

ELLI MAN REPORT

2Q 2017
**MANHATTAN
SALES**

Quarterly Survey of Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

7.3%

PACE

Absorption Rate

1.0 mos

SALES

Closed Sales

15.2%

INVENTORY

Total Inventory

0.6%

MARKETING TIME

Days on Market

19 days

NEGOTIABILITY

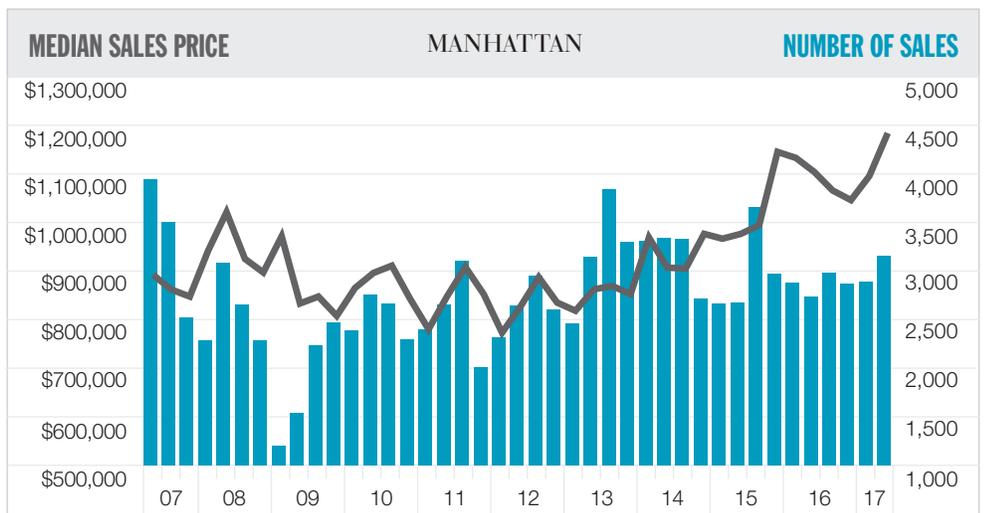
Listing Discount

3.9%

- Median and average sales price reached new records
- Number of sales jumped to highest level in 7 quarters
- Listing discount and days on market rose sharply

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.

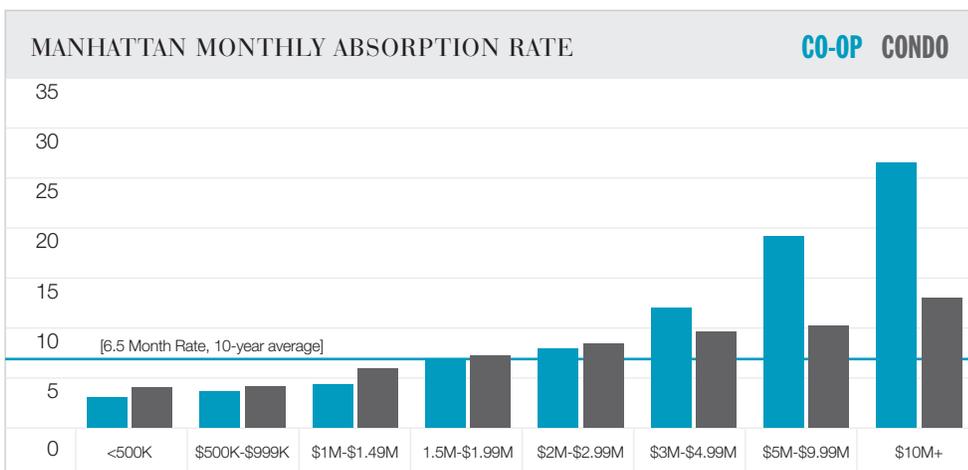
Manhattan Market Matrix	2Q-2017	%Δ (qtr)	1Q-2017	%Δ (yr)	2Q-2016
Average Sales Price	\$2,189,037	4.0%	\$2,104,350	7.9%	\$2,029,075
Average Price per Sq Ft	\$1,773	-14.9%	\$2,083	0.8%	\$1,759
Median Sales Price	\$1,189,011	8.1%	\$1,100,000	7.3%	\$1,108,500
New Development	\$3,306,656	22.5%	\$2,698,362	22.8%	\$2,693,271
Re-sale	\$975,000	5.4%	\$925,000	3.2%	\$945,000
Number of Sales (Closed)	3,153	9.0%	2,892	15.2%	2,736
Days on Market (From Last List Date)	108	0.0%	108	21.3%	89
Listing Discount (From Last List Price)	6.1%		4.2%		2.2%
Listing Inventory (Active)	6,311	7.6%	5,867	-0.6%	6,352
Absorption Rate (Months)	6.0	-1.6%	6.1	-14.3%	7.0
Year-to-Date	2Q-2017	%Δ (qtr)	1Q-2017	%Δ (yr)	2Q-2016
Average Sales Price (YTD)	\$2,148,521	N/A	N/A	5.3%	\$2,040,428
Average Price per Sq Ft (YTD)	\$1,906	N/A	N/A	9.9%	\$1,735
Median Sales Price (YTD)	\$1,150,000	N/A	N/A	2.2%	\$1,125,000
Number of Sales (YTD)	6,045	N/A	N/A	7.7%	5,613



