



# ELLIMAN REPORT

## CO-OPS & CONDOS

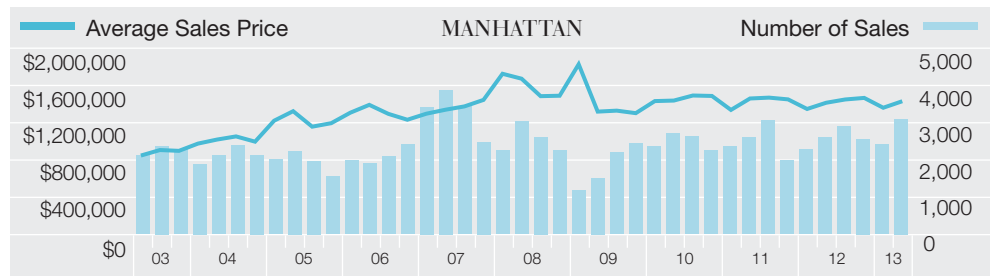
• **Price indicators posted modest increases from prior year levels** Median sales price expanded 4.3% to \$865,000 from the same period last year. Average sales price edged up 1.2% to \$1,425,403 and price per square foot increased 7.9% to \$1,149 over the same period.

• **The number of sales posted gains as listing inventory fell sharply** The number of sales jumped 18.8% to 3,144, from the prior year quarter, the most second quarter sales in 6 years. Listing inventory dropped 31.3% to 4,795 over the same period, the lowest second quarter total in at least 12 years. As a result, the monthly absorption rate fell to 4.6 months, the fastest market pace recorded in this series.

• **Buyer and seller grew closer on price as marketing time expanded** Listing discount fell to 2.7% from 5.1% in the same period last year. Days on market expanded by two weeks from last year's levels as languishing listings continued to be absorbed.

Manhattan Market Matrix	2Q-2013	%Chg (QTR)	1Q-2013	%Chg (YR)	2Q-2012
Average Sales Price	\$1,425,403	5.2%	\$1,354,766	1.2%	\$1,408,878
Average Price per Sq Ft	\$1,149	4.2%	\$1,103	7.9%	\$1,065
Median Sales Price	\$865,000	5.4%	\$820,555	4.3%	\$829,000
New Development	\$1,395,000	5.3%	\$1,325,000	36.1%	\$1,025,000
Re-sale	\$837,500	9.5%	\$765,000	6.0%	\$790,000
Number of Sales	3,144	28.0%	2,457	18.8%	2,647
Days on Market (From Last List Date)	178	34.8%	132	7.9%	165
Listing Discount (From Last List Price)	2.7%		4.3%		5.1%
Listing Inventory	4,795	-3.3%	4,960	-31.3%	6,981
Absorption Rate (mos)	4.6	-24.6%	6.1	-41.8%	7.9
Pending Price Index (1Q 08 = 100)	102.26	7.0%	95.58	3.4%	98.92
Pending Sales Index (1Q 08 = 100)	151.58	-6.0%	161.19	-6.8%	162.71
Year-to-Date	2Q-2013	%Chg (QTR)	1Q-2013	%Chg (YR)	2Q-2012
Average Sales Price (YTD)	\$1,394,417	N/A	N/A	1.2%	\$1,377,514
Average Price per Sq Ft (YTD)	\$1,129	N/A	N/A	5.0%	\$1,075
Median Sales Price (YTD)	\$846,000	N/A	N/A	2.5%	\$825,000
Number of Sales (YTD)	5,601	N/A	N/A	13.0%	4,958

\*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.



