

ELLI MAN REPORT

3Q 2015
MANHATTAN
SALES

Quarterly Survey of Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

9.9%

PACE

Absorption Rate

0.7_{mos}

SALES

Closed Sales

9.8%

INVENTORY

Total Inventory

3.0%

MARKETING TIME

Days on Market

19_{days}

NEGOTIABILITY

Listing Discount

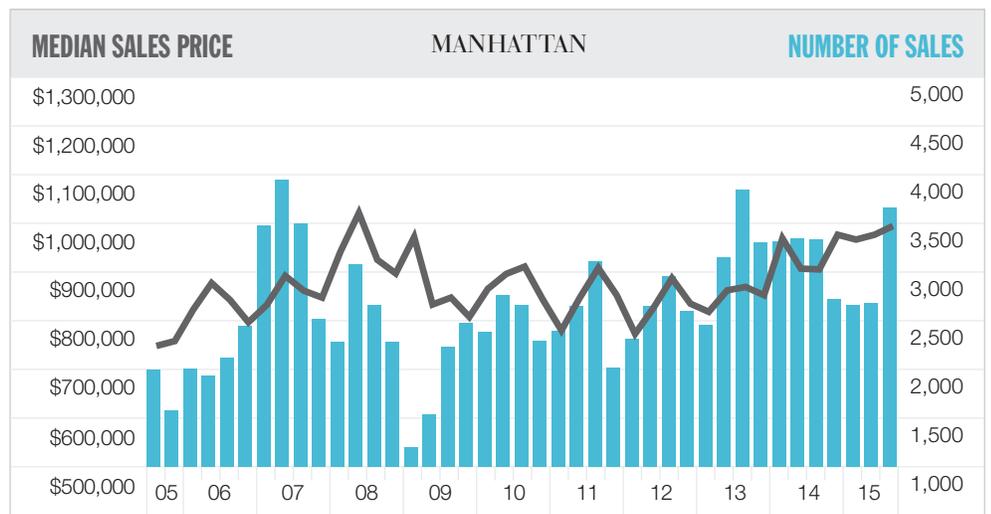
1.1%

- Listing inventory slid as market share of sales at or above listing price set record
- Median sales price climbed to second highest level on record, highest since 2008
- Number of sales increased for first time in a year as the market reset

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

Manhattan Market Matrix	3Q-2015	%Chg (QTR)	2Q-2015	%Chg (YR)	3Q-2014
Average Sales Price	\$1,737,565	-7.2%	\$1,872,367	3.1%	\$1,684,729
Average Price per Sq Ft	\$1,497	11.7%	\$1,340	17.9%	\$1,270
Median Sales Price	\$998,000	1.8%	\$980,000	9.9%	\$908,242
New Development	\$2,048,341	9.6%	\$1,868,489	25.7%	\$1,629,200
Re-sale	\$926,250	-2.0%	\$945,000	5.7%	\$876,000
Number of Sales (Closed)	3,654	36.6%	2,674	9.8%	3,328
Days on Market (From Last List Date)	73	-22.3%	94	-20.7%	92
Listing Discount (From Last List Price)	2.2%		6.1%		1.1%
Listing Inventory (Active)	5,654	-1.3%	5,730	-3.0%	5,828
Absorption Rate (Months)	4.6	-28.1%	6.4	-13.2%	5.3
Pending Price Index (1Q 08 = 100)	154.16	15.4%	133.61	32.5%	116.39
Pending Sales Index (1Q 08 = 100)	135.52	-15.4%	160.18	7.6%	125.92
Year-to-Date	3Q-2015	%Chg (QTR)	2Q-2015	%Chg (YR)	3Q-2014
Average Sales Price (YTD)	\$1,794,528	N/A	N/A	6.7%	\$1,682,452
Average Price per Sq Ft (YTD)	\$1,431	N/A	N/A	12.8%	\$1,269
Median Sales Price (YTD)	\$996,500	N/A	N/A	7.7%	\$925,000
Number of Sales (YTD)	8,989	N/A	N/A	-9.9%	9,977

