

Too Much of a Reach?

TO those who say it can't happen here, Joshua Kahr, the founder of Kahr Real Estate Services, an advisory firm, offered some sobering thoughts on the potential collapse of the Manhattan real estate market in a recent newsletter. He recently visited Hong Kong, Singapore, Calgary, Miami, Phoenix, Denver and Washington.

"In every single one of those markets," he said, "the locals will give you their reasons why their market won't be as affected as much by the global credit meltdown as everyone else's will be. Unfortunately, they can't all be right. Research has shown that everyone thinks that they are better than average."

Mr. Kahr provides an illustration, a table of Manhattan condo prices that reminds readers that it took four years, until 1993, for prices to hit bottom from the peak in 1989, and another four years for the market to claw its way back to the 1989 level.

In this context, a recent listing of a town house at 26 West 76th Street, on a leafy block just off Central Park, may be a powerful example of the audacity of hope. The asking price for the gutted and rebuilt 1890s building is \$25 million, about 60 percent more than the most expensive town house ever sold on the Upper West Side.



TINA FINEBERG FOR THE NEW YORK TIMES
26 West 75th Street

Adam Gordon, a developer, bought the 25-foot-wide house for \$5.8 million in 2006. He emptied the building of tenants, rebuilt the entrance and added Juliet balconies and a full-width four-story extension.

The building, once 13 apartments, is now a one-family elevator mansion sprawling over 10,000 square feet. According to the listing agent, Robby Browne of the Corcoran Group, it has a rooftop solarium, a wine cellar, a media room, a gym, a huge open kitchen and a glass-walled family

room facing a small backyard.

"There is nothing this large at 15 Central Park West," Mr. Browne said, speaking of perhaps the most successful new development in recent years.

But asking prices have been cut at seven of nine apartments now on the resale market at 15 Central Park West. Most were lowered in the last month or so, and several brokers questioned whether the asking price on the town house was realistic.

The highest price on record for a town house on the West Side is \$15.75 million. The property, a 26-foot-wide mansion on a 41-foot-wide lot on Riverside Drive, was sold by James B. Rogers Jr., the business commentator and investor, in December 2007.

That was the month the recession began, and the real estate outlook has not improved. Still, Mr. Browne said that the town house on West 76th Street is different. The block of graceful town houses has uncommonly good light, and few if any comparable town houses are on the market. And such a sale requires only one seller and one buyer.