extends the existing credit for first-time homebuyers, worth up to \$8,000.
- This bill also offers a new credit of up to \$6,500 for some existing homeowners. The \$6,500 credit would be available to all homebuyers who have been in their current residence for a consecutive 5-year period in the past 8 years.
- Income limits for people who qualify for a tax credit are far more generous than under the previous law. For single filers, the credit is available if their income is lower than \$125,000 modified adjusted gross income. But single fil-

ers who make between \$125,000 and \$145,000 of modified adjusted gross income will still qualify for a portion of the tax credit; for married couples, the upper range for the full credit is \$225,000 and the partial credit it is between \$225,000 and \$245,000. For most people, modified adjusted gross income will be the same as adjusted gross income.

- A home buyer must have a sale agreement in hand by April 30 and close by June 30, 2010.
- Military personnel, deployed overseas for a minimum of 90 days in 2008, or 2009, would have until April 30, 2011 to claim the tax credit.
- All qualified homebuyers can take the tax credit on either their 2009 OR 2010 returns.

To take advantage of this tax credit, be prepared as the deadline is just around the corner:

- Get preapproved by a bank so you are ready to go right away.
- Do not count on another extension as this extension is in direct response to the housing crisis and most likely will be limited.
- Do not forgo any of the necessary steps to make the deadline. Be fully prepared in financing, inspection, etc. The property must be the right fit for you.
- Take advantage of low interest rates, but make sure you understand that they will rise and effect your affordability. ☒

465 WEST 23RD STREET, #16CD
CHELSEA

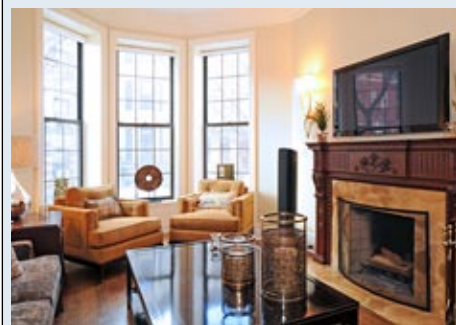


Stunning Loft- Style Renovation

Price: \$2,995,000
Web # 1853795

3 Beds/3 Baths

309 WEST 102ND STREET
UPPER WEST SIDE



True Designer Townhouse Renovation

\$7,250,000 4 Stories + Finished Basement +
Landscaped Garden + 2 Large Terraces
Web # 1563600

610 WEST END AVENUE
UPPER WEST SIDE



Grand West End Avenue 8-Room

Price: \$3,950,000
Web # 1948515

3 Beds/ 3 Baths

De-Cluttering- Top 10 Tips

Preparing your Home for Resale

While nearly every home can benefit from periodic de-cluttering, it is ESSENTIAL to eliminate clutter when it comes to selling your home. It is easy to become accustomed to your own clutter and not really see it anymore, which is why it is also critical to have an outside opinion from either a friend or your broker. Most agents have had enough experience to know what turns off buyers and what is necessary to show the property at its best.



Below are some general tips to keep in mind when preparing your home for resale.

1. Take down excessive family photos and inappropriate personal memorabilia. Personal items are ok as long as it is kept to a minimum.
2. If you have a baby, eliminate what you can of the baby-proofing and baby items. Children's toys should be stored in the main entertaining rooms as decoration or placed appropriately in children's rooms.
3. If you have a pet, put away all toys and bedding, and vacuum all pet hair. Make sure to get rid of the cat litter smell! That particular smell is worse than too much clutter.
4. If you are a smoker, make sure your home is free of ashtrays and lighters. Open the windows and spray air

freshener that is not too sickly sweet or light a higher-end scented candle that has a more subtle fragrance.

5. Hang all clothes or put them away in closets and dressers. Put away visible hampers that are not part of the décor of the room. Keep beds made as well.
6. Remove all items that are not necessary from the refrigerator door.
7. Remove most items from kitchen counters except for nice looking appliances – such as a stainless toaster, blender or nice looking coffee maker (if you don't have one, treat yourself to this). Add only decorative items such as neatly arranged fruit in a nice bowl or kitchen appropriate flowers or plant.
8. Bathroom surfaces should be free of any items except for a few necessities and decorative items such as a soap dish filled with attractive soap. Bathrooms should be clean with no clutter.
9. Be careful not to leave the apartment too bare....then it looks strange. Remember that everything is proportional.
10. Make sure corners are clear and that bookshelves appear orderly.



The best general tip: when in doubt, take it out! Time spent on de-cluttering your home will have a huge effect on how it shows to potential purchasers.

CURRENT MARKET REVIEW

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superior negotiation skills can make all the difference in successfully structuring a deal.

