

ELLI MAN REPORT

Q4 2017
MANHATTAN
SALES

Quarterly Survey of Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

↑ 1.0%

PACE

Absorption Rate

↑ 0.9 mos

SALES

Closed Sales

↓ 12.3%

INVENTORY

Total Inventory

↑ 1.1%

MARKETING TIME

Days on Market

↑ 3 days

NEGOTIABILITY

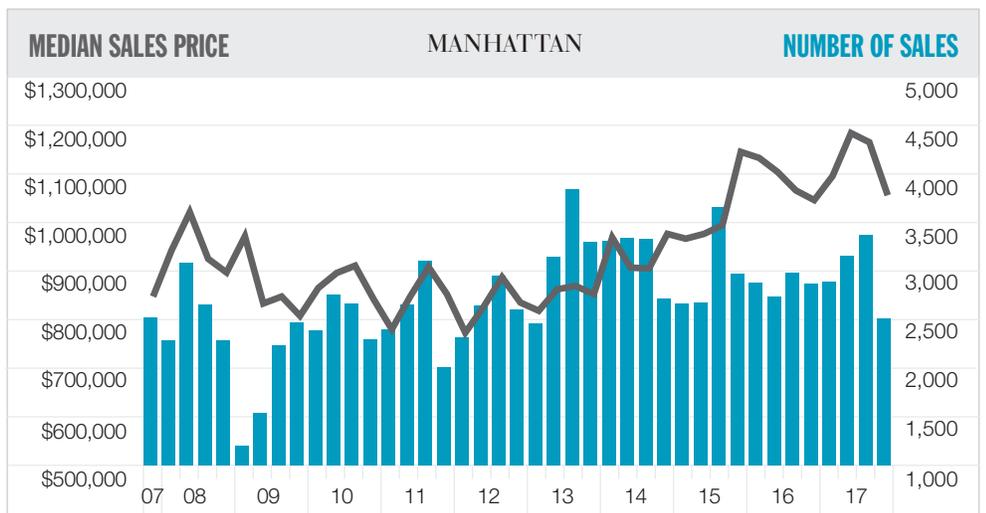
Listing Discount

↑ 0.1%

- First time in 7 quarters average fell below \$2 million as legacy contract pipeline clears
- Median sales price edged higher for third consecutive quarter, driven by re-sales
- Sales fell sharply as listing inventory edged higher

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.

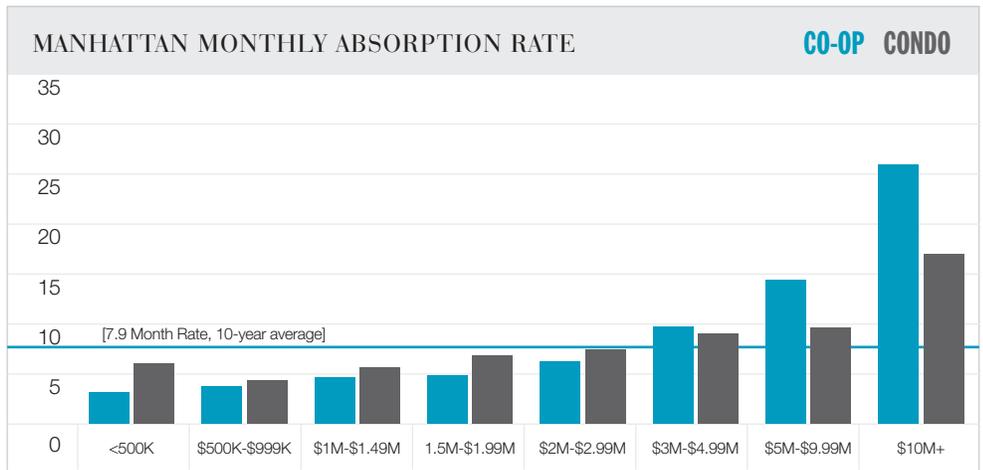
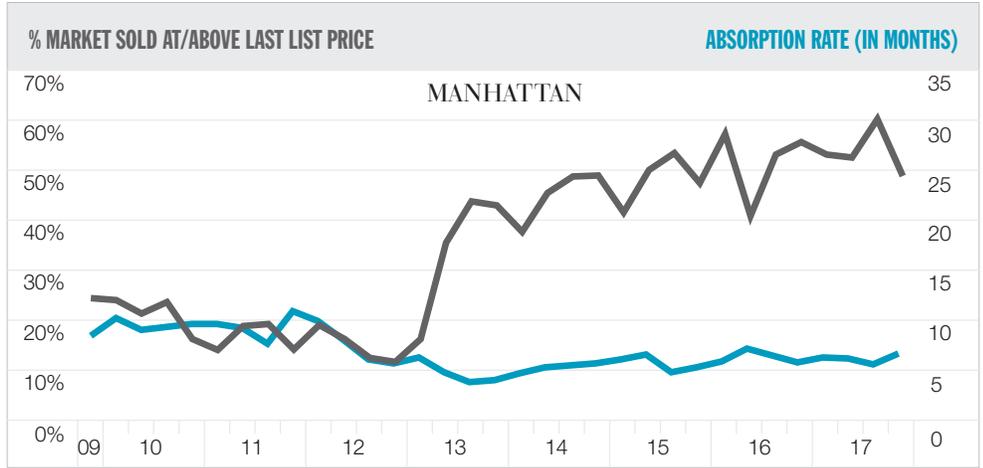
Manhattan Market Matrix	Q4-2017	%Δ (qtr)	Q3-2017	%Δ (yr)	Q4-2016
Average Sales Price	\$1,897,503	-5.3%	\$2,002,835	-10.6%	\$2,121,331
Average Price per Sq Ft	\$1,609	-4.1%	\$1,678	-20.6%	\$2,027
Median Sales Price	\$1,060,000	-9.4%	\$1,170,000	1.0%	\$1,050,000
New Development	\$2,744,184	-1.9%	\$2,797,500	-7.0%	\$2,949,494
Re-sale	\$916,425	-7.9%	\$995,000	1.8%	\$900,000
Number of Sales (Closed)	2,514	-25.4%	3,369	-12.3%	2,868
Days on Market (From Last List Date)	97	-4.0%	101	3.2%	94
Listing Discount (From Last List Price)	5.4%		5.5%		5.3%
Listing Inventory (Active)	5,451	-10.9%	6,115	1.1%	5,393
Absorption Rate (Months)	6.5	20.4%	5.4	16.1%	5.6
Year-to-Date	Q4-2017	%Δ (qtr)	Q3-2017	%Δ (yr)	Q4-2016
Average Sales Price (YTD)	\$2,053,273	N/A	N/A	-1.0%	\$2,074,275
Average Price per Sq Ft (YTD)	\$1,775	N/A	N/A	-9.5%	\$1,961
Median Sales Price (YTD)	\$1,140,000	N/A	N/A	3.6%	\$1,100,000
Number of Sales (YTD)	11,927	N/A	N/A	4.0%	11,463



