

Real Estate

Naftali Group condo projects lead Upper East Side market

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UPPER EAST SIDE NEW DEVELOPMENT ANALYSIS: NAFTALI GROUP'S PROJECTS OUTPERFORM THE MARKET OVERVIEW/METHODOLOGY

Marketproof conducted an analysis of sponsor-controlled buildings on the Upper East Side that have reported at least one sale.

For the purpose of this report, we evaluated average monthly sales velocity as a percent of total units, using the date the offering plan was accepted by the attorney general as the start date for sales.

We use the offering plan (versus the date the developer first listed units) to normalize velocity among buildings of different sizes and ages. This is partly due to the fact that Naftali isn't using public listing channels to market their projects.

Buildings that are marked 100% sold are fully in contract, but more than 10% of the spoken-for units have not yet closed.

Data in this report is as of 12/8/2021.

THE FINDINGS

Based on our methodology, which creates a level playing field to analyze performance across all sponsor-controlled buildings in the neighborhood, 200 East 83rd Street and The Benson (1045 Madison Avenue) stand out with the strongest sales velocity. Both projects are developed by Naftali Group and feature a more classical architecture style.

The current average asking price per square foot for Upper East Side new developments is \$2,945, compared to 200 East 83rd Street's average list price of \$2,673 per square foot and The Benson's average list price of \$3,590 per square foot. On average, this submarket sells 16.7 new development units per month, with these two Naftali projects accounting for nearly 45% of sales.

"No matter how we analyze the data, Naftali's projects are carrying the new development market on the Upper East Side, with 200 East 83rd Street and The Benson accounting for nearly half of all contract activity," says Kael Goodman, co-founder and CEO of Marketproof. "This indicates a desirable product that is well-priced. The average asking price per square foot across these two developments falls near the neighborhood average — and that appears to be the sweet spot."

TOP 10 PROJECTS BY ABSORPTION RATE

We looked at 21 sponsor-controlled developments on the Upper East Side, accounting for Beckford House & Tower as two separate projects because each portion has a distinct offering plan. The following is the top 10 Upper East Side developments by absorption rate since offering accepted date.

Top Producers

200 East 83rd Street

- Developed by Naftali Group in partnership with Rockefeller Group
- 62.79% sold since offering accepted in April 2021
- 7.85% monthly absorption rate
- 54 of 86 units sold
- Asking prices range from \$5.95M to \$35M with \$3,590 average asking ppsf

The Benson (1045 Madison Avenue)

- Developed by Naftali Group
- 100% sold since offering accepted in March 2020, closings have not commenced
- 5% monthly absorption rate
- 15 of 15 units sold
- Asking prices range from \$5.950M to \$32.5M with \$4,368 average asking ppsf

Top Five

Not too far behind the Naftali projects is Legion Investment Group's 109 East 79th Street, followed by Midwood Investment's 150 East 78th Street and then Icon Realty's Beckford House & Tower. These developments also represent a more classical architecture style.

109 East 79th Street

- Developed by Legion Investment Group
- 51.52% sold since offering accepted in November 2020
- 4.29% monthly absorption rate
- 17 of 33 units sold
- Asking prices range from \$5.65M to \$32.5M with \$4,368 average asking ppsf

150 East 78th Street

- Developed by Midwood Investment & Development, EJS Group
- 92% sold since offering accepted in January 2020
- 4.18% monthly absorption rate
- 23 of 25 units sold
- Asking prices range from \$900K to \$20M with \$2,999 average asking ppsf

Beckford House & Tower

(this is a two-building development but we are grouping both together within the group of top 5 performers)

Beckford House

- Developed by Icon Realty
- 93.75% sold since offering accepted in December 2018
- 2.60% monthly absorption rate
- 30 of 32 units sold
- Asking prices range from \$2.8M to \$20M with \$2,522 average asking ppsf

Beckford Tower

- Developed by Icon Realty
- 90.28% sold since offering accepted in December 2018
- 2.51% monthly absorption rate
- 65 of 72 units sold
- Asking prices range from \$2.05M to \$30M with \$2,565 average asking ppsf

Top 10

The Leyton (1059 3rd Ave)

- Developed by Dart Interests, Real Estate Inverlad Development, Third Palm Capital
- 26.32% sold since offering accepted in December 2020
- 2.39% monthly absorption rate
- 10 of 38 units sold
- Asking prices range from \$2.12M to \$3.6M with \$2,157 average asking ppsf

1228 Madison Avenue

- Developed by CBSK Ironstate
- 26.67% sold since offering accepted in October 2020
- 2.05% monthly absorption rate
- 4 of 15 units sold
- Asking prices range from \$7.95M to \$17.5M with \$3,057 average asking ppsf

1010 Park Avenue

- Developed by Extell Development
- 100% sold since offering accepted in May 2017 with 2 units in contract but not yet closed
- 1.85% monthly absorption rate
- 11 of 11 units sold
- Asking prices range from \$12.95M to \$45M with \$4,384 average asking ppsf

176 East 82nd Street

- Developed by Nexus Building Development Group
- 100% sold since offering accepted in May 2017 with 2 units in contract but not yet closed
- 1.85% monthly absorption rate
- 9 of 9 units sold
- Asking prices range from \$3.37M to \$5.99M with \$1,936 average asking ppsf

27 East 79th Street

- Developed by Adellco
- 75% sold since offering accepted in June 2017
- 1.42% monthly absorption rate
- 6 of 8 units sold
- Asking prices range from \$5.45M to \$22.8M with \$4,063 average asking ppsf

Report Methodology

Report is based on reported contracts and may not represent all contracts signed.

Prices are based on the last asking price before a unit was put into contract.

New development contracts are sponsor stage (sponsor controlled) projects that are eligible to sell units
Data as of 12/8/2021