



The Price of Sights: How Much More You'll Get for Views of City Landmarks

Buyers are willing to pay premiums to have iconic places out their windows, but market forces also affect the price



An apartment in New York City's Walker Tower features two master suites with Empire State Building and Statue of Liberty views.

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Whether it's a glimpse of the Statue of Liberty, a panoramic look at London's historic buildings or the sight of Sydney's Harbour Bridge, views of iconic landmarks are a sought-after amenity in any city.

Those views are expensive, however. What buyers see out of their floor-to-ceiling windows could make or break a deal, as well as add up to a 30% premium on the price, according to experts from New York, London and Sydney.

"If the apartment is facing a stunning landmark, that's a rarity and it becomes a commodity," said Gea Erika, principal broker at New York-based ELIKA Real Estate, which advises buyers only.

Limited supply can drive up the price, but there's also an emotional element to the decision, he added. That can make it difficult to pinpoint exactly how much an iconic view of a city can add to the price of a pad.

Premium views could be up to £2,000 (US\$1,830) more per square foot in London, according to Simon Garcia, the London-based director of Quintessentially Estates, a luxury real estate group. Buyers could end up spending £1 million to £2 million more.

In New York, Vickey Barron, a New York-based broker with Compass, said she's been able to add as much as US\$5 million to the price of an apartment because of its one-of-a-kind views.

But because enviable vistas can be seen as a "discretionary" amenity, the overall health of the market makes a big difference in pricing, according to Mr. Erika.

"The market has to be behind you," he said. "Today's view is only as good as the overall market."

As the high-end market softens, buyers can negotiate better deals, even when there are killer views, he said. And when the market gets stronger, the owner will have an asset to leverage in terms of the resale price.

Paying for the 'Experience of the City'

Still, buyers want the full experience of the city, whether that's in New York or on the other side of the world, and they are willing to pay for it.

"We call it the Sydney experience," said Mary Lin of Sydney Sotheby's International Realty. "Buyers, especially foreign buyers, want views of the Harbor Bridge, the Sydney Opera House, the city skyline and the water so

they can truly have that experience. It's like when you go to Paris, you want to see the Eiffel Tower, or, in New York, you want to see the Statue of Liberty."

It's the same in London, according to Mr. Garcia.

His clients want to see the best of the city from their flat. That includes the London Eye, Big Ben and the House of Parliament to the south, as well as the skyline to the east, with modern buildings like the Shard or the Leadenhall Building (aka the Cheesegrater).

That's especially true for Chinese and other foreign buyers, he said, adding that they also like the "royal connection." Those customers are often looking for homes with close proximity to the Houses of Parliament or Buckingham Palace.

One development that fits the bill is the Clarges Mayfair, said Mr. Garcia, who primarily works with buyers. There, a residence with expansive views of London could sell for £7,000 per square foot, whereas a similar unit without the views might be in the mid-£5,000s. The building has all the views clients want, he added, from Big Ben to the Shard.

Park Views Drive up Prices

Parks can be just as much a landmark as a historic building, according to Mr. Garcia. Homes around urban green space are also limited, and often command higher prices.

"As outdoor space becomes more scarce, homes with views of green space command a premium," Mr. Garcia said. And buyers know the city's famous parks aren't going anywhere, which means their views aren't either.



Perched atop a San Francisco skyscraper, this penthouse offers views of iconic landmarks. The home is currently listed for \$16 million. *JACOB ELLIOT/SOTHEBY'S INTERNATIONAL REALTY*

In New York, properties on the park have cache for similar reasons, according to Mr. Elika.

“Being across from Central Park adds an incredible emotional dynamic to the apartment,” he said. “It's just like having a piece of art changing in front of you all year long.”

Views of historic landmarks like the Statue of Liberty (which “always makes people smile,” Mr. Elika noted) or the Woolworth Building are also on buyers’ lists, as is the ultramodern downtown skyline.

And although there are many factors that go into pricing a home, the view is certainly an important one.

“Valuation-wise it's a pretty broad spread,” according to Mr. Elika. “But a view could add anywhere from 10% to 25% [to the price.] Maybe even 30% when it comes to Central Park.”

Ms. Barron said clients are always asking her how much their homes are worth, and she tells them it has a lot to do with what’s outside.

“I have to step foot in the apartment to see what I am looking at when I look out the windows,” she said.

And if for some reason a buyer doesn't seem that concerned with the view, she makes sure to point out how important it can be when they go to resell the unit.

"I always tell them, 'I'm helping you get into this apartment and I'm going to help you get out.' And the views definitely affect the value and the resale value," Ms. Barron explained.

An amazing vista doesn't necessarily mean the penthouse, she added. She has sold apartments on lower floors that look out onto the beautiful details of some of the city's historic architecture for more than otherwise similar units on higher levels.

"The apartment doesn't have to necessarily clear the building as long as there's a beautiful building next door," she said. "Who doesn't want to look at 1920s, Art Deco buildings that were done so well?"

She pointed to the Walker Tower on West 18th Street, where she is director of sales. Condominiums there can have views of everything from the Hudson River and the Statue of Liberty to One World Trade Center.

She's currently representing a duplex on the 15th and 16th floors there that's priced at US\$27.8 million. Although the unit has the latest amenities, the views push the prices up considerably, she said.

"Without those views, we wouldn't be able to get those prices," she said, adding that deals could be for as much as 40% less.

Other Factors That Increase Value

Terraces or balconies with views of the city command an even higher premium, Ms. Barron said. An apartment with an open outdoor space above the historic buildings of the city could go for millions more than a similar space without the deck.

In Australia, some buyers bite on properties based on location and view alone, Ms. Lin added. She recently sold a home on Vaucluse, an eastern suburb of Sydney, for A\$10 million (US\$6.97 million). The bridge is just across the harbor from the property.

"The house needed a severe renovation," she said, estimating that the price would have been more like A\$20 million if it had a modern high-end home on the property. "It was purely bought for the location and view."