

Starchitects: An Amenity for Luxury Developments That May Also Add Real Value

Plus, a cooling Miami market, luxury growth in Calcutta, and more news from around the globe this week

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A rendering of the balcony view from the Renzo Piano-designed Eighty Seven Park in Miami.

TERRA

In the Manhattan luxury market, there's one amenity that seems ever-present in new condo developments: a well-known architect—a.k.a. starchitect—behind the design.

In fact, starchitect-designed buildings are going up all over New York City right now. Renzo Piano, who designed the Whitney Museum and won the prestigious Pritzker Architecture Prize in 1998, has a SoHo condo going up at 565 Broome St.; Christian de Portzamparc, who won the Pritzker in 1994, is behind the ONE57 building rising from 57th Street above Central Park; and the recently deceased Zaha Hadid, who was honored with the Pritzker Prize in 2004, has two luxury condo buildings being raised at 520 West 28th St. and 220 11th Ave.

But while starchitect-branded buildings are popular in Manhattan as well as in other luxury hubs around the world, including Miami, Sydney and London, the question remains: Do big name architects add any real value, either at the point of initial sale or later on as a resale?

“Adding value depends on the project, the location, how the interiors were executed, and most of all, timing,” said Donna Olshan, president and owner of Manhattan’s Olshan Realty Inc. **“A starchitect alone doesn’t guarantee that a property’s going to be a home run.”**

For new projects, it seems clear that a starchitect, at the very least, brings potential buyers in the door. **In Miami, where there’s an oversupply of similar new buildings with the same kind of design and amenities, a starchitect is a differentiating factor that can “draw that worldwide interest,”** said Jay Parker, CEO of Douglas Elliman’s Florida Brokerage. **In today’s softening luxury market, “you have to do everything in your power to maximize exposure,”** he said, pointing to Rafael Vinoly’s One River Point towers and the Renzo Piano-designed Eighty Seven Park as prime examples of how name brand recognition can attract global attention.

In Manhattan, though, a starchitect has become just one of a suite of necessary amenities—like a health club or huge terraces—that you have to have to be at a certain price point, said Jonathan Miller, the chief executive of appraisal firm Miller Samuel. **“It’s not an option, it’s a must,”** he said.

And as a result, every new building with condos selling for prices north of \$5 million has a big name attached.

Without this differentiator, the next thing to consider when assessing a property’s value is the interior design and the quality of construction, said Leonard Steinberg, the president of Compass.

“A great starchitect building cannot just be a sculpture,” he said. **“A building has to have external beauty as well as internal beauty and internal practical usability. If you don’t have all three of these requirements, it could be a disaster.”**

When all of these elements are there and the location is right, Mr. Miller and Mr. Steinberg agree that starchitect-designed buildings can become iconic, and that **properties within them can appreciate in value more quickly than others who don’t have this distinction.**

Examples of that phenomenon are the three Richard Meier buildings that overlook the Hudson River in the West Village that went up around 2000—likely the first examples of a star architect having an impact on residential sales—**Mr. Miller said. There’s also the Robert A.M. Stern-designed 15 Central Park West, which was completed in 2008, and is still considered one of the most successful condo buildings ever constructed, with prices that have “escalated in value dramatically,”** Mr. Steinberg said.

For buildings going up today, retaining value will likely be more about location than anything else. This, at least, is what David Martin, the president and co-founder of Terra, a Miami-based real estate development firm, is banking on. **He’s currently working on that new Renzo Piano building called Eighty Seven Park, and a Bjarke Ingels**

building called Grove at Grand Bay. Both, he said, have epitomized what he calls **“intelligent luxury,” with unique features**—oceanfront property and a private park, and an unparalleled Coconut Grove location with stunning views—**that others won’t** be able to be recreate elsewhere.

In the end, Compass’s Mr. Steinberg said he only understood the true value of a beautifully designed property when he moved into a starchitect designed condo building himself. He first lived in the Annabelle Selldorf-designed 200 Eleventh Avenue, and since last fall, has called a condo in the CookFox Architects-designed 150 Charles Street building home. Mr. Steinberg said that everything from well thought-out ceiling height to a landscaped courtyard has improved his quality of life.