Advantages for Buyer and Sellers in the Spring Season

The spring season in New York City real estate, which starts as early as January and runs through May or June, has historically seen the highest volume of sales activity. For sellers the spring season brings an expanded pool of desirable buyers including highly motivated first-time buyers, qualified Wall Street and related field bonus recipients, and foreign buyers making the most of the exchange rate.

Alternatively, for buyers spring is the season of new opportunities as a significant number of new listings come on the market. Increased inventory offers more choices and the price declines of 2009 have made properties more affordable. Additionally, mortgage rates remain low, and the buyer's tax credit has been extended and expanded to include buyers who are not purchasing for the first-time.

Outlook for the Future

True recovery for Manhattan's residential real estate market is ultimately tied to the rebound of the New York City and US economies. An economic recovery may be in the making but its effects have thus far been limited and it remains to be seen if we are on the verge of a real turnaround. For now though a combination of factors—shrinking inventory, price plateau, increased sales, low interest rates—has created an invigorated market and a widespread sense of optimism. ☒

If you are interested in discussing your property's value and/or timing in the current market or if you want us to keep you updated monthly on the current market via email, please contact: Deanna E. Kory
212-937-7011 - DEK@corcoran.com

Grand Central Terminal

History of a NYC Icon

At midnight on the evening of February 1, 1913 a New York landmark officially opened its doors. A minute later, a train going from New York to Boston departed, marking the first journey to begin from the great Grand Central Terminal. The February 2, 1913 edition of the *New York Times* was filled with articles detailing the new building's plan, architectural elements, and many amenities – all of New York City was exuberant with civic pride for the new terminal, which was a feat of modern engineering and design. One article proclaimed it the “first great stairless railway terminal in history,” outlining how the double levels of rails (the upper for trains departing for regional and cross-country trips, the lower for suburban destinations) were all reached by series of ramps “of the gentlest of slopes,” meaning passengers “found not a single stair in their way.” Another story boldly announced that Grand Central Terminal solved “the greatest terminal problem of the age” – that of change. Yet this new terminal had been “built to last for many years,” a statement that did not refer, however, to the “granite and limestone of its exterior.” Rather, the designers of the new terminal had looked far ahead, to the 1930s and 1940s, and planned for a “passenger capacity equal to any conceivable emergency.” As the story stated, the entire population of the United States could pass in a single year without crowding and without confusion” through this “new gateway to New York.”

While these two factors – the building's stairless and forward-thinking design – certainly set Grand Central Terminal apart from other railway stations, it was the soaring architectural spaces and incredible amenities that brought

nearly 150,000 people to marvel at the new building from midnight to 7 o'clock pm on the first day that it was open. This “vast” but simultaneously “curious and good-natured throng” questioned railroad officials present at the opening, asking “the name of the architect of the building (the firms of Reed & Stem and Whitney & Warren), the quality of marble used in its construction (Italian Bot-



ticino marble), the system of electricity, and the meaning of the painted figures on the ceiling (painted by Paul Cesar Helleu, the mural depicts a deep blue night sky adorned with gold leaf constellations of the winter Zodiac and Pegasus, Triangulum, Musca, and Orion). Overall, all the visitors were “lavish” in their praise of the new terminal, agreeing with another story published in the *Times* on the day of the opening that Grand Central Terminal was no mere station. As the article put it, “station – a place where railroad trains regularly come to a stop for the convenience of passengers. Thus says the dictionary, and for its day and generation it spoke the exact truth that is expected of a good dictionary. But now that the new Grand Central Terminal has been opened to the public an enlarged definition of the word ‘station’

is needed.” The new Grand Central, in addition to being an architectural and design masterpiece, also offered “many of the conveniences” of passengers’ “more or less far-away homes.” “If a woman’s hair” happened to get “out of curl in a damp day’s journey,” the story explained that she could go to the “women’s hair-dressing parlor in Grand Central . . . where none but her own sex would see” while she had “her hair dressed in the latest style.” “An equally sumptuous manicure parlor” was also located nearby, or “if she was in a hurry,” the manicurist could “attend her” while the hairdresser worked. She could also “have her suitcase or her trunk . . . sent to a private dressing room” where she could change her costume with a “maid in attendance” for only 25 cents. Similar amenities were also available for men, as Grand Central was “the only place on earth outside his own home that man could have a private barber shop for his own exclusive use.” The passenger need only “reserve it by wire” upon arrival in New York at “any hour of the day or night.” A public barber shop with “walls and ceilings of Carrara glass” was also available where men could get a shave or hair cut in “any of thirty languages.” After all, as “travelers from all nations of the earth pass through Grand Central terminal, the management provided the most extraordinary array of linguistic talent ever assembled in order that no traveler may need to resort to sign language to explain how he wants his hair cut.” And this was only the beginning – the article didn’t even delve in detail to the shops and restaurants that also occupied Grand Central.

