

MANSION

THE TRADE

A Honed or Glossy Marble Tub? Who Decides?

In a crowded luxury market, developers enlist agents, even before construction, to learn what buyers want

BY AMY GAMERMAN

Although real-estate agent Fredrik Eklund hobnobs with celebrities as a star of reality television's "Million Dollar Listing New York," he is perhaps most in his element when scrutinizing burnished-brass door handles and marble bathroom tile for planned luxury condominium developments—often years before he is able to earn a commission selling them.

"I say to developers, 'If this was a movie, we would be the director, you would be the producer,'" said Mr. Eklund, speaking of himself and his business partner, John Gomes. "We sit in on every construction meeting and showing."

The partners, who head their own development-marketing team at Douglas Elliman Real Estate, have collaborated with developers on the architecture, interior design and amenities of more than 50 high-price residential projects in New York. One of their latest is the just-completed Steiner East Village, a seven-story Danish brick-clad complex on the city's Lower East Side, with 82 units priced from \$1.1 million to \$11.25 million. All but three are sold.

"I remember meetings where we looked at grout," Mr. Eklund said.

High-profile agents like Mr. Eklund and Mr. Gomes are helping shape the landscape of luxury real estate in New York. There, as in other cities where millions of dollars can ride on the sale of a single apartment, developers are bringing in brokers at the earliest stages to conceptualize the design, identify target buyers and set the price point.

"It's a collaboration," said Doug Steiner, the developer of Steiner East Village. "Fredrik and John have sold a lot more apartments than we have; they know the buyer."

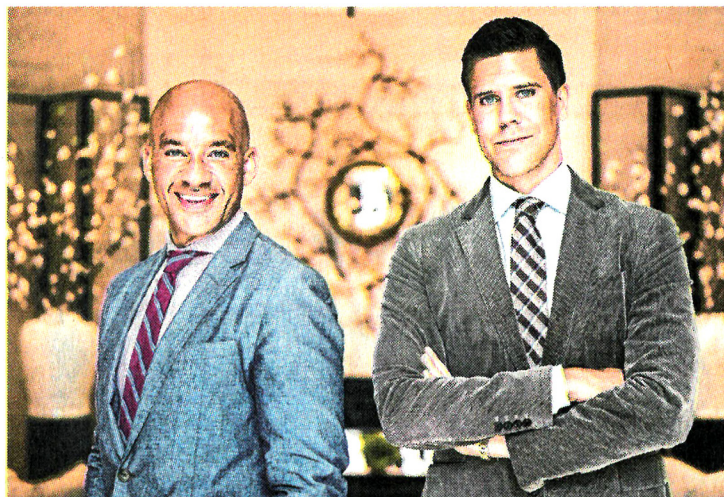


FROM TOP: EVAN JOSEPH; DOROTHY HONG FOR THE WALL STREET JOURNAL; SCOTT HARGIS

In San Francisco, the developers of the Pacific—a new luxury residence with 76 homes priced from \$1.5 million to over \$15.5 million—invited more than 30 of the city's top-selling real-estate agents to become part of a broker advisory board two years before breaking ground. Although the developer, Trumark Urban, hired its own sales and marketing team, it consulted with the handpicked brokers through the design process.

"We had the interior designer lay out room vignettes. We handed out clipboards and got feedback about what type of bathtubs they wanted—if they wanted honed marble or a more glossy finish, wide-plank floors or narrow," said Arden Hearing, a former Trumark Urban managing director, who recently launched his own investment firm.

One key recommendation: Leave some units unfinished, so buyers can customize them with their own designers. As a result, the Pa-



THE 'DIRECTORS' Real-estate agent and TV personality Fredrik Eklund, above right, with his development-marketing partner, John Gomes. Top, the team suggested oversized windows and 10-foot-plus ceilings for units at the Steiner East Village complex in Manhattan. The building also has an indoor pool.

cific's eight penthouses were built as shells with utilities but no walls. All but one have sold.

"I had one billionaire say, 'Thank you for not finishing it, we had a condo in New York where we had to rip everything out and replace it,'" Mr. Hearing said.

The remaining penthouse, listed for \$13.85 million, is the building's only unsold unit. The Pacific has racked up \$290 million in sales to date, according to Trumark Urban's development team.

In more intensive collaborations, brokers are teaming up with developers in exchange for exclusive listing rights when the condominiums come to market.

Without their input early on, brokers say, a developer may make critical decisions that will hurt sales. "The mistakes can run the gamut from buying the wrong site,

to buying the wrong building—all the way down to minutiae, like closets that are too small," said Raphael De Niro, an agent who heads his own team at Douglas Elliman Real Estate.

Mr. De Niro has invested several years in the development of 108 Leonard—a landmark McKim, Mead and White building in New York's Tribeca neighborhood. Set to open in 2019, 108 Leonard will have over 150 residences priced from \$1.535 million to more than \$20 million; the developer is the Elad Group. "Before the building was even acquired, I was touring it with one of the developers," Mr. De Niro said.

At Mr. De Niro's suggestion, one of the building's three entrances will be a private underground "motor reception" for paparazzi-savvy residents.

In New York, where inventory of new condominiums is at its highest in a decade, a competitive market has pushed brokers from their traditional spot behind the curtain to center stage. To attract attention to buildings in such a crowded field, they are urging developers to add amenities such as steam rooms and libraries, raise ceiling and window heights and pile on rich materials like Pompeii basalt and matte-finished white oak floors.

"If you roll back the clock on New York real estate 30 years, there weren't so many condos being developed, and if they were, they were usually pretty cookie-cutter. The brokers were more like order-takers," said Dan Hollander, managing principal of DHA Capital, a New York developer. "Now, you have to have star power."

Mr. Hollander has teamed with Mr. Eklund and Mr. Gomes on several buildings, including 75 Kenmare, a boutique condominium in New York's Nolita district slated to open next year. The project, which will have 38 homes priced from \$1.6 million to over \$12 million, is being designed by Lenny Kravitz, the rock star turned interior designer.

"The developer wanted a big number for those apartments. We felt we had to create something that would really stand out," Mr. Eklund said.

Steiner East Village—at the site of a former church just off Tompkins Square Park, home of New York's annual Wigstock drag festival—was originally envisioned as a modestly appointed rental building, with almost double the number of units. When Mr. Steiner decided to develop it as a luxury condominium instead, he brought in Mr. Eklund and Mr. Gomes.

Their collaboration has resulted in a building with a host of lavish amenities in the once-gritty East Village, including an indoor pool, a sauna and steam room, a library with a fireplace and a 4,000-square-foot roof deck.

"That way, we lure buyers who would never consider Avenue A," Mr. Eklund said.

Every apartment has oversized windows, 10-foot-plus ceilings and a stylish powder room. The brokers recommended the designer Paris Forino for the project and sat in on her presentations, weighing in on everything from the bronze window frames to the herringbone-pattern marble mosaic for bathroom floors.

"If they want things tweaked, we tweak them," said Ms. Forino. "They have the voices of the buyer in their ears."



BY DESIGN Trumark Urban, developers of the Pacific building in San Francisco with units up to \$15.5 million, had a broker advisory board of top-selling agents.