The year over year uptick in Manhattan sales activity that began in the first quarter continued into the second quarter. The number of sales jumped 15.2% to 3,153 from the year-ago quarter, the most quarterly sales in nearly two years. The largest rise in sales was seen in the re-sale market, which surged 16.4% over the prior year period. New development closings rose 10.1% over the same period, accounting for a 17.6% sales market share, including legacy contracts signed several years ago that closed

during the quarter. With the additional activity, overall listing inventory could not keep pace with demand, slipping 0.6% to 6,311 from the prior year quarter. Re-sale listing inventory fell 1.3%, the first year-over-year decline in 3 years. Active new development listings showed a modest 3.1% annual gain after 3 consecutive quarterly increases that averaged 27%. The absorption rate, the number of months to sell all inventory at the current rate of sales, fell to 6 months from 7 months from the year-ago quarter. The rise in sales

was primarily attributable to more reasonable seller expectations and concern by “fence-sitters” that mortgage rates will rise soon. Listing discount, the percentage difference between the list price at the date of sale and the sales price, nearly tripled to 6.1% from 2.2% in the prior year quarter as sellers worked harder to meet buyers on price. The buyers remained steadfast, forcing sellers to meet them at market value to enable a sale. This pattern is consistent with the days on market metric, the average number of days to sell all apartments that closed during the quarter. The average marketing time jumped 21.3% to 108 days from 89 days in than the same period last year. Despite the rise in marketing time, the second quarter days on market average was 15 days faster than the decade quarterly average of 123 days. The market share of bidding wars fell 1.7% to 14.4% from the year-ago period, sharply below the 31% market share nearly 2 years ago but well above the 5%-7% range that would be considered normal. More bidding wars occurred in the entry-level market, and fewer occurred at the higher end of the market. This pattern is shown by the 23.3% market share of studio apartments and the 8.1% market share of 4 or more bedroom apartments. The market share of cash sales fell 4.3% to 41.7% from the year-ago quarter, the lowest quarterly share since the analysis of this metric began 3 years ago. The reduction of high-end cash sales, fewer international buyers and greater confidence by area lenders likely all contributed to the decline in the market share of cash purchases. The increase in sales and decline in listing inventory kept upward pressure on sales prices. Both median and average sales price set new records for the 28-year length of this series research. Median sales price increased 7.3% to a record \$1,189,011 and average sales price rose 7.9% to



a record \$2,189,037 respectively over the prior year quarter. New development median sales price surged 22.8% to \$3,306,656 as the impact of legacy contracts from several years ago is still influencing price patterns. Re-sale median sales price edged 3.2% higher to \$975,000 over the same period, the second highest on record. The luxury market, representing the top 10% of all sales, had an entry threshold of \$4,875,000, up 12.7% from the year-ago quarter. Luxury

median sales price rose 3.5% to \$6,836,269 over the same period. The market share of luxury new development was 58.2% of all luxury sales. Luxury new development listings rose 12.3%, and luxury re-sale listings dropped 22.6%, the latter due to expiring listings. As a result, overall luxury listings fell 11.2%, the 8th consecutive quarterly annual decline. This reflects the significant oversupply of luxury re-sale inventory several years ago.

RE-SALES

- All price trend indicators moved higher as sales jumped
- Listing inventory fell year over year for first time in over 3 years
- Listing discount and marketing time moved higher

Re-Sales Market Matrix	2Q-2017	%Δ (QTR)	1Q-2017	%Δ (YR)	2Q-2016
Average Sales Price	\$1,650,698	11.8%	\$1,476,552	10.3%	\$1,496,233
Average Price per Sq Ft	\$1,494	-11.3%	\$1,684	2.8%	\$1,453
Median Sales Price	\$975,000	5.4%	\$925,000	3.2%	\$945,000
Number of Sales (Closed)	2,597	11.5%	2,329	16.4%	2,231
Days on Market (From Last List Date)	85	-1.2%	86	16.4%	73
Listing Discount (From Last List Price)	5.5%		4.8%		3.4%
Listing Inventory (Active)	5,290	8.9%	4,859	-1.3%	5,362
Absorption Rate (Months)	6.1	-3.2%	6.3	-15.3%	7.2
Sales Share of Overall Market	82.4%		80.5%		81.5%