The Manhattan housing market continues to experience record low inventory levels, but surprisingly enough, is also seeing an uptick in the number of sales. The record high levels of sales in the fourth quarter in 2012 prompted expectations that the first half of 2013 would lose sales volume as a result of last year's "poaching from the future." However, after several years of consumer uncertainty culminating with the national election buildup to the federal fiscal cliff deadline at the end of the 2012, there was a release of pent-up demand into 2013, pressing prices modestly

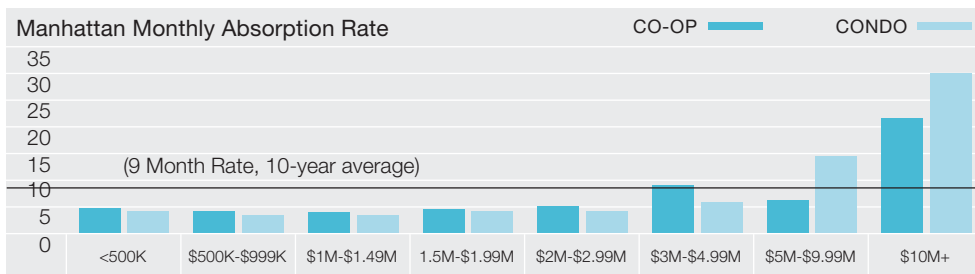
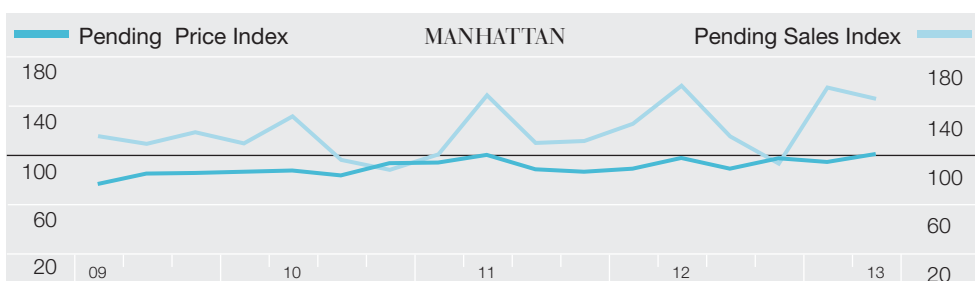
higher. The number of sales jumped 18.8% to 3,144 from the prior year quarter, the most active spring market in terms of today sales since 2007. The rise in sales was met with a continued drop in listing inventory. The number of listings fell 31.3% to 4,795 from the last year's quarter, the lowest recorded second quarter total in the 12 years of this report series. The combination of rapidly falling inventory and rising sales resulted in the fastest market pace on record. The monthly

absorption rate, defined in this report as the number of months to sell all listing inventory at the current pace of sales, was 4.6 months compared to 7.9 months in the prior year quarter. The number of units that sold at or above the last list price in the second quarter reached 35.9% of all sales, up from 16.6% in the same period last year. However, as mortgage rates are expected to edge higher and as pent-up demand from prior years becomes more fully absorbed, the brisk

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market in the New York City metropolitan region. 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.



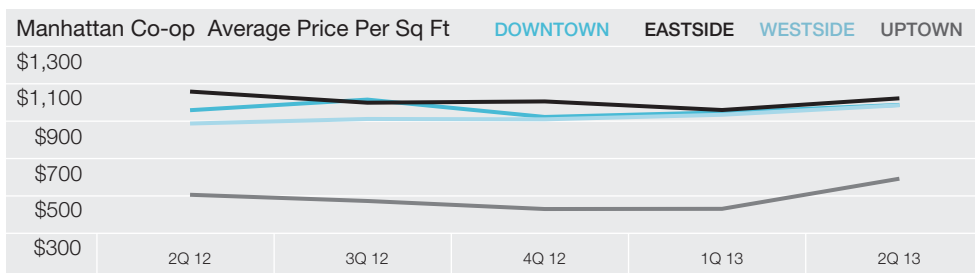
pace of sales is unlikely to be sustained. Listing discount, defined as percentage difference between the list price at time of contract and the contract price, fell to 2.7% from 5.1% in the prior year quarter. Days on market, the number of days from the last price change to the contract price, expanded by 13 days to 178 days, as languishing listings were sold off. We expected this metric to decline in the coming quarters. As a result of the faster market pace, all price indicators showed gains from both the prior year quarter and prior quarter. Median sales price rose 4.3% above the prior year level to \$865,000. Average sales price edged up 1.2% to \$1,425,403 and average price per square foot increased 7.9% to \$1,149 over the same period. Monthly carrying charge gains continue to exceed inflation, rising 5.5% to \$1.73 from \$1.64 over the same period.



