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## Developer: Why I'm bullish on Houston's luxury condo market

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Richard Leibovitch isn't fazed by the oil slump.

The managing partner of New York-based Arel Capital is redeveloping a former mid-century apartment building in the River Oaks area into an 18-story luxury condominium called The River Oaks.

Despite low oil prices, more than half of The River Oaks' 79 units have been sold, including one of three penthouse units going for \$1,000 per square foot, Leibovitch said.

Arel Capital and its Houston-based marketing and sales partner Sudhoff Co. have sold at least one condo unit per month since sales began in summer 2015, Leibovitch said. Buyers have run the gamut, from lawyers to doctors to energy executives to entrepreneurs — both local and foreign, younger and older.

With oil prices stabilizing and the rig count slowly rising, Leibovitch said he is optimistic about the luxury condo market in the “energy capital of the world.”

“I'm very bullish,” Leibovitch said. “This isn't the Houston of the '80s. The city's weathering the storm with medical and tech.”

Houston's condo market, in spite of its oil woes, is perhaps stronger than New York City's, said Leibovitch, a New York native. There are bigger opportunities here in the Bayou City than the Big Apple for luxury condo developers, he added.

That's because Houston has a large demand for luxury condos as empty nesters begin to retire and downsize, but a small supply of new condos in the pipeline, Leibovitch said.

"There are a lot of wealthy, successful people in Houston," Leibovitch said. "But if you look at the supply, there are only 100 new condo units left in all of Houston. We're sitting in a good spot."

Finally, Houston's luxury condo market — while expensive — is still a relative bargain when compared to markets in other cities, Leibovitch said.

The River Oaks, and others in Houston's latest wave of condo development, are pushing condo prices higher. Units in The River Oaks average about \$2 million per unit, or around \$700 per square foot. The building's 13,000-square-foot penthouse — currently the most expensive condo on the Houston market— is listed for \$13 million.

"A \$13 million condo wouldn't hit the radar in New York, but here, that's a different story," Leibovitch said. "You get more bang for your buck here in Houston."

Paul Takahashi  
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Richard Leibovitch is the managing partner of New York-based Arel Capital, which is redeveloping The River Oaks luxury condo tower in the River Oaks area.

