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MICHAEL APPLETON FOR THE NEW YORK TIMES

NEWISH Mathieu and Monica Schepard, with Samantha, 5, sought an almost new apartment. They bought a loft in a five-year-old conversion, 15 Broad Street, opposite the New York Stock Exchange.

Mint Condition, Low Miles

By TERI KARUSH ROGERS

THESE days, anxious New York City developers are marketing as fast as they can, churning out flash-animated Web sites, glossy brochures, and smooth (if hollow-eyed) agents hawking sales incentives alongside Hansgrohe faucets.

Yet many buyers with a yen for modern buildings are turning to seasoned talent with proven box-office draw.

For them, nearly new is the new new.

"Everybody I've sold to this year has been looking at brand-new and decided they prefer to do nearly new," said Karin Posvar-Picket, a senior vice president at the Corcoran Group who has sold seven condominiums this year in the Metropolitan, a five-year-old building at East 90th Street and Third Avenue. "For a little less money, they know exactly what they're getting, and they can move right in."

Buyers say that there are distinct advantages to buildings that are two or more years old. One is that the building is likely to be sold out, so there's a better chance of securing financing. Many banks will not issue mortgages in buildings that are less than 70 percent sold.

Another is that they don't have to worry if the sponsor is going to finish the job or start renting out unsold apartments.

Savvy buyers are discovering that almost new trumps brand-new. The many advantages can include lower prices, easier financing and a stable building.

The buildings are also likely to have an observable community of neighbors; apartments with valuable custom upgrades like surround-sound wiring or $25,000 automated window shades; sellers who have more flexibility to negotiate than most developers; and a relative dearth of new-building kinks, including the torment of ongoing construction.

Mathieu Schepard recently agreed to pay around $800 per square foot for an 856-square foot loft at 15 Broad Street — a k a Downtown by Philippe Starck, among the first "designer" buildings to go on sale in the Financial District five years ago. Mr. Schepard found the investor-owned apartment with the help of Elie Pariente, the managing partner of Urban Sanctuary, a boutique real estate brokerage.

"Being in a newer apartment was important, but being the first one in wasn't," said Mr. Schepard, who feared, among other things, losing his down payment if he bought new construction and the developer went under. "We figured we would buy in as new a building as possible, but one that was already fully sold."

Mr. Schepard, 38, and his wife, Monica, 27, didn't care about the Philippe Starck pedigree. What mattered was that

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Mint Condition, Low Miles,


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SECONDHAND SHOPPERS "We definitely see more stability in the earlier buildings," says Milla Tonkonogy, who with her fiancé, Benjamin Hartner, is apartment-hunting downtown. Nelie Shah, top, also house-hunting, says: "I can't think of anything that new has that slightly older doesn't."

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the apartment can be divided into two bedrooms to accommodate them and their 5-year-old daughter, Samantha. Also of importance were the 382-unit building's family-friendly amenities — including a bowling alley, a basketball court and a swimming pool — all underwritten by modest common charges of $600 per month. Then there was the stroller-heavy population and the location next to their daughter's school. A further seducement was the unusually low sales price: The property was listed at $799,000, but the sellers accepted their offer of $692,000.

"There are at least 40 apartments for sale in the building, and they are not willing to budge on $1,000 per square foot," Mr. Schepard said. "Our seller agreed to $808 because they had bought it as an investment unit." (According to property records, the sellers bought the property two years ago for $595,000, or $702 per square foot.)

He did have one misgiving: The high inventory. "It did put up a red flag," said Mr. Schepard, who asked around for advice. "They said there's always going to be a certain percentage of apartments on the market regardless of the economy — like 5 percent — so this is an additional 5 percent."

In addition to insecurity over down payments, many buyers today believe that squeezed developers will inevitably cut corners on construction, finishes and amenities. Some, aware that common charges frequently escalate after a sponsor moves on, look for more certainty about monthly costs. Others seek to avoid the 1.825 percent transfer tax that buyers must pay on a brand-new condo. (In resales, the seller pays the tax.) And some are dismayed by tales of construction delays and chronically unheeded punch lists.