## CO-OPS

- Price indicators were mixed showing stability** Median sales price remained at \$665,000, unchanged from the prior year quarter.
- Listing inventory fell sharply as sales surged** The number of sales jumped 20.7% to 1,829 from the prior year quarter despite falling inventory. There were 2,737 listings at the end of the quarter, 27.8% fewer compared to the same period last year.
- Days on market expanded as listing discount fell** The average number of days to sell a property expanded to 188 days from 160 days in the same period last year. Listing discount fell to 2.6% from 3.8% in the prior year quarter.

Co-op Market Matrix	2Q-2013	%Chg (QTR)	1Q-2013	%Chg (YR)	2Q-2012
Average Sales Price	\$1,089,269	3.6%	\$1,051,682	-8.6%	\$1,191,992
Average Price Per Sq Ft	\$983	6.3%	\$925	2.0%	\$964
Median Sales Price	\$665,000	2.3%	\$650,000	0.0%	\$665,000
Number of Sales	1,829	22.7%	1,491	20.7%	1,515
Days on Market (From Last List Date)	188	40.3%	134	17.5%	160
Listing Discount (From Last List Price)	2.6%		3.9%		3.8%
Listing Inventory (Active)	2,737	-1.2%	2,770	-27.8%	3,793
Absorption Rate (Monthly, Active)	4.5	-19.6%	5.6	-40.0%	7.5



Quintiles	Med. Sales Price	%Chg (YR)	Co-op Mix	Sales Share	Med. Sales Price
5/5	\$2,200,000	4.8%	Studio	17.3%	\$360,000
4/5	\$987,120	3.5%	1 bedroom	41.2%	\$575,000
3/5	\$645,000	0.8%	2 bedroom	29.2%	\$1,115,000
2/5	\$480,000	2.1%	3 bedroom	10.0%	\$2,350,000
1/5	\$310,000	1.6%	4+ bedroom	2.3%	\$4,350,000

The co-op price indicators showed mixed results compared to prior year levels. Median sales price remained at \$665,000, unchanged from prior year levels. While average sales price fell 8.6% to \$1,089,269, average price per square foot increased by 2% to \$983 over the same period.

There were 1,829 sales in the second quarter, 20.7% more than during the same period last year. Co-op sales represented 57.1% of all Manhattan apartment sales consistent with long-term historical norms. Listing inventory continued to fall at a fast pace. There were 2,737 listings at the end of the second quarter, 27.8%

below prior year levels. As a result, the monthly absorption rate fell to 4.5 months, the fastest recorded market pace in 12 years of this report series.

Despite the faster market pace, the average number of days to sell a property expanded to 188 days from 160 days in the same period last year. This was largely due to the absorption

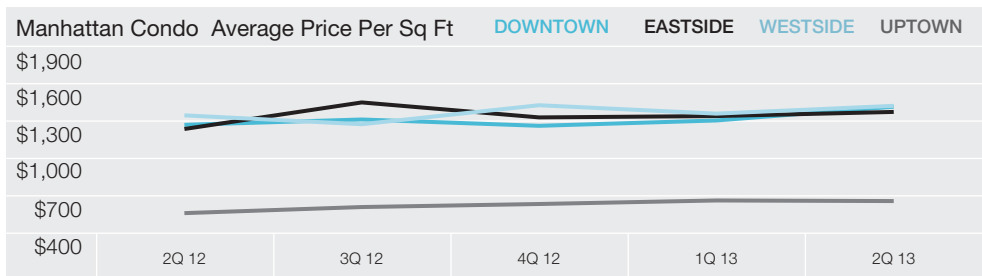
of languishing inventory as the limited supply caused older listings to be more readily sold. Despite the expansion in marketing time, negotiability fell as listing discount reached 2.6% from 3.8% in the prior year quarter.