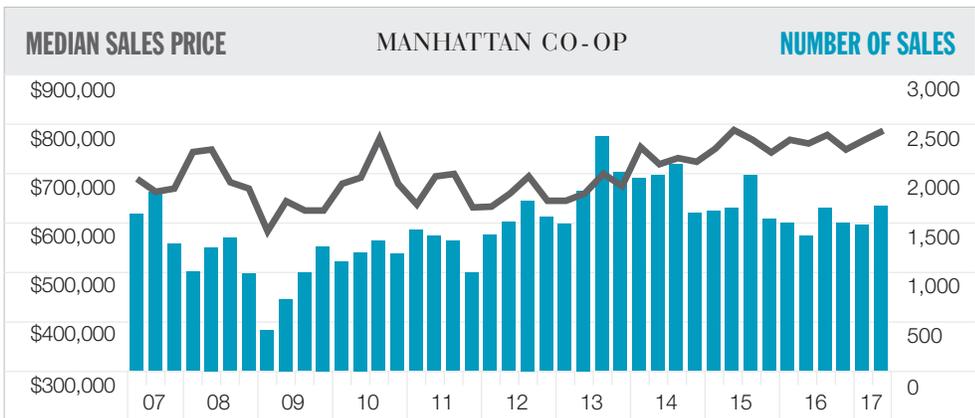
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- All price trend indicators rose as inventory slipped
- Number of sales increased annually for first time in 3 years
- More negotiability and longer marketing time

Co-op Market Matrix	2Q-2017	%Δ (QTR)	1Q-2017	%Δ (YR)	2Q-2016
Average Sales Price	\$1,363,916	9.8%	\$1,242,369	4.8%	\$1,301,812
Average Price Per Sq Ft	\$1,348	-8.0%	\$1,465	1.3%	\$1,331
Median Sales Price	\$793,750	2.4%	\$775,000	3.4%	\$767,500
Number of Sales	1,674	13.3%	1,477	22.2%	1,370
Days on Market (From Last List Date)	86	1.2%	85	14.7%	75
Listing Discount (From Last List Price)	6.4%		5.0%		3.0%
Listing Inventory (Active)	2,775	7.5%	2,582	-0.4%	2,785
Absorption Rate (Monthly, Active)	5.0	-3.8%	5.2	-18.0%	6.1

Co-op Mix	Sales Share	Median Sales Price
Studio	18.4%	\$440,000
1 bedroom	41.9%	\$715,000
2 bedroom	27.1%	\$1,375,000
3 bedroom	10.1%	\$2,375,000
4+ bedroom	2.5%	\$4,175,141

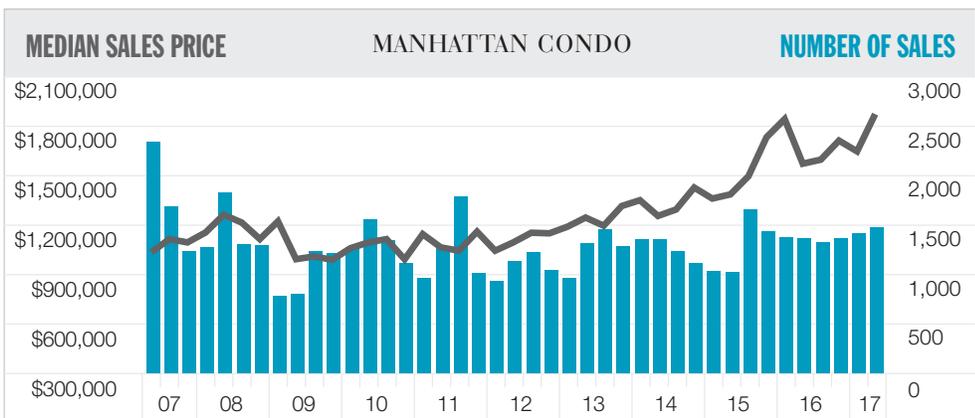


CONDOS

- Average and median sales price reached new records
- New development inventory rose as re-sale inventory slipped
- Lowest “cash” sales share in at least 3 years