Sales activity for the Manhattan housing market was at the lowest fourth quarter total in six years. The pace of the fall market noticeably cooled as market participants awaited the housing-related terms of the new federal tax bill. This translated into a decline in year over year closings for the final quarter of the year, although contract volume showed an uptick. There were 2,514 sales to close in the final quarter of the year, down 12.3% from the prior-year quarter. The decline in sales allowed listing inventory to rise after declining year

over year for the past few quarters. There were 5,451 listings at the end of the quarter, up 1.1% from the same period a year ago. As a result, the absorption rate, the number of months to sell all inventory at the current rate of sales slowed, rising to 6.5 months from 5.6 months in the year-ago quarter. Listing discount, the percentage difference between the list price at the date of sale and the sales price, was 5.4% up nominally from 5.3% in the prior year quarter as sellers continued to travel farther to meet the buyer

on price. Buyers continued to hold firm, forcing sellers to meet them on price. Days on market, the average number of days to sell all apartments that closed during the quarter rose 3.2% to 97 days from 94 days in than the same period last year. New development active listings and resale listings were up 0.7% and 1.2% respectively over the same period. With the nominal rise in supply, there was also a nominal decline in bidding wars, still accounting for 11.7% of all sales in the quarter, down 0.9% from the same period last year. Smaller apartments saw more of this activity than larger apartments: the market share of bidding wars for studios was 17.2% and for 4-bedrooms was 7.6%. The luxury market, representing sales above \$3,895,000 in the quarter, had a 5.8% market share of bidding wars, half the overall market rate. Median sales price edged 1% higher to \$1,060,000 from the year-ago quarter. Average sales price declined 10.6% to \$1,897,503 over the same period, the first time this price trend indicator was below the \$2 million threshold in two years. A steady median sales price and declining average sales prices indicates that the “legacy contract pipeline,” contracts signed several years ago that closed when construction of the building was completed, is beginning to run low. New development prices are generally higher than resales, so their departure from the market will skew average sales price and average price per square foot trends lower despite the general stability of current market conditions. The beginning of this “legacy contract” trend was observed and mentioned in the prior quarter report. Market-wide, the share of “all cash” sales was 51.2% overall; an average of 39.7% for co-ops and 64.3% for condos in the quarter with higher priced sales garnering a larger share of cash buyers. Apartment sales



below \$500,000 were purchased by cash buyers 46.5% of the time, while sales above \$5 million were purchased by cash buyers 89.9% of the time. Luxury sales at or above \$10 million reached 37 transactions, 51.3% below the year-ago quarterly total and the lowest quarterly total in three years as the legacy contracts are nearly absorbed. This pattern skewed luxury price trends lower than overall market

trends. Median luxury sales price declined 13.2% to \$5,727,600 from the prior-year quarter. New development sales accounted for 53.3% of luxury sales in the quarter although their sales declined 29% from the prior year level. Luxury listing inventory expanded 13.2% to 1,439, the first increase after 9 consecutive quarters of year over year declines.