Co-op maintenance changes for sales closed in the second quarter increased by 2.4% to \$1.74 per square foot per month from \$1.70 per square foot per month in the prior year quarter.

## CONDOS

- Price indicators continued to see double-digit gains** All price indicators jumped above prior ago levels. Median sales price increased by 13.6% to \$1,250,000 from the same period last year ago.
- Inventory fell sharply as sales surged** Total inventory fell by 35.4% to 2,058, while the number of sales increased by 16.2% to 1,315 sales over the same period last year, resulting in an absorption rate of 4.7 months, the fastest pace in 6 years.
- Days on market and listing discount fell** It took 163 days to sell a property, an average of 9 days faster than seen in the prior year quarter. Listing discount fell sharply by 5% to 2.8% over the same period.

Condo Market Matrix	2Q-2013	%Chg (QTR)	1Q-2013	%Chg (YR)	2Q-2012
Average Sales Price	\$1,892,924	3.9%	\$1,822,570	11.4%	\$1,699,144
Average Price Per Sq Ft	\$1,381	0.3%	\$1,377	15.0%	\$1,201
Median Sales Price	\$1,250,000	4.6%	\$1,195,000	13.6%	\$1,100,000
Number of Sales	1,315	36.1%	966	16.2%	1,132
Days on Market (From Last List Date)	163	25.4%	130	-5.2%	172
Listing Discount (From Last List Price)	2.8%		4.8%		6.8%
Listing Inventory (Active)	2,058	-6.0%	2,190	-35.4%	3,188
Absorption Rate (Monthly, Active)	4.7	-30.9%	6.8	-44.0%	8.4



Quintiles	Med. Sales Price	%Chg (YR)	Condo Mix	Sales Share	Med. Sales Price
5/5	\$3,705,000	2.9%	Studio	10.1%	\$594,000
4/5	\$2,013,000	15.0%	1 bedroom	37.8%	\$880,000
3/5	\$1,280,000	16.4%	2 bedroom	33.4%	\$1,720,000
2/5	\$835,000	11.3%	3 bedroom	15.0%	\$2,920,000
1/5	\$565,000	30.5%	4+ bedroom	3.7%	\$5,800,000

All three price indicators jumped above prior year levels. Median sales price increased by 13.6% to \$1,250,000 compared to the same period last year. Average sales price rose by 11.4% to \$1,892,924 and average price per square foot increased 15% to \$1,381 over the same period. The rise in price indicators was largely due to the collapse of listing inventory.

While total inventory fell 35.4% to 2,058, the loss of both re-sale and new development inventory was virtually even, falling 35.2% and 35.8% respectively from the prior year levels. Despite the lowest level of inventory in over 8 years, the number of sales jumped 16.2% to 1,315 from

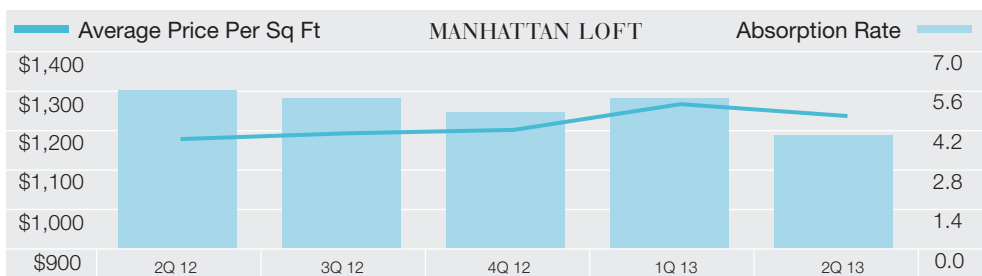
prior year levels. The pronounced increase in demand and decrease in supply resulted in an absorption rate of 4.7 months, the fastest market pace in 6 years. The accelerating market pace resulted in faster marketing times and smaller discounts. The average property took 163 days to sell, 9 days or 5.2% faster than during the

same period last year. The spread between list price and sales price also narrowed, falling 5% from a year ago to 2.8% in the second quarter. The monthly common charge and real estate tax per square foot average for units sold in the second quarter was \$1.71, 8.9% higher than \$1.57 recorded during the same period last year.

