

# *Rising Tower Emerges as a Billionaires' Haven*

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SEPT. 18, 2012



A view of Central Park from the 85th floor of One57, a 1,004-foot tower in Midtown Manhattan under construction.

Chang W. Lee/The New York Times

One57, a 1,004-foot tower under construction in Midtown Manhattan, will soon hold the title of New York's tallest building with residences. But without fanfare from its ultra-private future residents, it is cementing a new title: the global billionaires' club.

The buyers of the nine full-floor apartments near the top that have sold so far — among them two duplexes under contract for more than \$90 million each — are all billionaires, Gary Barnett, the president of the Extell Development Company, the building’s developer, said this week. The other seven apartments ranged in price from \$45 million to \$50 million.

The billionaires’ club includes several Americans, at least two buyers from China, a Canadian, a Nigerian and a Briton, according to Mr. Barnett and brokers who have sold apartments in the building, at 157 West 57th Street. Mr. Barnett said that at least a few buyers were “significant Forbes billionaires.”



The tower, at 157 West 57th Street, will be New York’s tallest building with residences when completed.  
Chang W. Lee/The New York Times

Since late last year, the “trophy” end of New York’s real estate market has been recording eye-popping sales that seem to have little basis in reality. The signed contract for the nearly-11,000-square-foot duplex on the 89th and 90th floors of One57 that sold for about \$95 million topped the record sale in March of a penthouse at 15 Central Park West to a Russian billionaire’s daughter for \$88 million. In June, Steve Wynn, the Las Vegas casino magnate, paid \$70 million for a duplex penthouse apartment above the Ritz-Carlton.

Individual sales aside, it is the sheer concentration of wealth in One57, a \$1.5 billion development, that is raising the eyebrows of some longtime market watchers.

“The scale of wealth in this building is just unheard of,” said Jonathan J. Miller, president of Miller Samuel, a property appraiser. “Despite all the problems economically, you are seeing these people invest in real estate unlike in any period that has ever happened.”

Since sales began in the building in November, Extell has signed contracts for more than \$1 billion worth of apartments, about \$300 million just this summer, Mr. Barnett said. Fewer than 40 of the 92 apartments remain unsold, among them four full-floor units. But Mr. Barnett said two potential buyers from China were “circling” one of them.

The cost of entry into the club now exceeds \$50 million for the remaining full-floor apartments, Mr. Barnett said.

Last week, after Extell provided a reporter with an exclusive look at the 360-degree views that the owners of the full-floor apartments will experience when they are able to move in late next year, it was not hard to understand the appeal of One57.

The construction elevator took six minutes to ascend 850 feet to an apartment on the 85th floor. (It will take 30 seconds for the residents’

three elevators to reach the top, Extell officials said.) The 6,240-square-foot apartment was bought by an American who already owned “some of the best real estate in the world,” including two “very significant” places in New York, said Nikki Field, the Sotheby’s International Realty broker who represented the buyer.

For now, the apartment is just bare walls and concrete. Orange netting hangs in place of what will be floor-to-ceiling windows.



The 85th floor of One57, a \$1.5 billion development.  
Chang W. Lee/The New York Times

The building seems almost centered along the south end of Central Park. From the apartment’s main living room, the park seems to roll out like a giant green carpet. On a clear day, you can see all the way to the Bronx. To the east, planes can be seen taking off from La Guardia and Kennedy Airports. The Atlantic Ocean pokes out over the

horizon. To the northwest, the gentle bend in the Hudson River is visible. Closer in, you can see the grassy terrace of the \$88 million penthouse at 15 Central Park West.

To the south, a resident standing in what will be a bathroom with his-and-hers showers and toilets will look out on the Empire State Building, the World Trade Center complex and the Statue of Liberty, not to mention the electronic billboards in Times Square.

Mr. Barnett spent 15 years assembling the property and air rights on 57th Street. At first, he said, he just wanted to build a 300,000-square-foot building. “I didn’t even think in terms of views,” he said. “But as the assemblage got larger and the market started rising to new levels, and views of the park became so paramount, the project took shape.”

When the property market sank after the collapse of Lehman Brothers in 2008, Mr. Barnett had to persuade his partners to stay the course. “Partly it was a belief that the market would come back and it was the right thing to go forward,” he said, “and partly I had no choice. You have a site, and there is no way to get out of it but to go forward.”

In the end, his timing was lucky. As New York has emerged from the downturn, high-end real estate has become a magnet for the world’s superrich, who are looking for better investment returns and a safe haven from thornier economic conditions in their home countries.

Ms. Field said Mr. Barnett “was there in January when there was no other product and people were looking for a place to stash their cash.”

“A lot of what is happening at One57 is about wealth preservation,” she added.

Even some owners at 15 Central Park West, with its star-studded resident roster and rave architectural reviews, are buying into One57. At least three have signed contracts to buy units there, Ms. Field said.

One57 has at least a two-year head start on newer developments vying for the billionaire set, like 432 Park Avenue, which is expected to be almost 400 feet taller than One57 when it is completed in 2016.

The steady sales have allowed Mr. Barnett to turn away a few potential buyers when negotiations have gotten sticky. There was Nick Candy, a developer of another billionaire enclave, One Hyde Park in London. Negotiations broke down after Mr. Barnett refused to give Mr. Candy the right to flip an apartment before construction was completed, according to e-mails between the men. Mr. Barnett also decided not to sell to Michael Hirtenstein, a millionaire entrepreneur, after Mr. Hirtenstein paid a One57 construction worker to shoot a video that he said revealed that his view on the 47th floor would be partly blocked by the neighboring Essex House sign. And Mr. Barnett said he passed up a full-floor sale to a potential buyer who wanted to do major renovation without allowing Extell to assist in the construction and ease the inconvenience for other residents.

“I can’t tell you I would be so principled if I was having a hard time selling,” Mr. Barnett said. “We are not desperate to sell at all costs.”