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A Wave of Ultra-Luxury, Branded Condos Is About to Swamp Manhattan

BY [JULIET IZON](#) MARCH 22, 2021 10:00 AM



BRANDED HOTEL RESIDENCES, LIKE THE AMAN NEW YORK, OFFER NOT ONLY SOME OF THE MOST EXPENSIVE PRICE TAGS IN NEW YORK, BUT SOME OF THE MOST LUXURIOUS AMENITIES FOR OWNERS. THE CITY IS EXPECTED TO SEE HUNDREDS OF NEW SUCH UNITS IN THE NEXT COUPLE OF YEARS. PHOTO COURTESY OF AMAN

It's a given that New York's real estate market has long been able to cater to the ultra-high-net-worth individual. After all, we are a city that boasts marquee addresses like 15 Central Park West and the glittering, tall towers of Billionaires' Row in Midtown. And, while there's certainly no shortage of condo buildings to cater to this elite

class of buyers, the next two or so years will bring an influx of a very specific type of luxury living: hotel-branded condos.

While these sorts of listings exist now — the Four Seasons Private Residences at 30 Park Place is the current gold standard — there are at least five luxury hotel brands that are planning on opening branded residences in Manhattan. And, with 2020 now safely in the rearview mirror and vaccines proliferating across the country, developers are hoping that this year will bring renewed interest to this very tiny, yet very desirable tranche of real estate.

In fact, even in just the first quarter of this year, real estate agents who specialize in working on behalf of those ultra-high-net-worth individuals are already seeing an increased demand for this type of home.

“We see 2021 as a great bounce-back year for branded residences,” Dolly Lenz, a veteran broker of top residential properties, said.

“Travel bans, quarantines, and restrictions on in-person showings had a significant impact on sales throughout the entire new development industry. But, as New York City and other cities reopen, the pent-up demand is palpable. Buyers are putting an emphasis on track record and the quality of product they are buying, which is certainly a boon for a luxury, branded residence.”

Whether it’s a classic like the Ritz-Carlton or the newer, buzzy Six Senses, all of these brands are aware that putting their imprimatur on

a residence is a stamp of quality, luxury, and exclusivity. It's also, Lenz says, a sign of stability.



AMAN NEW YORK. PHOTO COURTESY AMAN

“A five- or six-star brand really resonates with luxury consumers worldwide and gives great credibility to a building,” she said over email. “Consumers have faith in the fact that these brands have deep concerns about their reputations, and, therefore, will only partner with the best developers to ensure they are building and delivering the finest possible product. These are not ‘build it and run’ developers; they are in for the long haul and must stand behind their product for years to come.”

There is also a very real monetary benefit to a brand name. “Branded residences achieve a premium, on average, of 31 percent over

equivalent, non-branded properties,” said Adelina Wong Ettelson, global head of residences marketing for the Mandarin Oriental Hotel Group, which is opening Mandarin Oriental Residences at 685 Fifth Avenue later this year.

This return on investment is reflected in the sector’s continued growth over the last few years. A [2020 report from brokerage Savills](#) found that the last 10 years have seen the number of branded residences increase globally by 170 percent, adding more than 52,000 units across 370 developments, with New York being one of the top three markets in the world for these residences.



THE RITZ-CARLTON RESIDENCES IN NOMAD. PHOTO: MICHAEL YOUNG

Buyers looking for this type of property will certainly already be familiar with the hotels in the game. Aside from the Ritz-Carlton, Mandarin Oriental, and Six Senses, others coming to market in the next few years include Waldorf Astoria and Aman Resorts.

Even with the name recognition, though, marketing these condos during the strange times of COVID has required much ingenuity. International buyers, of course, have not been able to tour any of these properties in person. And domestic customers may be reticent to visit because of contagion risks.

And, so, [digital tours have proliferated](#). The Mandarin Oriental brand, for example, has pivoted to more virtual visits for all of their properties worldwide.

“While 2020 was a challenging year for so many developers, it created opportunities to reimagine the traditional launch, sales process, and how we bring properties to market,” Wong Ettelson said. “Rather than tours and site visits, and thanks to the advances in virtual technology, developers increasingly used augmented tours with the sophisticated details available in [computer-generated imageries].”

Similarly, The Towers of the Waldorf Astoria New York at 305 Park Avenue has created an immersive, multimedia, virtual sales experience that can showcase the condos to anyone. The tours boast everything from high-resolution renderings, historical photography, professionally produced films, and 3D Matterport tours.

