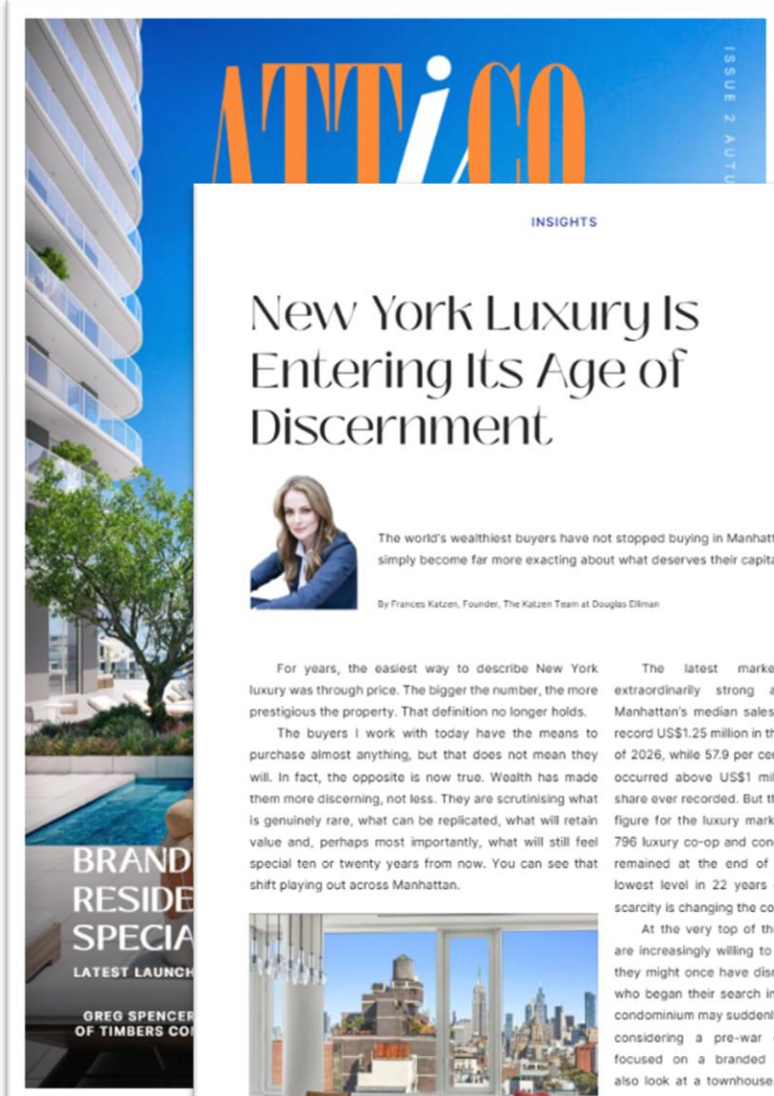


New York Luxury Is Entering Its Age of Discernment

The world's wealthiest buyers have not stopped buying in Manhattan. They have simply become far more exacting about what deserves their capital.

By Frances Katzen, Founder, The Katzen Team at Douglas Elliman

For years, the easiest way to describe New York luxury was through price. The bigger the number, the more prestigious the property. That definition no longer holds.

The buyers I work with today have the means to purchase almost anything, but that does not mean they will. In fact, the opposite is now true. Wealth has made them more discerning, not less. They are scrutinising what is genuinely rare, what can be replicated, what will retain value and, perhaps most importantly, what will still feel special ten or twenty years from now. You can see that shift playing out across Manhattan.

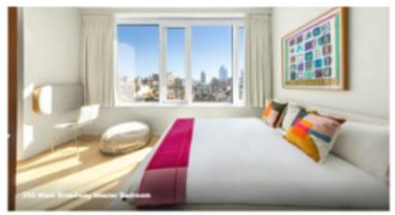
The latest market data looks extraordinarily strong at first glance. Manhattan's median sales price reached a record US$1.25 million in the second quarter of 2026, while 57.9 per cent of transactions occurred above US$1 million, the highest share ever recorded. But the more revealing figure for the luxury market is supply: just 796 luxury co-op and condominium listings remained at the end of the quarter, the lowest level in 22 years of tracking. That scarcity is changing the conversation.