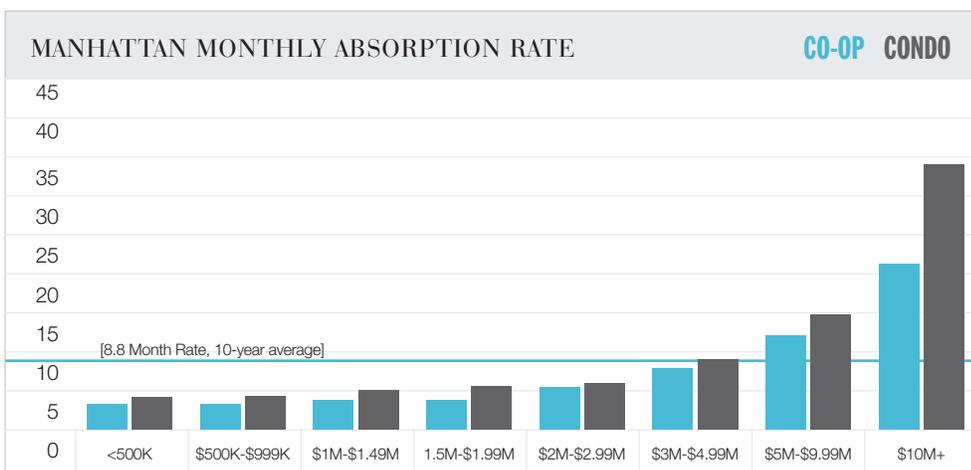
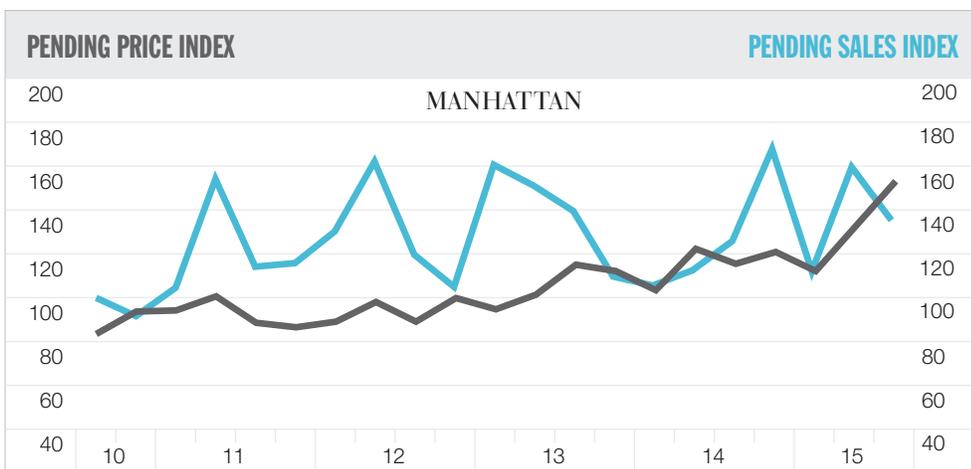
*The pending sale and pending price indices are based on contract data collected during the normal course of business by Miller Samuel and Douglas Elliman.



Overall Manhattan inventory began to stall, unable to keep pace with the number of sales, placing pressure on housing prices. Record employment growth, a robust local economy, a weaker U.S. dollar and global economic uncertainty have all played a role in the changing conditions of the overall housing market. After four consecutive quarters of year-over-year

declines, the number of sales increased 9.8% to 3,654 in the third quarter. Sales activity over the past year had essentially normalized following record high sales volume during most of 2013-2014. The surge had been attributed to pent-up demand that had accumulated since the beginning of the financial crisis. By mid-2014 the excess demand had been fully absorbed and

the market reset to more normal volume levels. The increase in year-over-year sales in the third quarter was matched by first decline of inventory in two years. After supply of new development and re-sales reached bottom in the fourth quarter of 2013, inventory steadily climbed through the second quarter of 2015. However, the rate of inventory growth began to cool a year earlier. There were 5,654 listings at the end of the third quarter, 3% below the prior year quarter. As a result of the sharp rise in sales and the modest decline in supply, the pace of the market was one of the fastest on record. The absorption rate, the number of months to sell all inventory at the current rate of sales, fell to 4.6 months from 5.3 months in the prior year quarter. For context, the slowest absorption rate on record was 26.2 months, as seen in the first quarter of 2009 at the early stages of the financial crisis. As a result of this faster market pace, the market share of all sales to sell at or above the last list price set a record high of 53.9% for the 7 years this metric had been tracked. As a reflection of tight market conditions, 51% of all sales weighted by property type were “cash” transactions, up from 43% in the prior year quarter. Approximately 42% of co-op sales and 61% of condo sales were paid for with cash, giving those buyers a negotiating advantage over competitors relying on purchase mortgages. Consistent with the faster paced market, overall price trend indicators moved higher. Median sales price increased 9.9% to \$998,000 from the prior year quarter to the second highest level on record and the highest level since 2008. The year-over-year increase was the seventh rise in the past eight quarters. Average sales price increased 3.1% over the same period to \$1,737,565 and average price per square foot jumped 17.9% to a record \$1,497 respectively over the same



period. Luxury housing prices, representing the top 10% of all sales, showed weaker results than the overall market. Luxury median sales price rose 10% to \$5,499,365 from the year ago quarter as average sales price and average price per square foot slipped 6.8% and 6.2% respectively over the same period. The monthly carrying charges for co-ops and condos that closed during the third quarter jumped 34.5% to \$2.26 per square foot over the same period,

but this does not appear to be a trend. Days on market, the average number of days to sell all apartments that closed during the quarter, fell by 19 days from the same period last year to a 15 year low of 73 days. Listing discount, the percentage difference between the list price at time of sale and the sales price, while remaining at nominal low level, edged to 2.2% from 1.1% in the prior year quarter.

