

The New York Times

Pet Spa? Private Elevator? The Amenities Race Heats Up

As sales of multimillion-dollar condos and apartments cool, developers are adding more luxuries to lure buyers.

By Paul Sullivan

Aug. 30, 2019, 1:47 p.m. ET



Madison Square Park Tower, at 45 East 22nd Street in Manhattan, includes a lounge on the 54th floor with views of the city. Credit John Muggenborg for The New York Times

The luxury condominium and apartment market is in the midst of an amenities war. Pools, playrooms and yoga studios have become commonplace, forcing developers to offer even more lavish add-ons or risk losing prospective buyers willing to pay millions of dollars.

A residents-only restaurant on the 50th floor? A Boston development has that. Not to be outdone, a New York condo has a space on the 54th floor where residents can take their own chef.

Smart technology offers convenience at the touch of a finger, from smart lockers to apps for controlling speakers and lighting. Concierges and spas abound: for you, your car, your pet. But it's hard to beat the coolest option: cryotherapy, which immerses the body parts that ail you in freezing air.

As the market for luxury condos and apartments slows down, developers are adding more extravagant perks to try to draw buyers to these multimillion-dollar units.

Prices for ultraluxury condos in New York have been declining since peaking in 2016, [according to data from StreetEasy](#), a real estate site. The site found a mismatch between decisions by developers to keep building bigger, better condos and the number of people willing to buy them, causing a glut at the high end.



The gym at Madison Square Park Tower. In luxury condos, a gym is one of the top five amenities, along with a doorman, an elevator, a laundry room and a roof deck. Credit John Muggenborg for The New York Times

Workforce housing is in short supply, yet developers focus on ultra luxury because that is where they think they can make the biggest profit, said Jessica Lautz, vice president of demographics and behavioral insights at the National Association of Realtors.

“What we have in any market cycle when the talk turns to amenities are signs that sales are slowing,” said Jonathan J. Miller, president and chief executive of Miller Samuel, a real estate appraisal and consulting firm in New York.

Beauty, as the saying goes, is in the eye of the beholder. One buyer may covet a pet spa, but another wants a gym.

“During the housing bubble, one of the big amenities was the pet spa,” Mr. Miller said. “That branding gives you the impression of dogs and cats lounging in chairs by the pool with a drink and an umbrella. All it was was a slop sink in a closet.”

The additional value was negligible, he said.

Sometimes, location is a factor.



The lounge at Madison Square Park Tower is available to all residents of the building. Credit John Muggenborg for The New York Times

Richard Friedman, president and chief executive of Carpenter & Company, is developing two luxury hotel-condominium combinations, one in Boston and the other in New Orleans. The markets, he said, present different challenges.

Both projects are branded Four Seasons. But in Boston, he has included a 50th-floor restaurant just for the condo owners.

“I tell buyers: ‘Don’t build a dining room for 15 people. Just go up to the restaurant,’” he said. “You can smoke a cigar outside. Or the bartender will just have your drink ready for you at 5 p.m.”

In addition to the hotel amenities, the building will have a golf simulator, a private theater and a dog-walking service.

Mr. Friedman took a different approach in New Orleans. Instead of creating a restaurant on a prime floor with a view, he hid a speakeasy in the back of the building, where only those in the know would find it.

“We tried to make things that people in New Orleans would appreciate,” he said.

Some say the key is a curated collection of art in a building.

For Lee Mindel, an architect, the ultimate amenity was a shiny, beanlike sculpture at the base of 56 Leonard Street in New York’s TriBeCa neighborhood. The sculpture, by Anish Kapoor, looks like something Superman might have wedged under the building to keep it from toppling over. Mr. Mindel used the sculpture, which was outside his window, as inspiration to design his apartment.

“My apartment won best New York apartment of the year,” he said of an interior design award he received this year. “It took advantage of an amenity most people would have overlooked.”



The library at Madison Square Park Tower features a spiral staircase. Credit John Muggenborg for The New York Times



The tower’s club room features a billiards table and a landscaped terrace. Credit John Muggenborg for The New York Times

Raymond Chalmé, the developer of 40 Bleeker in the NoHo neighborhood of Manhattan, tried to be cognizant of saddling future owners with too many amenities.

“I didn’t want anything that seemed like it was trying too hard,” he said of the building, where apartments cost about \$2 million for a one-bedroom but go up to \$18 million for a penthouse.

But he wanted a theme: wellness. Instead of putting in a spa, he leased space to [Clean Market](#), provider of cryotherapy, acupuncture and IV drips to re-energize residents after a big night out.

“It has this exclusivity, but you’re not paying it,” he said.

What holds value is not a bonanza of amenities; it’s classic design and a sense of history.

The ultraluxury units that appreciated at the highest rates from 2007 to 2017 were in [classic Manhattan buildings like the Dakota and the San Remo](#), said Nancy Wu, an economist at StreetEasy. New condos have appeared on the list but have dropped off.

But core amenities still matter. Ms. Wu said the top five — doorman, elevator, laundry, roof deck and gym — added about 20 percent to the purchase price and 20 to 30 percent to the rent an owner can charge.

Breaking out the value of other amenities, though, is difficult, Ms. Wu said. “It’s hard to say which amenity is adding or taking away value because there are often so many amenities bundled together,” she said. “If they have a climbing wall, they probably have a yoga studio, too.”

She said there was one exception: Private elevators, which let owners zip up to their penthouses without mingling with the masses, are highly sought after.

Other privacy perks are popping up. In the New Orleans development, Mr. Friedman added a private package room, so neither the pizza boy nor the FedEx delivery man would have a window into the lives of the residents.

But it's worth noting that tastes change. Pools, while essential in Miami or Los Angeles, may be making less of a splash in New York. Ian Bruce Eichner, a Manhattan developer and the founder of the Continuum Company, said he had to choose between a pool and a parking garage for [Madison Square Park Tower](#) on East 22nd Street.

"You have an indoor pool and typically six people use it," he said. "We've got 82 units here."

So he went with parking, albeit just 16 spaces. "People who can afford a \$20 million apartment, they have cars," he said. "Not one single person said: 'Do you have a pool? Oh, we're not coming here.' But if I didn't have parking, I would have lost people."

To park the cars, residents need only to press a button: A plate comes out, the driver puts the car on it and the plate parks the car without any human input.



The entrance to Madison Square Park Tower, which offers amenities like a doorman. Credit John Muggenborg for The New York Times

In a nod to people in the multimillion-dollar apartments on the lower floors with no parking space, Mr. Eichner added a lounge on the 54th floor. The 1,700-square-foot space could have been a \$15 million three-bedroom apartment; instead, it's a space for entertaining that anyone in the building can use.

In the end, buyers just want the most spacious apartment they can afford.

When Alex Tao, who owns an advertising agency, looked at options in Hollywood, every building had a pool, which he figured he would not use often. One had concierge laundry service; another had valet parking.

But the apartment he chose was more spacious for the same price as those in other buildings, and it had an extra loft space that he could make into an office.

"All of those buildings had the same amenities," he said, "but this apartment had a completely different layout that you wouldn't get anywhere else."