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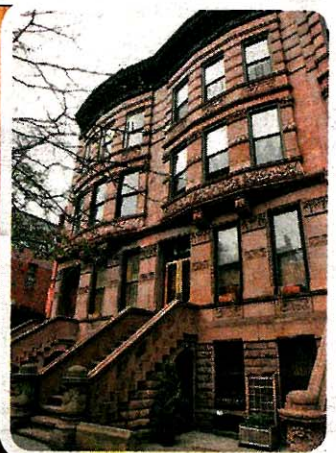
BRACE YOURSELF



TAKE MY HOUSE, PLEASE: Weary seller Michael Burgan marked down his Harlem brownstone by nearly \$1M.



Christian Johnston(4)



AIMING HIGH: Lovelynn Gwinn has had her Harlem brownstone on the market for \$3.495M since 2006. She has had no serious offers.

Townhouse sellers forced to make tough decisions

By KATHERINE DYKSTRA

THOSE trying to sell Harlem townhouses mostly fall into two camps — those who still hope to clean up on the sale of their home and those who have thrown in the towel.

Lovelynn Gwinn, a real estate agent with Core, falls into the first category. She bought 350 Convent Ave., a two-family home in Sugar Hill, in 2005. When she first saw it, she wasn't even in the market. But she was smitten with the 1887 townhouse and its fireplaces, parquet floors and original woodwork.

"It was at the height of the market, and there were other people bidding on the house," Gwinn says. "But I was a woman possessed."

And so she bought it for its \$1.975 million asking price.

But as much as Gwinn loves the home, she realized that the 5,000-square-foot-

plus house is simply too big to maintain. And so she put it back on the market for \$3.495 million in mid-2006.

It's still on the market today. Though she's had exactly zero offers she felt were worth entertaining, she refuses to budge on the price.

"We've never changed the price; my feeling is the house is worth it," Gwinn says. "I'm not in a rush, I can wait for the right buyer."

Michael Burgan knows all about waiting. After raising his entire family in 203 W. 136th St., a brownstone he bought in 1997 that includes a garden and a ground-floor space out of which his wife ran a day care, the couple decided they'd had enough of New York. A few years ago, they commissioned a house "in the country" — the country being Charlotte, NC.

Now the house down south is ready, but Burgan hasn't sold the brownstone.

He's twice put the 3,500-square-foot home on the

market for a few months at a time — for as much as \$1.95 million, according to Streeteasy.com. But even after he reduced the price by more than \$200,000, he found no takers.

"The market collapsed on me," he says, wearily.

And so he's drastically cut his price to \$999,975 — nearly \$1 million less than what he originally wanted.

"I just want to get rid of it now," Burgan says. "I'll take a loss. I'm just ready to relax."

Whether sellers admit it or not, Harlem's townhouse market has taken a major hit.

From roughly 2005 to 2007 townhouse prices soared, as a flurry of new condo buildings invaded the area, bringing up property values.

"The new developments come on in a higher price . . . [and that] raises the average comps in the neighborhood," says broker Gea Elika of Elika Associates.

"Prior to 2006, if you had a house, it didn't matter the condition, the block . . . it was up in value," says broker Willie Suggs. She recalls a home on Convent Avenue: "[It] was 6,000 square feet, a grand wreck. It needed a total renovation, the roof

leaked, there were windows missing . . . Someone paid \$1.9 million for it!"

But times have changed. Harlem is now seeing fire sales of homes like Sugar Hill's 12,000-square-foot Bailey Mansion, a fixer-upper that was priced at \$10 million in 2008 and later reduced to \$6.5 million. It sold in July 2009 for \$1.4 million — 86 percent less than the original asking price.

"All the sales in Harlem are tied to one another," Suggs says. "There's a guy who's trying to sell his house, which is worth \$2 million, but he's getting killed by the guy across the street [who's selling for much less]."

According to numbers compiled by appraiser Jonathan Miller of Miller Samuel, the average sales price of a townhouse uptown (which he defines as the area bordered by the Harlem River on the north; West 116th Street and East 96th Street on the south; river to river) was \$1,066,133. This is 24.9 percent less than the average in 2008, which was \$1,419,208 — the peak of the market, Miller says.

The good news is that activity is picking up. In 2009,

there were 53 townhouse sales in that area compared with only 36 in 2008. In 2007, the busiest year of activity, there were 151 sales.

"You have a smaller buyer pool," says Corcoran Group senior vice president Sandy Wilson. "But they are very discerning."

And townhouses aren't just physically attractive. Next to a condo priced around \$500 per square foot, a brownstone priced at half that seems like a deal.

"Why would you buy a condo when you can pick up a house for \$225 a square foot?" Suggs asks. "Even if it is a pile of garbage, you get a whole house."

Miller points out that price per square foot is calculated differently in condos than in townhouses (where exterior walls are included). But even factoring that in, there's still a large discrepancy.

Problem is, banks aren't exactly eager to hand out construction loans these days, meaning someone willing to buy a shell might just have to live in it until lenders loosen their grip.

But if you can get a brownstone for under a million, a magic number of sorts in Harlem now, it still might be worth the wait.

"You can't build those brownstones in today's world," Elika says. "If you tried to price one out, it's like an antique car — you can't build it, it'll never be as good."