## LOFTS

- Price indicators are above prior year levels** Median sales price edged up 0.9% to \$1,765,000 from the prior year, as price per square foot and average sales price rose 5.1% and 8.5% respectively over the same period.
- Pace of sales growth slowed as listing inventory fell sharply** The number of sales expanded by 2.4% to 261 sales, a slower pace than the 19.3% year-over-year jump reported in the prior quarter. Inventory fell by 26.6% to 347 over the same period.
- Listing discount compressed** The spread between list and sales price compressed to 3.5% from 5.2% in the prior year quarter.

Loft Market Matrix	2Q-2013	%Chg (QTR)	1Q-2013	%Chg (YR)	2Q-2012
Average Sales Price	\$2,253,372	0.0%	\$2,253,990	8.5%	\$2,076,115
Average Price Per Sq Ft	\$1,242	-2.4%	\$1,273	5.1%	\$1,182
Median Sales Price	\$1,765,000	10.3%	\$1,600,000	0.9%	\$1,749,000
Number of Sales	261	45.8%	179	2.4%	255
Days on Market (From Last List Date)	163	8.7%	150	9.4%	149
Listing Discount (From Last List Price)	3.5%		4.1%		5.2%
Listing Inventory (Active)	347	10.2%	315	-26.6%	473
Absorption Rate (Monthly, Active)	4.0	-24.5%	5.3	-28.6%	5.6



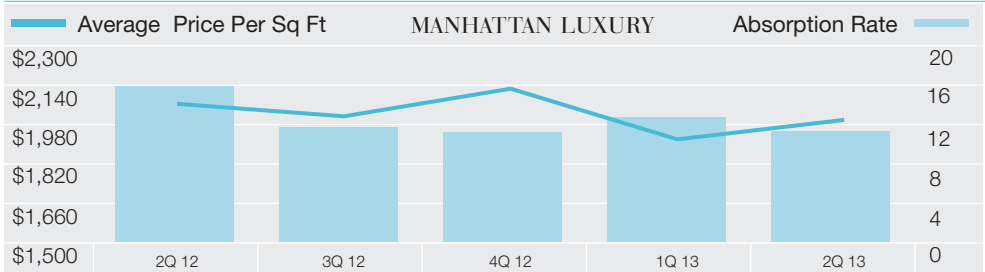
Note: This sub-category analyzes all co-op & condo loft sales available. The data is also contained within the co-op & condo markets presented.

## LUXURY

- Price indicators were mixed** Median sales price expanded 3.1% to \$4,200,000 from prior year levels, while other metrics posted declines.
- Listing inventory fell from prior year levels, but at a much slower pace than the overall market** There were 1,157 listings at the end of the second quarter, 3.9% below the prior year quarter, as the overall market saw a 31.3% drop over the same period.
- Days on market expanded by three weeks** The average days on market indicator was at 184 days, three weeks longer than the same period last year.

Note: This sub-category analyzes the top 10% of all co-op & condo sales. Data is also contained within the co-op and condo markets presented.

Luxury Market Matrix	2Q-2013	%Chg (QTR)	1Q-2013	%Chg (YR)	2Q-2012
Average Sales Price	\$5,246,773	3.4%	\$5,076,228	-8.4%	\$5,726,086
Average Price Per Sq Ft	\$2,006	4.2%	\$1,925	-5.1%	\$2,113
Median Sales Price	\$4,200,000	4.6%	\$4,015,000	3.1%	\$4,075,000
Number of Sales	314	27.6%	246	18.5%	265
Days on Market (From Last List Date)	184	41.5%	130	13.6%	162
Listing Discount (From Last List Price)	3.9%		4.9%		4.6%
Listing Inventory (Active)	1,157	12.9%	1,025	-3.9%	1,204
Absorption Rate (Monthly, Active)	11.1	-11.2%	12.5	-18.4%	13.6
Entry Threshold	\$2,950,000	0.5%	\$2,935,000	4.3%	\$2,827,500