Condo Market Matrix	2Q-2017	%Δ (QTR)	1Q-2017	%Δ (YR)	2Q-2016
Average Sales Price	\$3,122,946	4.0%	\$3,004,098	13.2%	\$2,758,468
Average Price Per Sq Ft	\$2,100	-17.5%	\$2,545	1.3%	\$2,073
Median Sales Price	\$1,875,000	13.6%	\$1,650,000	19.0%	\$1,575,638
Number of Sales	1,479	4.5%	1,415	8.3%	1,366
Days on Market (From Last List Date)	135	1.5%	133	26.2%	107
Listing Discount (From Last List Price)	5.9%		3.7%		1.6%
Listing Inventory (Active)	3,536	7.6%	3,285	-0.9%	3,567
Absorption Rate (Monthly, Active)	7.2	2.9%	7.0	-7.7%	7.8

Condo Mix	Sales Share	Median Sales Price
Studio	5.9%	\$678,500
1 bedroom	33.4%	\$1,100,000
2 bedroom	33.3%	\$2,107,777
3 bedroom	19.4%	\$4,750,000
4+ bedroom	7.9%	\$7,350,000



LUXURY

- All price trend indicators edged higher as marketing time expanded
- New development inventory rose and resale inventory fell sharply
- Significant rise in negotiability as sellers move towards market

Luxury Market Matrix	2Q-2017	%Δ (QTR)	1Q-2017	%Δ (YR)	2Q-2016
Average Sales Price	\$9,280,290	-0.9%	\$9,360,794	7.6%	\$8,622,734
Average Price per Sq Ft	\$3,037	-9.2%	\$3,343	2.2%	\$2,973
Median Sales Price	\$6,836,269	-2.0%	\$6,975,006	3.5%	\$6,605,000
Number of Sales (Closed)	316	9.0%	290	15.3%	274
Days on Market (From Last List Date)	231	34.3%	172	36.7%	169
Listing Discount (From Last List Price)	10.4%		4.7%		2.2%
Listing Inventory (Active)	1,235	-4.6%	1,295	-11.2%	1,391
Absorption Rate (Months)	11.7	-12.7%	13.4	-23.0%	15.2
Entry Threshold	\$4,875,000	13.4%	\$4,300,000	12.7%	\$4,325,000

Luxury Mix	Sales Share	Median Sales Price
Co-ops	53.2%	\$3,500,000
Condos	46.8%	\$11,664,400
New Dev.	58.2%	\$7,275,426
Re-sales	41.8%	\$6,212,500

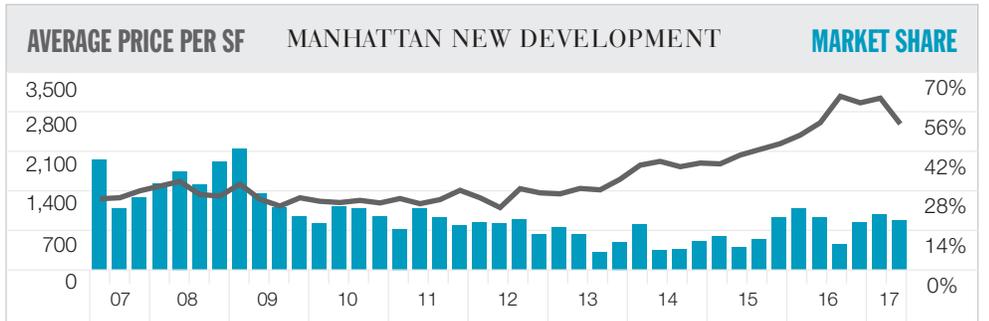


NEW DEVELOPMENT

- Sales moved higher despite slip in market share
- Median and average sales price moved higher
- Large increase in days on market and listing discount

New Development Market Matrix	2Q-2017	%Δ (QTR)	1Q-2017	%Δ (YR)	2Q-2016
Average Sales Price	\$4,703,544	0.0%	\$4,701,403	7.3%	\$4,383,078
Average Price per Sq Ft	\$2,556	-15.0%	\$3,006	-0.8%	\$2,577
Median Sales Price	\$3,306,656	22.5%	\$2,698,362	22.8%	\$2,693,271
Number of Sales (Closed)	556	-1.2%	563	10.1%	505
Days on Market (From Last List Date)	245	8.9%	225	25.0%	196
Listing Discount (From Last List Price)	7.5%		2.8%		-1.0%
Listing Inventory (Active)	1,021	1.3%	1,008	3.1%	990
Absorption Rate (Months)	5.5	1.9%	5.4	-6.8%	5.9
Sales Share of Overall Market	17.6%		19.5%		18.5%

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	8.3%	\$878,611
\$1M - \$3M	38.8%	\$1,788,469
> \$3M	52.9%	\$5,730,374



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Report Methodology:

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