Toughest sale ever? Manhattan mansion owned by 5 countries hits the market

A Manhattan mansion co-owned by five Eastern European countries returned to the market this week — one year after a deal to purchase the $50 million pad collapsed due to bureaucratic bickering among the governments of Bosnia, Croatia, Macedonia, Serbia and Slovenia, which all have stakes in the property.

Previously listed in April 2017, the 854 Fifth Ave. property nearly sold to a co-founder of investment firm Apollo Global Management that September, but the deal collapsed when the co-owners failed to agree on a selling price. The buyer later purchased a nearby mansion at 50 E. 69th St. for $45 million instead.

Now, with the quintuplet of foreign governments seemingly on the same page, the property is back on the market with a $50 million price tag, but inking a deal will come with an array of challenges and headaches, said Tristan Harper, the Douglas Elliman agent charged with selling the property this time around.

“It’s a professional challenge, let’s put it that way, ” Harper told Inman. “Every question about the property has to be answered by five different entities.”

Courtesy of Douglas Elliman

Purchased in 1946 by the Republic of Yugoslavia as a New York embassy, the six-story, 20,000-square-foot property was modeled after the Versailles and comes chock-a-block with Cold War history. But when the republic dissolved into separate countries in 1992, the 854 Fifth Ave. property suddenly found itself with its current co-owners, all successor states of the war-torn former republic. In an arrangement worked out by the United Nations, Serbia currently uses it to base its Permanent Mission to the United Nations.

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Courtesy of Douglas Elliman

The decision to sell the property is not decided by majority vote — each of the involved countries must agree both to the sale in general and the final price.

Courtesy of Douglas Elliman

“The outcome is very similar to dealing with different individual owners,” said Harper. “Except the owners are not people but governments.”

Courtesy of Douglas Elliman

Harper said that immediately after the Yugoslav Wars of the 1990s, politics delayed the mansion's sale — because of political disagreements and post-war hostility, it took more than a decade for the separate governments to start negotiating.

Courtesy of Douglas Elliman

The co-owner countries have already begun working together to sell off Yugoslavia’s other former properties. Four properties in New York, Tokyo, Bern, Switzerland, and Bonn, Germany are also being handled by Douglas Elliman. But even before the war, the property has had a front-row seat to some historical events and legendary families — including the granddaughter of Cornelius Vanderbilt. Yugoslavian leader Josip Broz Tito also used it as a hideout after an assassination attempt in 1963.

Courtesy of Douglas Elliman

But now that the successor states have agreed to sell, the real challenge will be finding a buyer willing to shell out $50 million.

Courtesy of Douglas Elliman

“In Manhattan, there are a lot of buildings that are owned by governments,” Harper said. “But this is a unique situation because one country became five countries.”

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