

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<https://www.wsj.com/articles/in-sluggish-nyc-market-manhattan-lofts-go-on-rare-auction-1538578835>

REAL ESTATE | PRIVATE PROPERTIES

In Sluggish NYC Market, Manhattan Lofts Go on Rare Auction

A pair of developers are selling three multimillion-dollar units located in the upscale Tribeca neighborhood in one of the priciest auctions ever

By Katherine Clarke

Oct. 3, 2018 11:00 a.m. ET



A pair of developers is planning to auction three units at 6 Cortlandt Alley in Manhattan's Tribeca neighborhood. PHOTO: PARAMOUNT REALTY USA

A pair of developers is planning to auction off units in their luxury Manhattan condominium project. The units will be among the highest priced condos ever to be auctioned by a developer in the U.S., according to Paramount Realty USA, the auction house handling the sale.

Real estate veterans say the move is highly unusual for Manhattan, though luxury auctions appear to have gained more popularity in other parts of the country as a means to sell a property quickly.

Three of the units at the five-unit building, located at 6 Cortlandt Alley in Tribeca, will be auctioned off November 10, said Misha Haghani, owner of Paramount.

All three units are four-bedroom lofts, originally priced at up to \$7.3 million. One home—a 3,646-square-foot, four-bedroom, 4½-bathroom unit—will be sold to the highest bidder at or above a minimum bid of \$4.75 million, which represents a 35% discount from its original price. Two other full-floor homes will be auctioned with suggested opening bids of \$4.85 million and \$5 million, representing discounts of more than 30% off their original prices.



The units, all four-bedroom lofts, will be among the highest-priced condos ever to be auctioned by a U.S. developer. PHOTO: PARAMOUNT REALTY USA

MORE FROM MANSION

- Cleveland Cavaliers Co-Owner Buys L.A. Manse for \$26.5 Million October 1, 2018
- Another Ultraluxury Mansion Heads to the Auction Block October 1, 2018
- Florida Home Once Among America's Priciest Heads to Auction October 1, 2018

Developers Imperial Development Group and MCG Fund 1 Manager, an affiliate of Megalith Capital Management, launched sales in the spring of

2016, but none of the five units have sold despite a change in brokerage representation and price cuts, according to Mr. Haghani, who attributed the slow start to the shifting Manhattan market for high-end condos. He said there was a “chicken and egg problem” where no one buyer wanted to get the ball rolling and set the market price by buying the first unit.

“There’s more supply on the market today than there was 18 or 24 months ago,” Mr. Haghani said. “Buyers have more choices, and that puts sellers in general in a weakened bargaining position. Sometimes a different strategy is warranted. In this case, it’s well warranted.” The developers didn’t respond to requests for comment.



Developers Imperial Development Group and MCG Fund 1 Manager, an affiliate of Megalith Capital Management, launched sales in the spring of 2016, but none of the five units have sold. PHOTO: PARAMOUNT REALTY USA

Apartment sales in Manhattan continued a long slide during the third quarter, falling 10.3% from the same period last year, according to a recent analysis by The Wall Street Journal. Many industry experts attribute the slide, which comes despite strong economic fundamentals, in part to an influx of inventory at high price points.

Mr. Haghani, whose firm handled auctions for high-end condos during the last real-estate downturn, said this is the first luxury condo assignment the company has received since 2011, when it handled the auction of the six remaining penthouse units at One Hanson Place, a Brooklyn condo project which public records show was backed by partners including retired NBA star Earvin “Magic” Johnson.

The developers are holding back the two remaining units, the penthouses, because they believe the auction will spur momentum that will help them sell the final apartments for higher prices, Mr. Haghani said.

Want more real estate? Get a weekly briefing on news, trends, insights, deals and personalities with our brand-new newsletter. [Subscribe here.](#)

Write to Katherine Clarke at katherine.clarke@wsj.com

Copyright ©2017 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.