“Great design is not purely aesthetic. When a home has been beautifully designed, it’s an experience that you actually benefit from each and every day of your life,” he said. **“Once you’ve lived in a space that’s been exquisitely designed, it’s very difficult to go back.”**

Here’s a look at other news from around the world compiled by Mansion Global:

Cooling Miami market puts new condo tower on ice

Related Group, south Florida’s largest developer, says it will delay construction for now of a planned 298-unit **condo tower on Miami’s Biscayne Boulevard** called Auberge Residences & Spa Miami amid a dearth of new buyers and an overload of available properties. **“The market is slower,”** said Carlos Rosso, **president of Related’s condo division.** **“The dollar has appreciated a lot against Latin American currencies.”** Asked when groundbreaking, originally set for next year, would take place, Rosso replied: **“Do you have a crystal ball?”** ([Miami Herald](#))

Miami’s luxury condo king made a fortune for Trump

Gil Dezer is, depending on whom you ask, a “jet-set member of a real estate pack that’s either turning a patch of greater Miami into the Florida Riviera or over-saturating it with high-end properties” Bloomberg News reported in a profile of the 41-year old **developer who’s made a fortune selling properties for Trump.** Now he’s branching out on his own, presenting condo towers with elevators that bring the homeowner to her front door—in her car. ([Bloomberg News](#))

Hong Kong luxury home prices continue their fall

Prices for apartments in some of Hong Kong’s most affluent neighborhoods, including Mid-Levels and the Peak, have fallen 3% to 4% so far this year and could end the year down as much as 10%, according to brokerage Knight Frank’s Hong Kong Monthly Report. **“It’s a gradual downward slope...so I’m not too worried about it,”** said David Ji, Knight Frank’s director and head of research and consultancy. ([Forbes](#))

Bringing back Frank

Filmmaker Michael Miner wants to rebuild many of the demolished masterpieces of **20th Century architect Frank Lloyd Wright, and he’s launched the [Frank Lloyd Wright Revival Initiative](#),** a nonprofit to help bring back these lost buildings. Mr. Miner’s made a series of documentaries about Wright’s works. He hopes the city of Banff, in Alberta,

Canada, will help restore the [Banff Pavilion](#) built in 1913 and demolished in 1939. Recreating the long, rectangular structure will cost about around \$2.1 million Miner said. ([Curbed](#))

Summer slump hits London home prices

While British homeowners and real estate brokers are still trying to sort out how home prices will be affected by the U.K. vote to leave the European Union, average asking prices for London homes fell 2.6% in the past four weeks, compared to a 1.2% drop nationwide, according to the [Rightmove](#) house price index. Asking prices in the exclusive Borough of Westminster fell the most, dropping 14.5% to an average of £1.6m from £1.9m. In **Kensington and Chelsea, prices fell 12.5%. Rightmove's Miles Shippside said the decline may be partly seasonal. "Many prospective buyers take a summer break from home-hunting and those who are coming to market at this quieter time of year tend to price more aggressively," he said.** ([City A.M.](#))

Millennials in U.S. dream of home ownership, but can't afford to buy

An informal survey by the real estate rental website Zumper shows that while 94.4% of renters aged 20 to 29 who answered the survey want to buy a home, few can afford the required down payment in the city where they now live. Among hopeful homeowners in Los Angeles and San \Diego, where 89.9% and 91.5% of renters want to own a home, only 22.8% and 20%, respectively, said they could afford a mortgage. ([Curbed](#))

Calcutta luxury home prices rise 20% in 2016

Prices for luxury homes in Calcutta have risen 20% so far this year, over the the same period in 2015, while builders eager to reach wealthy homebuyers have increased the number of luxury homes on the market by 10%, according to a report by Cushman & Wakefield. **"Some projects are coming up on heritage sites," and some** have amenities like skywalks and helipads, said Shveta Jain, a managing director at Cushman. This trend is expected to continue for a while and developers are planning to launch more **such projects in these areas," she said.** ([Economic Times](#))