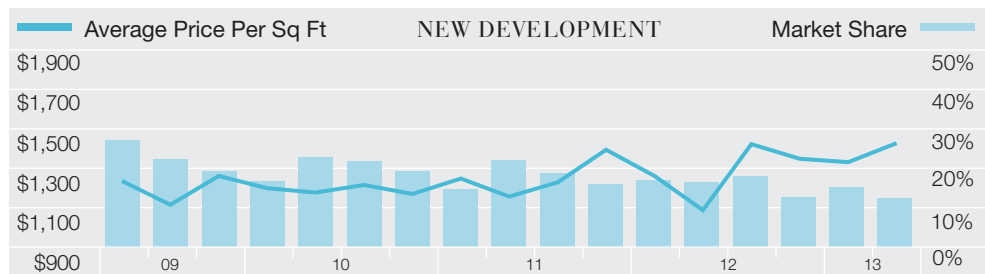


## NEW DEVELOPMENT

- Market share at lowest level in 9 years** The market share of closed new development sales fell to 12.4%, the lowest point since the third quarter of 2004.
- Housing price indicators surged as luxury product now dominates the sector** The average price per square foot jumped 30.7% to \$1,427 from prior year levels, yet the average square footage sold expanded by only 4.7%.
- New development absorption rate at the fastest pace in 5 years** The number of months to absorb all listed new development supply at the current pace of sales was 6.4 months.

Note: This sub-category analyzes new development co-op & condo sales. Data is also contained within the co-op and condo markets presented.

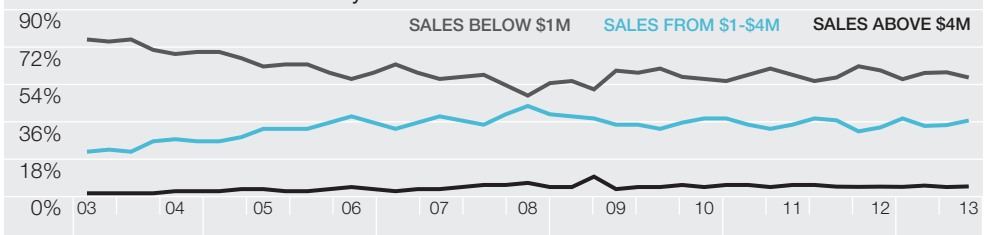
New Development Market Matrix	2Q-2013	%Chg (QTR)	1Q-2013	%Chg (YR)	2Q-2012
Average Sales Price	\$2,116,759	10.3%	\$1,918,384	36.8%	\$1,547,083
Average Price per Sq Ft	\$1,427	7.1%	\$1,332	30.7%	\$1,092
Median Sales Price	\$1,395,000	5.3%	\$1,325,000	36.1%	\$1,025,000
Number of Sales	389	5.7%	368	-10.2%	433
Days on Market (From Last List Date)	168	28.2%	131	-22.6%	217
Listing Discount (From Last List Price)	2.9%		4.8%		10.8%
Listing Inventory (Active)	828	-5.0%	872	-36.3%	1,300
Absorption Rate (mos, active)	6.4	-9.9%	7.1	-28.9%	9.0
Sales Share of Overall Market	12.4%		15.0%		16.4%



## IN-FOCUS

- Market share for sub-million dollar properties trended higher since Lehman** The share of units sold below \$1M expanded 8.7% since the second quarter 2008, prompted by low mortgage rates.
- Middle market share as relative weak spot** The \$1M to \$4M "middle" market share initially fell by 7% from the pre-Lehman levels, but remained stable for the past 3 years.

### IN-FOCUS: Sales Market Share by Price



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**Report Methodology:** <http://www.millersamuel.com/research-reports/methodology>

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