RE-SALES

- Median sales price edged higher as number of sales declined
- Resale inventory edged higher despite modest increase in bidding wars
- Average sales price and price per square foot slipped as market remained “soft at the top”

Re-Sales Market Matrix	Q4-2017	%Δ (QTR)	Q3-2017	%Δ (YR)	Q4-2016
Average Sales Price	\$1,503,674	-8.6%	\$1,645,488	-4.1%	\$1,568,569
Average Price per Sq Ft	\$1,392	-6.0%	\$1,481	-8.3%	\$1,518
Median Sales Price	\$916,425	-7.9%	\$995,000	1.8%	\$900,000
Number of Sales (Closed)	2,127	-26.9%	2,908	-11.0%	2,390
Days on Market (From Last List Date)	86	19.4%	72	8.9%	79
Listing Discount (From Last List Price)	5.7%		6.8%		4.5%
Listing Inventory (Active)	4,397	-13.4%	5,075	1.2%	4,346
Absorption Rate (Months)	6.2	19.2%	5.2	12.7%	5.5
Sales Share of Overall Market	84.6%		86.3%		83.3%

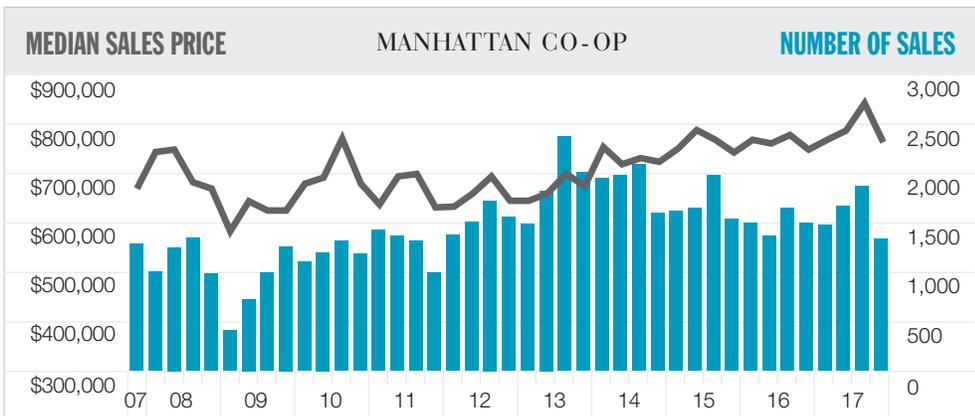
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Listing inventory slipped for third consecutive month holding back sales
- All price trend indicators moved higher as sales declined sharply
- Cash sales expanded as inventory remained settled at chronic lows

Co-op Mix	Sales Share	Median Sales Price
Studio	14.7%	\$458,000
1 bedroom	46.0%	\$675,000
2 bedroom	26.8%	\$1,350,000
3 bedroom	9.1%	\$2,247,500
4+ bedroom	3.4%	\$3,653,125

Co-op Market Matrix	Q4-2017	%Δ (QTR)	Q3-2017	%Δ (YR)	Q4-2016
Average Sales Price	\$1,235,038	-13.5%	\$1,427,544	1.6%	\$1,215,897
Average Price Per Sq Ft	\$1,200	-10.1%	\$1,335	5.5%	\$1,137
Median Sales Price	\$770,000	-9.4%	\$850,000	2.0%	\$755,000
Number of Sales	1,341	-28.5%	1,876	-10.9%	1,505
Days on Market (From Last List Date)	79	14.5%	69	5.3%	75
Listing Discount (From Last List Price)	4.6%		9.5%		4.8%
Listing Inventory (Active)	2,320	-13.1%	2,670	-1.6%	2,358
Absorption Rate (Monthly, Active)	5.2	20.9%	4.3	10.6%	4.7