One of the few things visitors to the new terminal did not see was the great sculptural grouping that surmounted the building’s main entrance on East 42nd Street. Yet another story published on February 2, 1913 explained that although the terminal had opened for travel, it did not mean “that the final touches

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Corcoran has Launched its own Real Estate iPhone App!

A Vital New Resource for NYC Buyers & Sellers

Finding a home is now easier with Corcoran's new real estate iPhone app. As the first residential brokerage to place this smart interactive technology in the palm of the customer's hand, Corcoran makes it easier for buyer to find that perfect home and for sellers to market theirs. Using this new app, iPhone and iPod owners can search for property without having to be at your computers. The Corcoran app empowers you to find homes for

sale or rent, as well as those holding open houses in your vicinity - all for free, and all while you roam the streets or enjoy a bite at your local bistro.

Search or browse for Corcoran properties in Manhattan, Brooklyn, The Hamptons, Shelter Island, Long Island's North Fork or South Florida, and get detailed directions to each listing using the iP-



hone's built-in Google maps service.

Once you find a listing you love, you can share the listing with friends or get detailed information on nearby shopping, nightlife and restaurants with our exclusive built-in neighborhood information from BlackBook magazine.

To download Corcoran's new app, just visit corcoran.com/iphone and click the download button, or find us in the Apple iTunes App store by searching for 'Corcoran'.

We think you'll find it a wonderful and invaluable tool as you conduct your search for the home of your dreams.

Corcoran has also put together a brief informational video which shows you how to use the app to find the nearest homes for sale and rent. <http://www.youtube.com/thecorcorangroup>. ☒

Here's how to find homes for sale or rent near you anytime:

Take the Search with You.

See all your search results on an easy to use interactive Google map and get directions to each property from your current location.

Find Open Houses.

Find nearby open houses happening right now using the built-in location finder.



Customize Your Search.

Search all Corcoran properties by current location, neighborhood, price range and number of bedrooms or bathrooms.



Broker Spotlight: Wendy Clark

Wendy Clark, a senior broker at Corcoran, has been an invaluable addition to the Deanna Kory Team. She deserves recognition as a hard-working agent who offers her clients 15 years of expertise and a tireless dedication in assisting them reach their real estate goals. In addition, she merits gratitude for her wonderful contribution and commitment to our community.



Wendy Clark (left) Betsy and Tommy Hilfiger

While regularly volunteering for NYCares, Wendy became involved in one of their many successful programs; a hip hop dance class for homeless children. Instantly understanding the need for this type of program, Wendy embarked on her own journey and put together *Gotta Groove* in March 2008. *Gotta Groove* is a dance, music and arts program for children from homeless shelters in the city. Held once a month at a state-of-the-art dance studio, the children are treated to singing, art, and both jazz and hip hop dance classes. Over the holidays Wendy organized a fabulous holiday party with music, dance, food and gifts for all of the children, many of whom would not have these celebrations at home. The party was so successful Wendy planned another one for homeless teens, with her friend, Betsy Hilfiger. They invited 60 teens from 6 different shelters to the party hosted by Betsy's brother, Tommy Hilfiger, with a DJ, dinner and gifts.

If you are interested in participating with *Gotta Groove*, contact Wendy at wlc@corcoran.com or (917).279.6653. Their website, www.gottagroove.org, will be up March 1st. ☒

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had been put upon the entire structure.” Rather, the “business of perfecting it” would be in “progress” for many years to come, and the sculptural grouping by French artist Jules-Alexis Coutan would “not be in place for many months to come,” mainly because it would be “carved in stone upon the building itself.” Representing “progress, mental and physical force” the group consisted of Mercury, the god of commerce and travel supported by “mental and moral energy” in the shape of Minerva, the goddess of wisdom and Hercules, the great hero known for physical strength and courage. The “countless thousands” who passed through Grand Central on a daily basis would watch the sculpture “emerge” from the building in “gradual beauty” to signify that the terminal “has grown and exists, not

merely from the wealth expended, nor by the revenue derived, but by the brain and brawn constantly concentrated upon its development for nearly a century.”

