

What's happening in NYC real estate August 2023

Whether we would like to admit it or not, summer is finally winding down. It feels like just yesterday we were talking about how Memorial Day is the unofficial kickoff to the summer, but here we are now going into Labor Day Weekend, the unofficial ending. The last thing on most people's minds is real estate. This past week has felt a lot like the time between Christmas and New Year's. So, give your favorite newsletter a quick read and get back to enjoying your last days of summer.

Doesn't it feel like we've been talking about interest rates for years now?! Well, we have been. First, it was the incredibly low interest rates that enabled the buying spree of 2021, but those glory days are long gone and now we have high interest rates. Throughout the dramatic pendulum shift, I have made one observation, people talk about high interest rates a lot more than they talk about low interest rates. And the funniest part about it is that no one knows where they are headed! Not even the Federal Reserve chairman Jerome Powell.

Unfortunately, the seemingly never-ending conversation about interest rates has no end in sight. This past month the mortgage rate hit a 23 year high. So, unsurprisingly, mortgage applications fell to a 28 year low. You would think the high interest rates would make prices go down. However, the record low inventory has kept prices high. Buyers are not seeing the discounts they need to make the numbers work. When factoring in a mortgage expense, the monthly carrying costs on a home purchased in 2021 is much less than one bought in today's market.

As mentioned numerous times, the rates change but the price you pay does not! Negotiate a good purchase price now and you can refinance later on.

[The LivNY Team](#) has been helping both buyers and sellers position themselves well in this market. In the last week, we listed three new, unique properties and have many more off-market availabilities. Most owners have been waiting until after Labor Day to place their homes on the market, so expect to see a lot of new listings starting next week. There are a lot of buyers looking for opportunities, however they all have one characteristic in common; patience. The best thing you can do as a buyer or seller is to prepare for the market to pick up. When it does you won't want to miss out.

The spotlight this month is on the re-opening of the Gramercy Park Hotel. Just one year ago they were selling everything in a liquidation sale, but now, there is good news that it will re-open in 2025.

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SPOTLIGHT ON: Gramercy Park Hotel



The Gramercy Park Hotel is a landmark building on the north side of Gramercy Park, where Lexington Avenue meets 22nd Street. This stunning piece of architecture was built in 1925, and it has stories that could fill a novel. If these walls could talk! This week, there was a historic moment for the famous hotel.

Similar to many buildings around the city, the hotel is on a land lease, which means the landowner leases the land to the building. These types of leases can be over 100 years long! Meaning their lease started so

long ago that celebrities like Babe Ruth, Mickey Mantle, and John F. Kennedy stayed in the 200 room hotel. In fact, JFK used to play in Gramercy Park as a kid.

Last year, the Gramercy Park Hotel was in the news for the wrong reasons. The hotel was forced to shut during the pandemic and never re-opened. The owner, real estate developer Aby Rosen, stopped paying the bills. The owner of the land, Solil Management, began the foreclosure process. For part of last year there was a liquidation sale, where anyone could come in and buy a piece of history. Everything must go! It was quite a spectacle.

New Yorkers were very sad to see the hotel shut down. The Jade Bar & Rose Bar drew in the most fashionable crowds. Miliano, one of the best restaurants in the neighborhood, was also forced to close. It was downright tragic!

Fortunately, there was good news this week as a new hotelier, MCR, spent about \$50M to sign a 99 year lease. The company owns a few hotels in New York City, the TWA Hotel at JFK Airport, and the High Line Hotel. Just last year they purchased the Sheraton in Midtown. The plans are to transform it into a 5-star luxury hotel, bringing it to an entirely new level of excellence. Needless to say, everyone is excited for the grand re-opening.

When asked about the purchase the owner of MCR, Tyler Morse, kept it simple, "People love New York". I couldn't have said it better myself!

ERIC BOTTOMLEY

Licensed Real Estate Salesperson

M: 203.943.0395 / EricB@ARGO.com

50 West 17th Street, New York, NY 10011

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