

THE LUXURY MARKET

Settling for a \$30,000-a-Month Penthouse

By Matthew Sedacca, a Curbed writer who covers New York City

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A number of wealthy apartment buyers anxious amid the recent market uncertainty and tariffs news are settling these days for luxury rentals in New York City. Photo: Anthony Devlin/Getty Images

Bill Kowalczyk was a little surprised by the interest he saw in a recent Boerum Hill listing. The five-bedroom, three-bath townhouse on State Street — priced at nearly \$22,000 a month — received seven queries in three days, and three of them applied. “I don’t normally get that many people,” he says, “because you’ve got to make a million or more.” So what explained the bump in millionaires looking to pony up a mortgage payment in rent every month? According to Kowalczyk, a broker at Coldwell Banker Warburg, the people he’s talking to right now are wealthy enough to buy something respectable but currently too anxious to commit.

Brokers working at this end of the New York City market, both in luxury rentals and sales, are seeing a number of their clients getting scared off their real-estate plans by the economic chaos of the moment. The wild market swings caused by Trump’s “Liberation Day” tariffs announcement along with skepticism about the potential return on current real-estate investments has given the city’s mid-tier rich some pause. “That \$3 to \$7 million market gets spooked very easily,” Michelle Griffith, a Douglas Elliman agent, tells me. According to Griffith, this is a segment of buyers who may still be financing part of their purchase, and probably pulling money out of the stock market as well for down payments. Rich, but not *rich rich*. “So the minute there’s any level of uncertainty, what do they do? They say, ‘Okay, we’re going to sit on the sidelines.’” Data from the real-estate analytics firm UrbanDigs might bear this out: The number of Manhattan apartments rented for \$20,000 or

more last month jumped 28 percent compared to April 2024; the firm found a roughly 30 percent increase in these luxury units being rented out so far this year versus the first four months in 2025.



Griffith has also noticed a pattern in the luxury rental inventory she's listing, like a \$30,000-a-month penthouse at 16 Jay Street: A lot of the interested renters "were represented by brokers who had also come in to see my sale listings," she says. They "were coming to look at both." Corcoran broker Deborah Rieders says she's been seeing something similar: A lot of calls have been coming in about her townhouses and condos "in the good Brooklyn neighborhoods" — each listing for \$7 million or higher — but they are from clients asking if the seller would consider renting. "I think that they're using a little bit of their fear as an excuse to think that they can sort of test out a neighborhood before they live there," she tells me. Have sellers been open to the idea? "These are beautiful properties that are very turnkey and most people don't want to have a tenant in there mucking up the property," she says.

So: cold feet or just some spring-market weirdness in a market that's prone to being weird? Multimillion-dollar sales *are doing just fine*, after all. Donna Olshan, who tracks the Manhattan luxury market, says that following a brief panic-driven plunge in contract signings the week of the initial tariffs announcement, there have been 516 contracts for sales of \$4 million and higher through May 4 — up 13 percent from the 457 signed during the same period in 2024. “The luxury market has shown impressive resilience,” she tells me. As always, there are many markets inside the market, like little economic microclimates. Some multimillionaires are feeling skittish with all this uncertainty, sure, but others aren’t. “It’s a buyers’ market right now,” Griffith tells me, noting that many of her clients in this still-financing class have instead responded to the recent economic turmoil by becoming “a little more aggressive” on landing deals. Another Douglas Elliman agent, Keyan Sanai, tells me some of these merely rich buyers might be using the looming threat of tariffs, even as the stock market appears to be rebounding, as a justification to delay purchasing while they figure out their long-term plans. “The bottom line is more and more high-net-worth people are renting,” he says. “They have more disposable income, and they also don’t want New York to be their main residence for tax purposes.”

For his part, Kowalczyk rented out the State Street townhouse in less than two weeks — and even managed to secure some concessions from the tenant. There are now steep penalties included in the deal if the tenant tries to break the lease before the two-year contract is up. That means, even if buying conditions improve, the tenant is fairly locked in. A little insurance against uncertainty never hurts.

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