But not all nearly new buildings are equal, even if they sold at similarly breakneck speeds and lavish sums during the boom.

"Three years ago, you could sell a mediocre apartment almost as quickly as a fabulous apartment, if the price reflected it somewhat," said Michele Kleier, the president of Gumley-Haft Kleier. "Now, people are looking at the reality, as opposed to what they wanted to see, and what the developers wanted them to see. They are acting with their heads and wallets instead of their heart and emotions."

The heads-and-wallets school of purchase is developing its own guidelines: Too many renters are a turnoff. Fringe locations — glossed over in the boom years by developers who claimed that bad neighborhoods no longer existed — are a major turnoff. A building should not be top-heavy with amenities (for instance, a 50-unit building supporting a doorman and a pool). Classic-leaning design is preferable to ultramodern, while starchitect imprimatur is pretty much irrelevant.

Developments erected earlier in the boom, before 2007, tend to invite the most serious consideration.

"My buyers have found that construction quality went down as the boom years progressed," said Tom Demsker, who runs Demsker Realty, a specialist in downtown dwellings. "It seems like things were put together a little more hastily. We have seen issues like the leveling of the floor, the grouting of the tiles, the way the cabinets were hung, that lead you to believe things were probably done faster than they should have been."

Earlier vintages tend to have larger bedrooms and sensibly restrained common areas; sellers are potentially more negotiable; and lawsuits against developers are usually over and done with. And early-boom buildings tend to have fewer investor-owned apartments.

"We definitely see more stability in the earlier buildings," said Milla Tonkonogy, who is looking for a one-bedroom apartment downtown for under $900,000, and favors the 2005-06 crop in part because of the less transient population. "You get a lot of owners living there, whereas a lot of later buildings seem to have more investors."

Ms. Tonkonogy and her fiancé, Benjamin Hartner, intended to buy new construction until they applied for loan prequalification.

"Our lender was much more antsy about new construction than we are," said Ms. Tonkonogy, who works in corporate finance. "That spooked us because they know a lot more about this than we do. We're much more willing to trust a lender who really has their money on the line long-term, versus the sponsor who just wants to get out."

She and Mr. Hartner, both in their 30s, have looked at apartments in several downtown conversions, including 56 Pine, 80 Chambers Street and 71 Nassau Street.

"For the most part, they're in fantastic condition," she said. Helped by a tax abatement, "their common charges have been stable. And they typically have the same amenities as the newer ones — 24-hour doorman, fitness center, sometimes a common area like a lounge or roof deck— except the common spaces are smaller and less hotel-quality. We're looking more for value than those types of amenities, so the older buildings definitely make sense."

The couple are also mindful that sellers who bought earlier in the boom have a lower cost basis, and therefore are more likely to negotiate than later purchasers. But Ms. Tonkonogy noted that this has yet to translate into lower asking prices.

"In every case the apartments are still asking $1,000 per square foot or more, which is the same as new construction in a similar area," Ms. Tonkonogy said. She believes prices should be at 2003 levels now (around $550 to $600 per square foot for the kind of property they are interested in) and will eventually settle at 2001 levels, or about $400 to $500 per square foot.

Keith Burkhardt, the president of the Burkhardt Group, a boutique brokerage, says location is returning to the equation. "The market is kind of reverting to what it was like when I started in 1991," Mr. Burkhardt said. "In fringe areas like the Financial District, Hell's Kitchen, Harlem, Washington Heights, Inwood, parts of Brooklyn and Long Island City, I wouldn't advise buying unless the price was at least 25 percent below an established neighborhood. Those neighborhoods are going to wind up settling well below $700 per square foot."

Buyers, no longer stampeded into purchases by runaway prices, can afford to be picky.

Worried about financing problems and potential corner-cutting, and appalled by "outrageously priced" new development, Nelie Shah recently started shopping for a preowned two-bedroom two-bath condo. She is impressed by the mint-condition properties she has seen.

