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NYC tourists are choosing to buy studios over paying for cramped hotels

By **Shivani Vora**

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Mariana D'Andrea, from Argentina, went remote during COVID and bought a New York studio in favor of hotels and Airbnbs.

White Bengal Agency / Carli Biryła Photography

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Why shell out cash for a cramped hotel room when you're visiting Manhattan, or splurge on a large rental apartment that you don't really need? In the world of New York real estate, studios increasingly rule.

Traditionally viewed as starter solo-living apartments, or a budget-conscious compromise for those eager to plunk down city roots, the demand for studios among a diverse range of buyers is growing like never before.

Take Mariana D'Andrea, a lawyer who hails from Argentina, who recently invested \$417,000 in a Lenox Hill alcove studio. Her broker, David Harris of Coldwell Banker Warburg, helped her find the place so that she could avoid hotel stays and **Airbnb rentals** when she's in this part of the world.

"I became fully remote during the pandemic and started traveling and spending time in other places like California and Texas," said D'Andrea. "I didn't want to keep relying on hotels, the hospitality of friends or temporary rentals when I came to New York, and a studio seemed like the ideal solution."



Mariana D'Andrea.
White Bengal Agency



Her unit has a sunken living room with beamed ceilings — and more space for comfort when she's in town.

Carii Biryala Photography



The bedroom alcove in her unit.

Carii Biryala Photography



The kitchen.

Carii Biryala Photography

According to data from the real-estate consulting and appraisal firm Miller Samuel, studios saw the biggest increase in sales among all apartment sizes in Manhattan during the second quarter of this year. They accounted for 19.4% of total transactions, compared with 15.5% in 2019.

AD

“They became more popular at the start of the pandemic and are continuing to pick up traction,” said Jonathan Miller, the company’s founder and president.

The average sale price of a Manhattan studio is around \$818 a square foot, according to his recent research, while their average size is around 550 square feet — the roomiest since Miller Samuel started tracking the data in 2001.

“The studios of today tend to be luxury offerings, not the stereotypical cookie-cutter apartment that’s a temporary home until you can afford more,” said Miller.

Many of the newfound fans, he says, are buyers like D’Andrea — people who don’t live in New York but those who visit frequently and want their own home instead of staying at a hotel.

“The city’s hotel rooms are small and expensive, neither of which is appealing if you’re a regular in town,” Miller said.

Numbers from the Hotel Association of New York, which represents 300 hotels, support his statement. Its president Vijay Dandapani says that most hotel rooms in town are around 325 square feet inclusive of the bathroom. This number sits between 400 and 600 square feet for the most high-end hotels, but nightly rates for these properties have inched up since the pandemic.



Laurie Paguio purchased a sunny studio at 145 Central Park North with her parents in mind — one day, when they visit the city, they can rest their heads there.

Evan Joseph



Through a studio, the unit delivers a large kitchen.

Evan Joseph



The bedroom area.

Evan Joseph

That's what got Laurie Paguio, who works in technology and lives in Harlem, making some moves. She bought her studio for \$550,000 at the upscale 145 Central Park North. She lives in another apartment, but has a long-term view.

"I have a renter in there now on a multi-year lease, but when my parents come to visit me in New York we all cram into my small apartment because hotels are pricey," she said. "Eventually, I would like my studio to be their hotel alternative."

Meanwhile, the 35 studios at the Waldorf Astoria Residences are a prime example of how the market for studio units has evolved. Ranging in size from 540 square feet to more than 800 square feet, these residences are priced between \$1.8 to \$2.5 million. They have large entry foyers, full kitchens and concierge closets — a feature integrated into the entranceway that allows porters to deliver packages, laundry and even room service without any personal interaction.

"You get the same elegant design and amenities of the larger residences in a smaller home," said Carolyn Sebba, a senior director of sales and marketing for Dajia US, the project's developer. "We're seeing the most interest from international buyers who would typically stay at a hotel in the city. Many are from Israel, Sweden, Singapore and Paris, and were Waldorf guests from the past."

Sebba adds that a recent buyer there wanted a studio to put up his family and friends so he could maintain his privacy in his own home — and didn't want the expense of paying to have them stay in a hotel suite.



Studios at the Mandarin Oriental Residences Fifth Avenue ask in the millions of dollars.
DBOX



Though studios, they offer plenty of space for plush seating.
DBOX



A view of a studio layout.
DBOX



Studios at SELENE aren't too shabby either.

Evan Joseph

(Despite the recent demand for studio units, the need for separate studios — especially for staff, but also for guests — has long been a presence in the local luxury residential market. High-gloss buildings including 15 Central Park West and 220 Central Park South added them to their offerings.)

The early August record for the most expensive studio sale in New York at the Mandarin Oriental Residences Fifth Avenue also illustrates the prestige of these homes. Overlooking Fifth Avenue and located on the development's 15th floor, the studio is under contract for close to \$3.88 million or a cool \$5,615 a square foot, according to Douglas Elliman's Jade Chan, the sales director there. Spanning a generous 691 square feet, it also has a 167-square-foot terrace and is one of 28 studios in the development — the priciest is on the market for \$4 million.

"The buyers of this specific studio live in the US and love staying at the Mandarin hotel," said Chan. "They wanted a home with the same aesthetic and amenities, but were keen on an easy-to-maintain smaller apartment since they own large properties in other destinations."

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Real estate agents who usually work with wealthy buyers are also seeing a momentum in studio sales. Leonard Steinberg of Compass says that he has sold more than 10 in the last few years, all spanning around 1,000 square feet and in the range of \$2 million to \$2.34 million. Most were at the Norman Foster-designed development SELENE, located at 100 E. 53rd St.

"New York is the financial capital of the world, and there are an extended group of people who come here regularly for three or four nights at a time," said Steinberg. "They want the place where they stay to feel more personal and like home. A studio meets the criteria."

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