The story of Grand Central did stretch far back into the past, if not for a hundred years. During the 1860s, four railway lines entered Manhattan from the north. The situation was hardly ideal as nineteenth-century steam-engine trains were dirty, noisy, and dangerous, leading the City to ban all trains below 42nd Street. Commodore Cornelius Vanderbilt, backed by the huge fortune he had made in the shipping industry, undertook to solve the problem almost single-handedly, buying three of the four lines and consolidating them. The three lines became the New York Central & Hudson River Railroad in 1869, and Vanderbilt and his advisors determined that it would be vastly better if the three lines were funneled together and shared a line for five miles between the Bronx and 42nd Street, leading to the creation

of the Grand Central Depot at East 42nd Street with a vast set of rail yards to the north behind it. The structure was built between 1869 and 1871, but only twenty-five years later, the station was already becoming inadequate. Not only did the vast rail yards take up valuable real estate, they were barely able to hold the staggering increases in trains and passengers, and broke apart the City’s grid system. William J. Wilgus, a brilliant self-trained



engineer, came up with the solution. Not only did the tracks need to become electrified, but the trains needed to run entirely underground (prior to this, they ran at street level between East 56th and 68th Street). Wilgus proposed the construction of the Park Avenue tunnel (a necessary precursor to the luxury that embodies the Avenue today), and a double-level “under surface” terminal that eliminated the noisy and land-sucking train yards. Wilgus’s proposal was accepted in 1903, and a contest was held to determine the architects of the structure that would surmount the double-level terminal. The firm of Reed & Stem won, and after much negotiation and the addition of another architectural firm, that of Warren & Wetmore, to assist with the plan, Grand Central Terminal as described above was born.

Of course, the story of Grand Central continues well beyond its opening to the “vast and curious throng” on February 2, 1913. The terminal thrived

until the 1950s when automobiles replaced trains as the preferred method for travel over long and short distances. The price of midtown real estate was simultaneously skyrocketing, and in 1954 the railroad, under pressure to make the most of its assets, proposed to demolish the terminal and replace it with an office tower. Luckily, plans stalled and New York City’s Landmarks Preservation Commission – formed in 1964 in response to the destruction of another great terminal, Pennsylvania Station – declared the Terminal a landmark in 1967 to protect it from a similar fate. Yet only a year later, another plan arose to build a 55-story tower atop the terminal, preserving its exterior but completely destroying the parts of the magnificent waiting rooms and grand concourse. The Landmarks Preservation Commission blocked the project, and the railroad sued, taking the case all the way to the United States Supreme Court,

where the City won in 1978. Grand Central Terminal was saved, and renovation project was begun soon thereafter. Although the lower level, once the terminal for suburban trains, is now a dining concourse, Grand Central is remarkably similar to the original space that opened to such fanfare in 1913! ☒

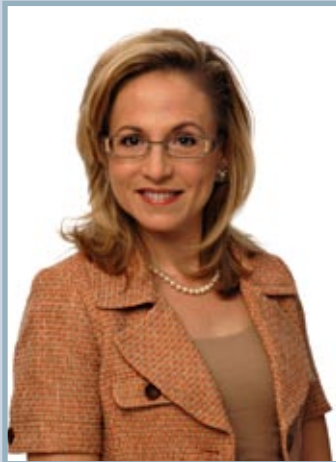
For more information on our current exclusive listings, up-to-date market news, or assistance in the intricacies of purchasing and selling an apartment in Manhattan, please visit deannakory.com or

*contact Deanna:
DEK@corcoran.com
(212) 937-7011*

Deanna Kory NEWSLETTER

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WINTER - SPRING 2010



Deanna Kory
Senior Vice President

Top of the Manhattan Real Estate Industry!

With over twenty-four years of experience in the real estate industry, Deanna Kory has built a reputation as a hard-working broker with the intellect, knowledge, sensitivity, and expertise to assist all of her clients in realizing their real estate goals. She has a predominantly referral-based clientele which is a testament to these attributes. Along with her team, Deanna has sold over \$1 billion of residential real estate in Manhattan.

She was named one of the **2008 Top Women in New York Real Estate** by Tri-State Weekly

Was among the **top 3 salespeople in the entire company at Corcoran in 2007**

Has been honored amongst the **city's real estate elite by Avenue magazine in both 2008 and 2009**

Member of the President's council; the top 25 brokers at Corcoran, and the Multi-million – dollar club repeatedly year after year, **she consistently ranks within the top 5 brokers at the Corcoran group** company-wide every year, as well as holding many other honors.

deannakory.com

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MEET THE TEAM



Christine Morgan
Vice President



Meghan Kelly
Vice President



Jane Martin
Senior Associate Broker



Wendy Clark
Vice President



Lynn Nguyen
Sales Associate



Dan Tudor
Sales Associate



Alix Mendes
Sales Associate



Dane Hope
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