"Sometimes the taste is not completely mine, but they have nine-foot or higher ceilings, generally nice bathrooms, Sub-Zero refrigerators, and sometimes playrooms," said Ms. Shah, who is in her 30s and the president of Nothing Falls Short Marketing, a market research company. "I can't think of anything that new has that slightly older doesn't."

But many of yesterday's hot buildings, like many of today's struggling ones, were built a little too far off the beaten path for her liking.

For example, the Metropolitan, at East 90th Street and Third Avenue, had "an elegant lobby and seemed very new," she said. "The ceilings are high and it had big windows. But I'm not sure I want to be as high as 90th Street."

Her broker, Ms. Posvar-Picket, also took her to the Arcadia, at East 79th and First Avenue, but that felt too far east. The Hudson, on West 60th Street near Amsterdam Avenue, was too far west, while the Campiello, on West 17th between the Avenue of the Americas and Seventh Avenue, was a better fit for Ms. Shah, who likes to socialize downtown. But with so many properties to choose among, she is still looking.

Even as developers and buyers downplayed the importance of location during the late boom, they engaged in an amenities arms race. But today, building bling is more likely to provoke a shudder than a thrill.

"Everything is changing, from being over the top to what do I really need? Do I really need a sommelier in my building? Do I really need a cooler downstairs for my Fresh Direct that might require repair?" said Iman Bacodari, a vice president at Prudential Douglas Elliman. Moreover, buyers are weighing whether there are enough units to support the amenities at a reasonable cost.

Buyers in pursuit of properties under $3 million are especially amenity averse. "They're not looking for a gym and a pool and all that hoopla," said Colleen Dwinell-Power, an associate broker at DJK Residential. "They're really searching for value, lower common charges and more square footage."

Indeed, Mr. Pariente said, the almost new buildings with the most sex appeal flaunt an alluring set of financials. He said the interest in the numbers coincided with tightening lending standards last fall.

"People ask for minutes and financials on the spot," he said. "That never used to happen before. Buyers have become much more educated about the whole health of a building."

Think of It as New to You

ONE reason that buyers are avoiding new construction these days is the challenge of securing a mortgage when the building is less than 70 percent sold. But buyers in almost new buildings court similar heartache if too few units are occupied by owners.

"A lender may say they can only offer 60 percent financing, instead of 80 percent, because there are too many sponsor or investor-held units," said Luigi Rosabianca, a real estate lawyer at Rosabianca & Associates in Manhattan.

As a rule of thumb, look for a building that is at least 75 percent owner-occupied. You can check out the number of properties for rent and for sale on Web sites like StreetEasy.com, but there can be significant overlap in the way they are listed. For the definite figure, ask the building's managing agent.

A high owner-to-absentee ratio can also be important to the quality of life. Owners tend to take better care of the building. Moreover, Mr. Rosabianca said, with too many absentee owners, "you lose that sense of community. There's something to be said for the security of knowing who your neighbors are."

Certain neighborhoods tend to attract more absentee-owners.

"The buildings that tend to be investor heavy are typically condos in areas that are less residential or lack neighborhood amenities and conveniences," said Sofia Kim, the head of research for StreetEasy.com. "Buildings in the Financial District or in Midtown are clear-cut examples where there were many investor and pied-à-terre buyers."

Buyers should also look into whether the building is fighting any lawsuits against the sponsor. Expensive legal fees can translate into hefty assessments.

"The fighting often happens in the first two years," said Allison Scollar, a real estate lawyer with Guzov Ofsink in Manhattan. "You also want to see if the construction is done well. Developers did a lot of it so quickly, to get out and make as much money as they could, that the roof leaks or the boilers may not be as big as they should be, or the air-conditioning isn't cool enough."

It's also a good idea to see if the prospective neighbors are happy: A history of sales within a building — from one resident to another — is an excellent sign of satisfaction.

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