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Condos fetch 25% less than '08 levels at auction

All six units on the block in new building north of Madison Square sell quickly; prices are more than double the starting bid but well off peaks in Manhattan's first condo auction.

By [Amanda Fung](#)

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All six units that went on the block at a new development north of Manhattan's Madison Square Park, dubbed m127, were successfully auctioned off Sunday afternoon.

Prior to the auction, to ease potential concerns among bidders about the financial condition of the building, Cardinal Investments, the developer of m127, announced that the Bank of Smithtown is no longer foreclosing on the nine-unit development located between East 30th and 31st streets on Madison Avenue. "The Bank of Smithtown is fully satisfied," the developer said. The auction, the first of its kind in Manhattan, was conducted by Paramount Realty and held at the Roosevelt Hotel. It attracted roughly 400 people.

The units sold for a total of \$8.4 million, including a 5% buyers' premium, according to Malcolm Carter, a broker at Charles Rutenberg Realty, who attended the auction. The 5% premium is the additional amount a buyer has to pay on top of the winning bid; that premium goes to the developer to cover the cost of running the auction.

"We think this is a real solid outcome for the buyers and the innovative approach gave us an opportunity for some recovery," said Kyle Ransford of Cardinal Investments, in a press statement.

All six units were sold within one hour. The five two-bedroom and two-bathrooms apartments were auctioned off for \$1.23 million to \$1.42 million, with units on the higher floors fetching more. The sale prices were up from the suggested \$599,000 starting bid, but down by as much as 25% from the price that a similar two-bedroom sold for in 2008. Cardinal agreed to sell the apartments to the highest bidder without a reserve, meaning that they will be sold without their approval. The 2,255-square-foot duplex penthouse, which had a reserve, sold for more than \$2 million. The developer has a few days to approve that sale. An identical duplex in the building sold for \$3.4 million in early 2008.

"I suspect that the developer was disappointed by the results in terms of the prices," said Mr. Carter. "But the auction certainly was successful in generating a great deal of interest and large number of bidders."

The auction was deemed more successful than one held for the Solaria, a development in Riverdale, late last year. Mr. Carter noted that the Manhattan location of m127 helped to attract more interest. "It's within walking distance of Grand Central and all of its other amenities made all the difference in the world," he added.

To jump start the auction on Sunday, Paramount auctioned off two tickets to a Yankee game, two tickets for off-Broadway show *Avenue Q* and two tickets for Broadway show *La Cage Aux Folles* for \$225, \$125 and \$150, respectively. Proceeds from those items were donated to the Madison Square Park Conservancy.

"Sunday's results are proof that auctions represent a smart way to market and sell real estate," said Misha Haghani, one of the two principals at Paramount Realty, in a statement. "It is clear that the Manhattan community embraced this innovative approach. The trend will continue to grow here in Manhattan and elsewhere."

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