LOFTS

- Price indicators were mixed as average price per square foot set new record
- Inventory and number of sales declined
- Marketing time was faster and negotiability tightened

Loft Market Matrix	3Q-2015	%Chg (QTR)	2Q-2015	%Chg (YR)	3Q-2014
Average Sales Price	\$2,714,901	-5.5%	\$2,872,147	12.4%	\$2,415,605
Average Price per Sq Ft	\$1,745	11.6%	\$1,563	24.0%	\$1,407
Median Sales Price	\$2,100,000	-0.2%	\$2,105,000	-2.2%	\$2,147,500
Number of Sales (Closed)	107	-30.1%	153	-45.7%	197
Days on Market (From Last List Date)	93	10.7%	84	-23.1%	121
Listing Discount (From Last List Price)	2.0%		9.3%		3.2%
Listing Inventory (Active)	389	5.4%	369	-10.4%	434
Absorption Rate (Months)	10.9	51.4%	7.2	65.2%	6.6

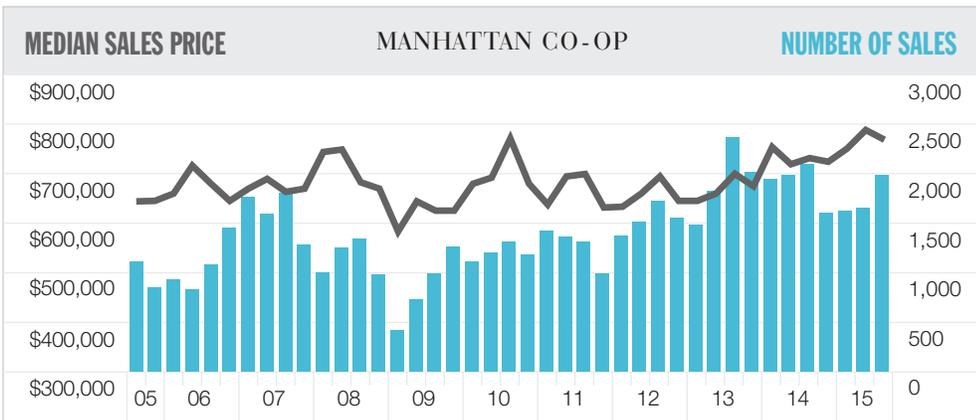
Note: This sub-category analyzes all co-op & condo loft sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Median sales price fell short of prior quarter record, but increased year-over-year
- Listing inventory and number of sales continued to slip
- Pace of the market remained unusually fast

Co-op Market Matrix	3Q-2015	%Chg (QTR)	2Q-2015	%Chg (YR)	3Q-2014
Average Sales Price	\$1,246,435	-19.0%	\$1,537,880	-17.4%	\$1,509,233
Average Price Per Sq Ft	\$1,190	0.3%	\$1,186	4.2%	\$1,142
Median Sales Price	\$775,000	-2.5%	\$795,000	5.1%	\$737,500
Number of Sales	1,986	20.1%	1,654	-5.3%	2,098
Days on Market (From Last List Date)	64	-34.7%	98	-29.7%	91
Listing Discount (From Last List Price)	1.2%		5.9%		0.5%
Listing Inventory (Active)	2,648	-1.8%	2,696	-6.8%	2,841
Absorption Rate (Monthly, Active)	4.0	-18.4%	4.9	-2.4%	4.1

Co-op Mix	Sales Share	Median Sales Price
Studio	18.2%	\$416,370
1 bedroom	41.5%	\$684,500
2 bedroom	26.0%	\$1,300,000
3 bedroom	12.2%	\$2,606,723
4+ bedroom	2.1%	\$4,600,000

