

Real estate history made in Boston's Back Bay, masterminded by real estate guru Louise M. Sunshine

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Handout: Bryant Back Bay

Up to \$20 million of luxury homes in Boston's Back Bay were sold in under an hour, making real estate history.

Real estate history was made last Saturday in Boston's Back Bay when up to \$20 million of luxury homes in the same building were sold in less than an hour. Never before in the United States had an auction for multiple condominiums in one building with minimum bids starting near \$1.075 million fetched final prices averaging more than \$1.35 million.

The event was masterminded by Louise M. Sunshine, the New York City-based real estate guru who started her career 35 years ago heading up Donald Trump's marketing department before founding the Sunshine Group and inventing strategies to sell high-end Manhattan condominiums. It may have proved that luxury condo auctions can determine value and close the gap between developer and buyer.

The 10 homes on sale at the 50-unit Bryant Back Bay building sold in 25 minutes.

Immediately afterward, the sales team from Campion & Company sold four additional homes to auction attendees at similar prices, about \$1.4 million. By yesterday, six more offers filtered in with the highest allegedly hitting \$2 million.

“This auction will lead to five to six luxury auctions to come in New York City,” says Sunshine, whose new company, Domineum, specializes in repositioning, marketing and asset managing condominium projects. “We have set a new standard for how to move inventory in the luxury market. This was totally, absolutely, gigantically brilliant.”

Although this might be regarded as hype, at least one New York expert believes Boston will eventually be seen as a market-shifting event.

“It’s a big number, and they moved a lot of real estate in a very short period of time,” says Jonathan Miller, founder of New York’s Miller Samuel, an appraisal and consultancy company. “It’s inevitable that New York will see this phenomenon. Developers did not budget having this much luxury product unsold when they asked banks for loans 18 months ago. They have to do something to get rid of it.”

The building is owned by Vornado Realty Trust, a multibillion-dollar Manhattan-based real estate company with holdings all over the United States, including 22 million square feet in New York City.

The importance of the event was underlined by the attendance of Vornado Chairman Steven Roth, who took a risk placing so many units on the block. Poor results could have harmed the building’s future sales and lowered prices for nearby apartments in similar buildings.

The auction places Vornado, which, it was recently revealed, has a cash reserve of \$2.8 billion, at the forefront of the growing trend toward luxury auctions.

Asking prices for the two- and three-bedroom homes at Bryant Back Bay reached \$1.7 million to \$2.2 million last year. Auction buyers paid prices starting at \$1.35 million for 1,767-square-foot units. Local brokers from competing buildings attended.

Despite Boston reports that the auction was not a success because prices paid were more than 25% below previous asking prices and well-below the six-month \$1,114-per-square-foot average price for condos costing more than \$1 million in the Back Bay, the buyers, developer and auction team view the results as groundbreaking for the luxury sector.

“Anyone who says this auction was not a success is jealous,” says an auction-day buyer who lives around the corner from the current building. “You have to understand buyer psychology. As buyers, we want a good price. For high-price units in this beautiful building to go at these prices is a very a good deal. This auction called so much attention to the building I think it will be sold out by December. Considering the economic situation in this country, what these guys have done is fantastic for real estate anywhere.”

During the six months leading to the auction, just 53 condos had sold in the Back Bay neighborhood for over \$1 million. The auction was watched closely by national banks that have taken over buildings from developers unable to maintain loan payments because of declining sales.

“This was never about Boston,” says Paul Sunshine, Domineum’s president and Louise Sunshine’s son. “There are five years of condominium inventory vacant across the world. This was about New York City, and Miami,



Reynolds for News

From left, Louise Sunshine, Tracy Campion, center, and John Gollinger right, confer during an auction

Las Vegas, Moscow or anywhere else. This is the strategy for right now. We proved that.”

Vornado hired Domineum to reposition the Bryant Back Bay last December. A no-nonsense, performance-oriented executive known as a global marketing sensation, Ms. Sunshine immediately fired the sales team and installed Boston’s Campion & Company as the new broker. She contracted renowned architect Klaus Fuchs to redesign the lobby, and installed a full-time, live-in executive assistant to help owners with anything from finding tutors for their children to financial transactions.

“The idea of hiring a live-in person to handle the needs of every buyer distinguished this building from any other in Boston,” says Louise Sunshine, 69. “We created an immediate identity.”

Domineum went the auction route teaming with Boston-based Accelerated Marketing Partners. Louise Sunshine had worked with Accelerated founder Jon Gollinger in the New York City area, holding successful auctions during a recession in the early 1990s.

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