At the very top of the market, buyers are increasingly willing to cross categories they might once have dismissed. Someone who began their search insisting on a new condominium may suddenly find themselves considering a pre-war co-op. A buyer focused on a branded residence might also look at a townhouse. The question is becoming less about the label attached to the property and more about whether the asset offers something that will be difficult, or impossible, to reproduce.

That helps explain the renewed interest we are seeing in New York's great co-operative buildings. Many occupy locations that simply cannot be recreated. They offer scale, ceiling heights, plaster walls, detailed cornices and mouldings, gracious layouts and proportions from another era. In the best buildings, you are buying into a finite architectural product.

For an international buyer accustomed to newer condominium products, the co-op process can initially seem unusual. There are board requirements and restrictions that do not exist in the same way in many global markets. Yet some buyers are beginning to see that selectivity differently. A building in which owners have made a long-term commitment to its financial health, physical condition and standards can have enormous appeal to someone purchasing a true New York home rather than simply an investment vehicle.







New development still has an important place, but here too buyers are becoming more selective. A recognisable name alone is no longer enough. The strongest branded residences understand that hospitality must translate into something tangible: service, design, privacy, convenience and an experience that meaningfully improves everyday life. International buyers already understand this proposition because they move fluidly between cities, hotels, residences and private clubs around the world. When executed well, a branded residence can remove friction from ownership. When the branding is merely decorative, sophisticated buyers recognise that very quickly.



Frances Katzen

Frances Katzen, the founder and leader of The Katzen Team, frequently receives industrywide accolades for successfully negotiating and completing complicated deals. Frances consistently has made Douglas Elliman's prestigious top 10 list for highest grossing production in both sales volume and total transactions for the last decade. With well over $4 billion in total sales and consistently selling in excess of $350 million annually, Frances is a true powerhouse in the New York City real estate market.

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Townhouses represent another expression of the same desire for scarcity. Manhattan townhouse inventory fell nearly 40 per cent year on year in the second quarter, while the median sale price reached US$6.1 million. Some of that headline price increase reflects larger homes trading, but the underlying attraction is easy to understand. A townhouse offers something increasingly difficult to acquire in a dense global city: autonomy. Your own entrance. Your own outdoor space. Your own architecture. No shared corridor and, in many cases, a degree of privacy that even an extraordinary condominium cannot reproduce.

All of this is happening as owning luxury property in New York becomes more complicated. The new pied-à-terre tax has made the cost and structure of ownership an even larger part of the conversation for international and second-home buyers. Its rollout is currently the subject of legal challenges and significant debate, making this a particularly fluid moment for owners and prospective purchasers.

Policy matters. Taxes matter. Carrying costs matter. Sophisticated buyers are modelling all of them. But I would be careful about interpreting that scrutiny as a retreat from New York.

I work with buyers from the United States, Europe, Australia, the Middle East and elsewhere, and New York continues to occupy a very particular place in the global luxury market. People understand its constraints. They also understand its scarcity.

There are only so many apartments overlooking Central Park. Only so many great pre-war buildings on Fifth Avenue and Park Avenue. Only so many townhouses on the best blocks of the West Village or Upper East Side. And only a limited number of new developments will combine exceptional architecture, service, location and execution well enough to become the next generation of enduring New York addresses.

That is ultimately where I believe the luxury market is heading.The next era will not be defined simply by bigger apartments, higher prices or more recognisable brands. It will be defined by discernment. Buyers with extraordinary resources are asking harder questions about what is truly irreplaceable. And in New York, irreplaceability has always been the ultimate luxury. ■A

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