

REAL ESTATE

## Trump real estate loses luxury "luster" as New York prices drop: CityRealty

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*Trump International Hotel & Tower in New York. Image credit: Trump Hotels*

By SARAH JONES

President Donald Trump's polarizing political career appears to be impacting his namesake real estate brand, according to new data from CityRealty.

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In 2017, sales of Trump-branded condos in New York fell below the average prices for all Manhattan condos for the first time. While some of the decline can be attributed to a saturated market, the overall downward trend of Trump International Realty properties this past year also points to an effect from the presidency.

"The buildings' prices are not keeping up with luxury condo prices in Manhattan, so from a price perspective, they are not selling for the same amount as other luxury condos," said Gabby Warshawer, director of research and communications at [CityRealty](#), New York.

"By other measures that can't really be quantified they can still be seen as luxury: they are all full-service buildings with doormen and the like in great neighborhoods," she said. "However, there have been many other new luxury condos constructed in the past 15 years in Manhattan that have a different luxury aesthetic than Trump-branded condos, and most of those are selling for higher prices."

### Investment index

On average, CityRealty has classified Trump buildings as neutral investments based on factors such as sales per year, the location of the building and sales prices of condos in the area.

Only Trump Parc was deemed a good investment. The building, located at 106 Central Park South nearby to Central Park, saw average unit sales of \$1.3 million last year.

Since 2007, the building's average sale price has grown by 48 percent.



*Trump Parc. Image credit: Trump International Realty*

The second highest investment rating went to the Trump International, which was given a neutral score of seven out of 10. While its average price of \$4.3 million per condo places it above the typical luxury sale, the property has seen few sales in the last two years, and prices declined from 2016 to 2017.

Trump World Tower in the United Nations Plaza similarly saw a sales decrease from 2016 to an average \$4 million per apartment last year.

In all, despite prices in the millions, nine of 11 buildings studied saw their average sales decline in 2017.

The impact of the presidency on the real estate brand can also be seen in resident moves.

Located at Riverside Drive, Trump Place is looking into the possibility of removing the Trump name from its facade. The building's board has filed a lawsuit, asking a court to decide if a licensing agreement with the Trump brand requires the name to be visible on the property.

As the president's home, Trump Tower on Fifth Avenue has also seen Secret Service presence. CityRealty notes that prices for the building have fallen sharply over the last two years.



*Trump Tower in midtown Manhattan*

"Considering that nine of 11 Trump-branded buildings in Manhattan saw a downward trend in the past year, there

does appear to have been an effect," Ms. Warshawer said.

"It's difficult to say exactly what impact the Trump presidency will have on these properties in the coming year," she said. "But there is a lot residents and potential buyers should take into account when investing in a Trump property: potential lawsuits to remove the Trump name from buildings, Secret Service presence and more protests, to name a few."

### Trump trends

Outside of real estate, the effects of the presidency on the Trump Organization are being felt.

According to a study, hospitality group Trump Hotels has the widest gap in net favorability between Democrats and Republicans.

Topping Morning Consult's "Most Polarizing Brands in America" list, the hotel brand founded by President Donald Trump is looked at far more positively by those in his own Republican party. Throughout his campaign and first year in office, the politician's actions and words have been intensely controversial, impacting reception of his hospitality chain among those with differing political views ([see story](#)).

Hotels both in the United States and internationally managed by the Trump Organization have ended their relationship with the president's family's business, signifying that the brand has become toxic for the hotels' desired customers.

After the iconic hotel in SoHo in New York's Manhattan borough dropped the Trump Organization, another hotel in Panama began the process of stripping the Trump name from the hotel's association, after paying around \$32 million for the association. While President Trump continues to accrue near-daily controversies, the many brands that bear his name are beginning to feel the danger of continuing to associate with the man ([see story](#)).

"It's not immediately clear from this data how the Trump Organization could turn things around," Ms. Warshawer said. "If a new Trump-branded Manhattan condo were being constructed, its performance could be measured against the older buildings."