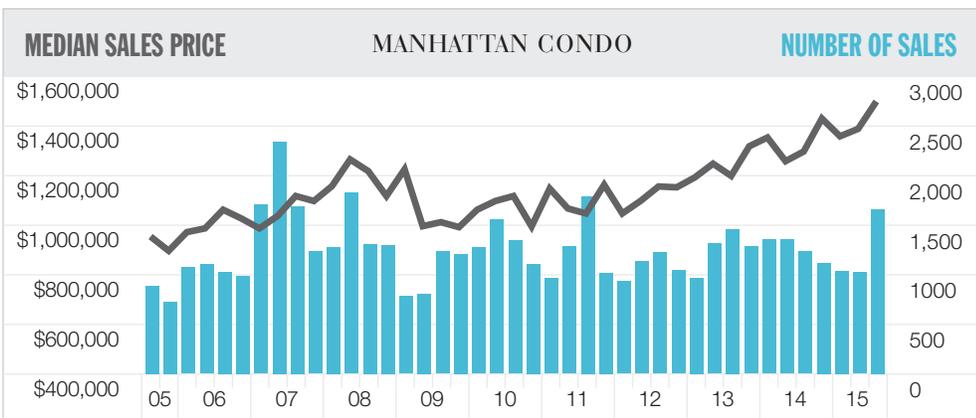


CONDOS

- Price trend indicators showed double-digit year-over-year gains
- Number of sales jumped as inventory stabilized
- Days on market declined, while listing discount edged higher

Condo Market Matrix	3Q-2015	%Chg (QTR)	2Q-2015	%Chg (YR)	3Q-2014
Average Sales Price	\$2,319,470	-3.9%	\$2,414,761	16.9%	\$1,984,070
Average Price Per Sq Ft	\$1,801	13.3%	\$1,589	21.1%	\$1,487
Median Sales Price	\$1,500,000	7.9%	\$1,390,000	15.5%	\$1,299,000
Number of Sales	1,661	62.8%	1,020	35.0%	1,230
Days on Market (From Last List Date)	84	-4.5%	88	-11.6%	95
Listing Discount (From Last List Price)	2.9%		6.4%		2.2%
Listing Inventory (Active)	3,006	-0.9%	3,034	0.6%	2,987
Absorption Rate (Monthly, Active)	5.4	-39.3%	8.9	-26.0%	7.3

Condo Mix	Sales Share	Median Sales Price
Studio	6.2%	\$525,000
1 bedroom	40.7%	\$926,250
2 bedroom	32.6%	\$1,909,701
3 bedroom	14.6%	\$3,783,991
4+ bedroom	5.9%	\$6,825,000



LUXURY

- Price trend indicators were mixed overall as median sales price increased
- Listing inventory declined, resulting in a faster market pace
- There was less negotiability on average than in the prior year quarter

Luxury Market Matrix	3Q-2015	%Chg (QTR)	2Q-2015	%Chg (YR)	3Q-2014
Average Sales Price	\$6,757,134	-17.4%	\$8,182,735	-6.8%	\$7,252,739
Average Price per Sq Ft	\$2,454	-3.8%	\$2,551	-6.2%	\$2,617
Median Sales Price	\$5,499,365	-8.3%	\$6,000,000	10.0%	\$5,000,000
Number of Sales (Closed)	366	37.1%	267	9.9%	333
Days on Market (From Last List Date)	116	-10.1%	129	3.6%	112
Listing Discount (From Last List Price)	2.7%		3.4%		5.3%
Listing Inventory (Active)	1,480	-15.6%	1,754	-9.0%	1,627
Absorption Rate (Months)	12.1	-38.6%	19.7	-17.7%	14.7
Entry Threshold	\$3,564,094	-7.4%	\$3,850,000	9.7%	\$3,250,000

Luxury Mix	Sales Share	Median Sales Price
Co-ops	54.4%	\$3,537,815
Condos	45.6%	\$8,705,783
New Dev.	29.5%	\$6,108,954
Re-sales	70.5%	\$4,945,000



NEW DEVELOPMENT

- Overall price indicators were up sharply from last year's levels
- Market share continued to expand
- Number of sales jumped as negotiability tightened

New Development Market Matrix	3Q-2015	%Chg (QTR)	2Q-2015	%Chg (YR)	3Q-2014
Average Sales Price	\$3,377,218	-19.2%	\$4,177,856	4.4%	\$3,235,848
Average Price per Sq Ft	\$2,111	5.0%	\$2,011	16.8%	\$1,807
Median Sales Price	\$2,048,341	9.6%	\$1,868,489	25.7%	\$1,629,200
Number of Sales (Closed)	390	84.0%	212	61.2%	242
Days on Market (From Last List Date)	125	-3.8%	130	42.0%	88
Listing Discount (From Last List Price)	0.6%		3.4%		4.9%
Listing Inventory (Active)	765	-43.0%	1,342	-48.1%	1,473
Absorption Rate (Months)	5.9	-68.9%	19.0	-67.8%	18.3
Sales Share of Overall Market	12.6%		7.9%		7.3%

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	17.2%	\$616,041
\$1M - \$3M	50.8%	\$1,731,025
> \$3M	32.1%	\$5,825,000



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