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RENDERING FROM WILLIAMS NEW YORK

The penthouse balcony at Steiner East Village, an 82-unit condominium being developed at East 12th Street and Avenue A. The apartments there will have ceilings over 10½ feet and five-piece master baths.

High-End, Not-So-High Prices

Smaller condos with luxury finishes in less costly areas cater to the merely affluent.

By KIM VELSEY

The mood on Billionaire's Row along 57th Street has turned grim of late, with condominium sales along the strip slowing to a near halt. Developers of superluxe skyscrapers are chopping up penthouses and, in some cases, scrapping plans altogether.

It's an entirely different story at 70 Charlton, a condominium by the Extell Development Company in Hudson Square, where more than half the apartments were priced under $3 million. Sales have been anything but sluggish there, with one-bedrooms, which started at $995,000, and two-bedrooms moving particularly fast.

It's a trend that developers and brokers say has been mirrored around the city: While the demand for $100 million mansions in the sky has all but vanished, sales at the other end of the new development market have been brisk.

"People will line up around the corner for an apartment for under $1 million," said Elaine Diratz, senior vice president at Extell Marketing Group.

As of June, condos priced $500,000 to $999,000 took, on average, 4.7 months to sell — substantially below the marketwide average of 8.6 months over the last 10 years. They sold more than five times as fast as condos over $10 million, which were moving at an average of 25.7 months, according to an analysis done by the appraisal firm Miller Samuel.

High-end buyers have not necessarily been exhausted, but you won't find many willing to pay prices from two years ago, said Jonathan J. Miller, the president of Miller Samuel. "Values dropped, but prices didn't," he said. "We're moving out of a mar-

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High-End, Not-So-High Prices

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ket that's solely focused on superluxury, and for the developers who can get the formula right, demand for entry- and middle-income new development — the heralded $1 million to $3 million — can't be satiated."

Value, a word rarely heard several years back when almost every developer in the city was looking to cash in on the trophy craze, is the catchword of the day. And though "affordable luxury," the industry's preferred term for such projects, is hardly an apt description for apartments that remain beyond reach for most New Yorkers, developers are finding a deep pool of affluent buyers who have spent the last several years shut out of a market that catered to the global elite.

While new developments, as a rule, try to fill their units with luxury finishes, those priced at the lower end often find an edge by offering smaller apartments in areas where new developments are otherwise scarce.

Apartments at 70 Charlton have high-end finishes in line with Extell's most elevated product, Ms. Diratz said, and amenities like a saltwater swimming pool and a birch tree arbor, but the location in a neighborhood only recently rezoned for residential allows for far lower prices. And whereas most two-bedrooms at One57 clock in at more than 2,000 square feet, those at 70 Charlton are significantly smaller, at 1,071 to 1,622 square feet — "not tiny" but "efficient."

"These aspirational buyers don't want to compromise on high design and amenities," said Fredrik Eklund, an associate broker with Douglas Elliman Real Estate who, along with John Gomes, is overseeing sales at Steiner East Village, an 82-unit condominium at East 12th Street and Avenue A with amenities like a library and an indoor swimming pool. Apartments here are also "efficient," Mr. Eklund said, and have ceilings over 10½ feet, Paris Forino-designed interiors and five-piece master baths with two sinks, a shower and a separate tub.

'We're moving out of a market that's solely focused on superluxury.'

And while prices in the building, which average $2,100 a square foot, are hardly a bargain in the East Village, which has very little new development, they can seem inviting compared with other downtown neighborhoods. Mr. Eklund said the building has drawn a number of buyers from the West Village and TriBeCa, some of the most expensive areas in the city, where inventory under $5 million is hard to come by.

"I think we're setting a new high market for condos in the East Village, but compared to the rest of downtown, people understand that they're getting a value for Manhattan," said Douglas C. Steiner, the chairman of Steiner NYC, which is developing the building.

More than half the apartments at 70 Charlton in Hudson Square, top and center left, are priced under $3 million. At the VUE in Sheepshead Bay, Brooklyn, top and center right, one-bedrooms start at $535,000. Steiner East Village, bottom, will offer amenities like a library and an indoor pool. Prices average $2,100 a square foot, which is attractive when compared with other downtown neighborhoods.

RENDERING FROM EXTELL DEVELOPMENT

ABOVE AND TOP RENDERING FROM RYBAK DEVELOPMENT

While smaller apartments allow for lower prices, another way that developers are keeping prices in check while delivering luxury amenities is by venturing into areas where new developments are unexpected. It's not uncommon for such "entry-level" condos to set neighborhood records. In Sheepshead Bay, Brooklyn, Rybak Development expects to nudge up the neighborhood average with the VUE, a 58-unit condo at 1809 Emmons Avenue where prices range from $535,000 for a one-bedroom to $1.7 million for a penthouse.

David Fernandez, an agent with the Corcoran Group who has worked with Rybak on several nearby projects that have set neighborhood records, admitted that "people from the neighborhood think that these prices are ridiculous." But not buyers coming from rentals in Downtown Brooklyn, Carroll Gardens and Park Slope, who have been showing up in increasing numbers.

"People didn't really know what Sheepshead Bay was, but now we're seeing a lot of priced-out people discovering that quality of life here really isn't bad," Mr. Fernandez said. As of late July, 90 percent of the building was already in contract, although online sales hadn't started yet; the last two buildings he worked on with the developer sold out in four months.

ABOVE AND TOP LEFT PHOTOGRAPHS BY GEORGE ETHEREDGE/THE NEW YORK TIMES

Buyers are also far more neighborhood-agnostic than they once were, developers said. What they are seeking is "less neighborhood-specific than quality, finishes and price point," said Alicia Goldstein, the president of sales and marketing of the HFZ Capital Group, whose Hell's Kitchen condo conversion, Fifty-Third and Eighth, has one-bedrooms starting at $1.185 million.

Entry-level condos in prime locations also do well. Among the reasons that the developer Asher Abehsera of Livwrk and his partners, the Kushner Companies and the Rockpoint Group, bought 184 Kent Avenue — which was already a luxury rental — was the high demand for condos in a converted warehouse on the Williamsburg, Brooklyn, waterfront, as an alternative to the glassy new construction that predominates there. Studios in the project, now called Austin Nichols House, start at $645,000.

The major impediment to more of these projects coming to market is the cost of land, which has not fallen along with the demand for ultraluxurious properties.

"Developers who bought land over the last two years have a hard time selling at our prices," said Kenneth S. Horn, the president of Alchemy Properties, which has sold 40 percent of the units in the Noma, a 55-unit condo at 50 West 30th Street.

Mr. Horn, who declined to disclose how much he paid for the site when he bought it in 2014, said that pursuing complicated deals enabled him to hit price points in the low- to mid-$2,000s per square foot — and this one involved negotiating with the 20-odd family members who owned the property.

As hard as lower price points may be for developers and buyers to come by, demand at the bottom of the market tends to be far more stable than that at the top.

Andrew Bradfield, the founder of Orange Management, is developing Waverly Brooklyn, a 48-unit condo averaging $1,200 to $1,300 a square foot, on the corner of Fulton Street and Waverly Avenue in Clinton Hill.

"You can't always bank on oligarchs and hedge fund owners to dump $20 million or $30 million into properties," he said. "The factors that drive demand at the lower price point are organic: people getting married, having a baby, their landlord deciding to sell or move back in."