

# Views From the Top of the World

By Sanette Tanaka April 24, 2014



David Arditì observes the view from his 20th floor penthouse in Miami's New Wave Condominiums. *Cristobal Herrera for The Wall Street Journal*

Buyers are paying top dollar for penthouses with impressive views. A Brooklyn homeowner's penthouse overlooks the Manhattan skyline; a Chicago homeowner has views atop the highest U.S. residential tower. Photo: Claudio Papapietro for The Wall Street Journal.

It's getting more crowded at the top.

Owning a piece of a skyscraper's top floor—where your closest neighbors have feathers—is the pinnacle of real estate. Penthouses make up less than 1% of real-estate listings, but their average price a square foot is 84% higher than that of similar, nonpenthouse units, according to an analysis by real-estate website Zillow.

The word itself will cost you. Simply having the

## Penthouse Listings





## **\$50 million** **Manhattan**

4 bedrooms, 4½ bathrooms

This duplex penthouse spans 7,693 square feet and features a stone fireplace and Jacuzzi whirlpool tub. A three-story metal floating staircase leads to a rooftop solarium with more than 2,200 square feet of terrace space. Agent: Dolly Lenz of Dolly Lenz Real Estate LLC

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## **\$7.995 million** **Santa Monica, Calif.**

3 bedrooms, 3½ bathrooms

This 3,235-square-foot penthouse in the Waverly features two private terraces. The great room has views of the Pacific, mountains and city. The master suite has two walk-in closets and a spa bath. The unit will be available in the summer. Agent: Mary Ann Osborn of Related Companies

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designation of "penthouse" in the listing can result in a sale premium of 5% to 10%, says Jonathan Miller, a New York City-based appraiser and president of Miller Samuel Inc.

Now, the word "penthouse" is being applied to all sorts of condos—even those on lower floors—and it's not uncommon to see multiple penthouses stacked on top of one another. Echo Aventura, a new development in Miami by Property Markets Group and JDS Development, will sport 18 penthouse units when it is completed in 2015, and Trump Place at 120 Riverside Blvd. in Manhattan has 44 penthouses.

Mark Zilbert, president and CEO of Miami-based Zilbert International Realty, draws a distinction between penthouse-level and penthouse-style. "Penthouse really just means ultraluxury. I know people in high buildings who say, 'Come visit my penthouse,' and it's not a penthouse," he says.

He adds that lesser penthouses are sometimes differentiated as "lower penthouses" and top units are dubbed "super-penthouses" or "tower suites."

The penthouse first emerged around the turn of the 20th century and referred to a simple rooftop structure that housed equipment and allowed access to the roof, says Andrew Alpern, an architectural historian and author of "Luxury Apartment Houses of Manhattan: An Illustrated History." Wealthier individuals lived on lower floors, with the top level reserved for maids' quarters and laundry rooms.



**\$32 million**

**Chicago**

5 bedrooms, 7½ bathrooms

This 14,260-square-foot home on the 89th floor of Trump International Hotel & Tower is the highest residential unit in the western hemisphere. Includes a media room and exercise room. Agent: Chezi Rafaeli of Coldwell Banker Residential Brokerage

As elevators became more common, the wealthy began to gravitate toward higher floors to escape the noise and smog and to get better views, Mr. Alpern says.

In time, an entire penthouse industry emerged. "By the last boom, of 2003 to 2007, it was game on. For many developers, the penthouse and the upper floors are the profit," Mr. Miller says.

Last year, two triplex penthouses in Miami Beach, Fla., sold for a record \$34 million, according to news reports. In January, a penthouse in Manhattan's Walker Tower sold for \$50.9 million.

But as the number of penthouses on the market proliferates, their value could decline. Mr. Miller warns that the penthouse cachet works in part

because they are so exclusive, and oversaturating a building with penthouses may dilute the premium.

As it stands, buyers' desire for penthouses seems to be holding strong.

"This is the crowd that wants the best and has the resources to buy what they want to buy," Mr. Zilbert says. "Of all the millionaires and billionaires in the world, it just takes one" buyer.

## Top penthouse sales in 2013-14 for Manhattan:

**Walker Tower** 212 W. 18th St.

*\$50.9 million*

*(\$8,114 per square foot)*

**One Madison** 23 W. 22nd St.

*\$43 million*

*(\$6,279 per square foot)*

**18 Gramercy Park South**

*\$42 million*

*(\$6,636 per square foot)*

**135 East 79th St.**

*\$23.4 million*

*(\$4,605 per square foot)*

**135 East 79th St.**

*\$22.4 million*

*(\$4,200 per square foot)*

Source: CityRealty; condo data as of April 23

## View from the Top

Zillow combed through listings to look at penthouse stats in major cities in 2013.

	% of listings	Avg. list price	Avg. price per square foot for penthouse, compared with non-penthouse	Avg. number of penthouses per bldg.	Median square footage
<b>New York</b>	5.1%	\$5,213,295	96.2%	2.6	1,240
<b>Los Angeles</b>	5.4%	\$1,259,916	11.0%	2.1	1,520
<b>Chicago</b>	5.1%	\$913,177	62.0%	2.1	1,400
<b>San Francisco</b>	7.4%	\$2,095,973	27.6%	1.5	1,526
<b>Boston</b>	12.2%	\$1,208,722	-2.2%	1.5	1,100
<b>Seattle</b>	4.9%	\$1,260,786	35.6%	1.6	1,350
<b>Denver</b>	3.4%	\$806,537	64.6%	1.8	1,286
<b>Las Vegas</b>	3.3%	\$2,507,262	183.8%	2.4	1,666
<b>Miami</b>	4.7%	\$1,673,055	112.8%	2.6	1,370
<b>National</b>	0.2%	\$662,684	84.1%	1.6	1,327

Source: Zillow

Note: Listings with the word "penthouse" in listing descriptions