“The Waldorf’s virtual sales experience is like a Broadway show: highly produced and perfectly executed several times a day,” said Andrew Miller, CEO of Dajia US, the owner and developer of Waldorf Astoria New York.

A show-stopping tour, however, must still hit the mark with the right type of buyer. Other than having the money to pay for one of these units, who is the target customer? Ideally, a luxury seeker who wants the ease and amenities of a full-service building without the hassle of traditional, blue-chip co-ops.

“It’s a buyer who appreciates the highest level of attention, service, and exclusivity, and who wants the city’s most stunning views, but doesn’t need a \$50 million, five-bedroom penthouse,” said Erin Boisson Aries of Christie’s International Real Estate, about the forthcoming Ritz-Carlton New York NoMad, at 1185 Broadway.

Miller of the Waldorf Astoria puts it more succinctly: “Why battle the co-op board on renovations when you can own a brand-new residence at The Towers?”

As for domestic versus international buyers, Miller is seeing a mix of both. “Since the hotel hosted guests from all over the world, we have received very strong interest and inquiries from buyers on every continent, minus Antarctica: London, Sydney, Seoul, and Dubai, to name a few,” he said. “There is not a wealthy person in the world who doesn’t know the Waldorf, its location, and heritage.”

Stateside customers for the Waldorf Astoria property seem to be those looking for a pied-a-terre.

“Domestic buyers with large homes in other parts of the country have comprised a significant level of interest,” Miller said. “Whether living primarily in Florida, Texas, California or elsewhere, during normal times, they come to New York frequently for business or entertainment, and want their New York home to be the most-glamorous address in the city.”

While branded apartments offer bragging rights by virtue of their name alone, these buyers are also expecting the experience to live up to their very exacting standards. And, it seems, the buildings are ready to deliver.

“They have a very high service level across the board,” Lenz said. “The people they hire to work in these buildings are definitely of a certain type; they understand the word ‘service’ and how to provide service.”

But, besides having access to five-star hotel staff, there are also numerous amenities befitting the luxury buyer. Aman New York, in the former Crown Building at 730 Fifth Avenue, for example, will offer 22 residences — more than half of which have already pre-sold during construction — many with oversized, outdoor terraces and private, heated pools. Residents will also have their own entrance to the swanky, Aman Spa; 24/7 access to “lifestyle management” and concierge services; and room service from the hotel’s dining venues.

A three-bedroom, three-and-a-half bath unit is currently on the market for \$34.5 million.

The XI at 76 11th Avenue, a new condo complex in West Chelsea, features amenities curated by Six Senses (which has a hotel in the building as well). The crown jewel is the residents' XI Club, an 18,000-square-foot, private club with a 75-foot, glass-enclosed swimming pool; a double-height entertaining space that serves fresh juices in the morning; and a wine-tasting room with a catering kitchen.

And, at the Ritz-Carlton New York NoMad, forget about ordering from your local pizza joint: residents there will have access to not one, but two restaurants from Michelin-starred chef [José Andrés](#), not to mention a rooftop bar that overlooks Downtown Manhattan.

Without a doubt, 2021 will be a better year for sales for these buildings than 2020. "In terms of developer sales, I think they were down to close to zero," Lenz said of last year. So, there's really nowhere to go but up. The fact that mortgage rates are also going up is not a problem, according to Jenny Lenz, managing director at Dolly Lenz Real Estate. "It makes people want to buy sooner," she said.

Even the pending change to federal law, which will [prevent the use of anonymous LLCs](#) in real estate transactions — a common move for ultra-high-net-worth individuals — doesn't seem to have fazed these buildings.

“New York is ahead of the curve in this respect, since a similar law has been in effect here since 2019,” Miller said. “LLC disclosures are the market norm, so we do not expect a redundant federal law to change the way buyers operate in New York City.” Dolly Lenz agreed. “Ultra-high-net-worth individuals very much appreciate the privacy an LLC offers, but [also] realize they are never truly anonymous.”

The Aman New York will most likely be the first to open sometime this spring, with the 69 residences at Mandarin Oriental and the 16 penthouses at the Ritz-Carlton coming later in the year. Six Senses’ XI will follow in 2022 with 236 condos, with the Waldorf Astoria rounding out the pack with its first closings on 375 residences expected in first quarter 2023.

And, if there was one silver lining to COVID in terms of real estate, it might be that buyers (who can afford it) are craving the perks that hotel living can provide. “After this past year, buyers are much more comfortable with, and appreciative of, the more nomadic lifestyle, remote working, and leisure,” said Boisson Aries of the Ritz-Carlton. “This is primed to be the perfect addition to the market in New York City.”

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