

# THE REAL DEAL

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## Eight questions for Kelly Kennedy Mack



Kelly Kennedy Mack

*Mack, 36, is president of Corcoran Sunshine Marketing Group. Specializing in the planning, design, marketing, and sales of luxury residential developments, the company has generated over \$9 billion in sales since she became president in 2006. Mack earned her MBA at New York University before joining Corcoran Sunshine, where she became executive vice president in 2004. Last year, Mack was named the first-ever Distinguished Young Alumna by New York University.*

### **Which of your buildings are seeing the most activity right now?**

There are more than 30 actively selling developments in our portfolio, and we did deals in almost every one in the first quarter. Three buildings seeing exceptional sales velocity are Chelsea Enclave [at 177 Ninth Avenue], Chelsea Modern [at 447 West 18th Street] and 311E11: Village Green, [at 311 East 11th Street], which is already 70 percent sold prior to its first closing. [The Rushmore](#) continues to be the best-selling property represented by Corcoran Sunshine, with over \$44 million in sales so far in 2010.

### **Which neighborhoods are the most popular?**

Two of our most active buildings are in West Chelsea. Over the past four years, West Chelsea has become one of Manhattan's most important development frontiers, and the High Line is the single greatest contributing factor. The Upper East Side is very popular with new development buyers because it offers a lot of choice. New development supply is high, about four and a half years at current absorption levels. But unlike other areas with a lot of inventory, the Upper East Side is fully-established, proven, and desirable. And its supply is decreasing -- inventory in the area dropped by almost 20 percent in late 2009. With few buildable sites, the neighborhood actually has the least future pipeline when compared to Downtown, Midtown, and the Upper West Side.

**There have been few new projects coming to market in the past few quarters. When do you see that changing?**

Zero new developments opened for sale in fourth-quarter 2009, and just one building in Manhattan opened in the first quarter of this year. That means that fewer than 100 new units have been introduced to the market in the past six months. In the near future, we are opening three new developments, all close to immediate occupancy-- the Dillon, [123 Third Avenue](#), and a third Downtown project that we'll be very excited to tell you about soon. We're also currently working with developers on a handful of very important projects, all in the planning and design phases. So a limited return to large-scale residential development is imminent, but sales are at least a couple of years away.

**What are some of the incentives being offered to buyers at new developments now? Where are the best deals being offered?**

Within our portfolio, we aren't seeing a return to the buyer incentive programs instated in late 2008 and the first half of 2009. Sales volume is strong, and the pricing expectations of buyers and sellers have continued to narrow -- in fact, market-wide in [the] first quarter, buyers were able to negotiate discounts of 6 percent from last asking price to sale price compared to 10 percent in the same period a year before. Neighborhoods with a condition of oversupply, particularly in outer boroughs, are more likely to engage in incentive programs.

**Which amenities are popular in new buildings today, and how has that changed over the past year?**

Amenities still create value -- that hasn't changed. The strength of sales at a building like the Rushmore, one of the most amenitized buildings in Manhattan, demonstrates that new development buyers still want the complete package. That being said, are there other developers who are scaling back on amenities during predevelopment? Some are.

**Corcoran Sunshine has several projects in South Florida. Which one is having the most success?**

In one of the most challenging markets in history, [One Thousand Ocean](#) has garnered the highest prices-per-square foot ever achieved in Boca Raton. When closings began in February, we had already sold an extraordinary 62 percent of the building during presales. In the past five months alone, [One Thousand Ocean](#) sold over \$34 million in property, which represents 25 percent of its entire sales volume.

**How is the marketing strategy different in South Florida than in New York?**

The purchase-decision timeline is much longer in South Florida. The typical buyer at One Thousand Ocean has visited 11 times and contemplated their decision for 14 months. Extreme diligence, patience, and relationship-building have been integral to our sales strategy for this development.

**What can you tell us about your upcoming new developments?**

The Dillon, located at 425 West 53rd Street, has already received an award from the American Institute of Architects. Offering one-bedroom residences through triplex townhomes with private garages, prices will start from the low-\$700,000s. [And 123 Third Avenue is an 18-story new construction condominium at 14th Street. One-, two-, and three-bedroom penthouse residences](#)

will be offered from the high-\$500,000s.

Compiled by [Candace Taylor](#).

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