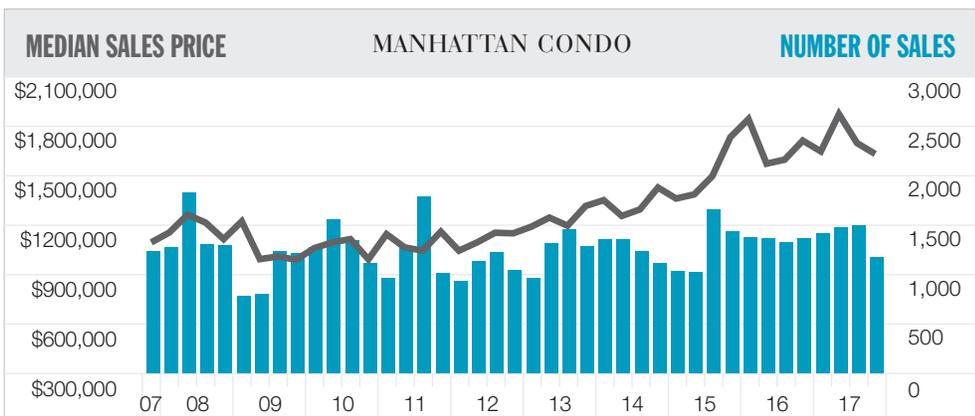


CONDOS

- \$3 million to \$4 million sales showed slight year over year rise
- Bidding war activity skewed towards smaller units
- Nearly two thirds of condo sales are “all cash”

Condo Mix	Sales Share	Median Sales Price
Studio	5.5%	\$712,500
1 bedroom	40.2%	\$999,000
2 bedroom	33.1%	\$2,195,000
3 bedroom	15.5%	\$4,022,137
4+ bedroom	5.7%	\$7,350,000

Condo Market Matrix	Q4-2017	%Δ (QTR)	Q3-2017	%Δ (YR)	Q4-2016
Average Sales Price	\$2,654,848	-2.6%	\$2,725,706	-14.9%	\$3,121,095
Average Price Per Sq Ft	\$1,965	-2.7%	\$2,020	-14.6%	\$2,300
Median Sales Price	\$1,634,186	-3.9%	\$1,700,000	-4.7%	\$1,715,000
Number of Sales	1,173	-21.4%	1,493	-13.9%	1,363
Days on Market (From Last List Date)	116	-14.7%	136	0.0%	116
Listing Discount (From Last List Price)	5.9%		3.0%		5.6%
Listing Inventory (Active)	3,131	-9.1%	3,445	3.2%	3,035
Absorption Rate (Monthly, Active)	8.0	15.9%	6.9	19.4%	6.7



LUXURY

- Condo sales at or above \$10 million fell by more than half year over year
- Luxury threshold fell below \$4 million for first time in more than two years
- Resales moved higher as new development sales declined

Luxury Mix	Sales Share	Median Sales Price
Co-ops	53.6%	\$3,598,886
Condos	46.4%	\$10,211,914
New Dev.	47.6%	\$6,544,995
Re-sales	52.4%	\$4,825,000

Luxury Market Matrix	Q4-2017	%Δ (QTR)	Q3-2017	%Δ (YR)	Q4-2016
Average Sales Price	\$7,580,185	-6.3%	\$8,091,277	-20.7%	\$9,558,062
Average Price per Sq Ft	\$2,630	-8.3%	\$2,868	-18.4%	\$3,225
Median Sales Price	\$5,727,600	-10.8%	\$6,423,107	-13.2%	\$6,600,000
Number of Sales (Closed)	252	-25.2%	337	-13.4%	291
Days on Market (From Last List Date)	154	-29.0%	217	0.7%	153
Listing Discount (From Last List Price)	6.6%		7.0%		8.1%
Listing Inventory (Active)	1,439	24.9%	1,152	13.2%	1,271
Absorption Rate (Months)	17.1	66.0%	10.3	30.5%	13.1
Entry Threshold	\$3,895,000	-8.2%	\$4,241,011	-13.4%	\$4,500,000



NEW DEVELOPMENT

- All price trend indicators and number of sales moved lower
- Inventory expanded annually for sixth consecutive month
- Days on market and the absorption rate cooled

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	9.6%	\$515,000
\$1M - \$3M	44.4%	\$1,815,274
> \$3M	46.0%	\$4,838,877

New Development Market Matrix	Q4-2017	%Δ (QTR)	Q3-2017	%Δ (YR)	Q4-2016
Average Sales Price	\$4,062,036	-4.6%	\$4,256,992	-16.8%	\$4,885,140
Average Price per Sq Ft	\$2,356	-5.1%	\$2,482	-19.5%	\$2,925
Median Sales Price	\$2,744,184	-1.9%	\$2,797,500	-7.0%	\$2,949,494
Number of Sales (Closed)	387	-16.1%	461	-19.0%	478
Days on Market (From Last List Date)	190	-28.0%	264	5.0%	181
Listing Discount (From Last List Price)	4.4%		2.7%		6.9%
Listing Inventory (Active)	1,054	1.3%	1,040	0.7%	1,047
Absorption Rate (Months)	8.2	20.6%	6.8	24.2%	6.6
Sales Share of Overall Market	15.4%		13.7%		16.7%



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Report Methodology:

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