



ELLIMAN REPORT

CO-OPS & CONDOS

• Most fourth quarter sales in at least 25 years, lowest inventory in 14 years

There were 3,297 sales, up 26.9% from the prior year quarter, to the highest fourth quarter sales total in 25 years. At the same time, listing inventory fell 12.3% to a 14-year record low of 4,164 from the prior year quarter.

• Robust sales and limited supply pushed once dormant price growth as condos set record

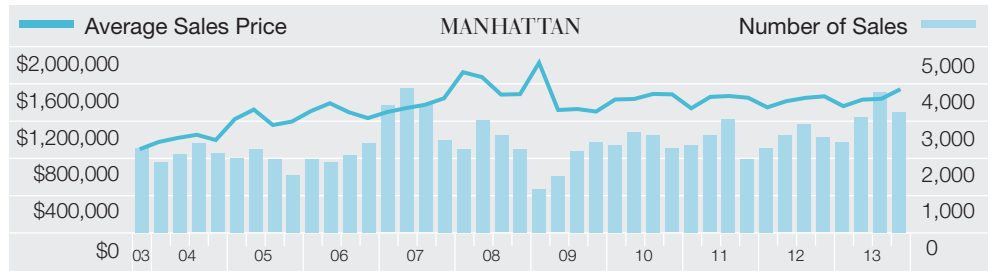
Co-op median sales price rose 4.6% to \$680,000 from the prior year quarter despite a shift in the mix toward smaller lower priced apartments. Condo median sales price jumped 14.3% to \$1,320,000 over the same period to a 25-year record.

• The time to sell an apartment fell by half as listing discount remained low

The average days on market was 95 days, roughly half the 177 day pace in the prior year quarter as inventory fell to a record low. The listing discount fell nominally to 3.6% from the prior year quarter.

Manhattan Market Matrix	4Q-2013	%Chg (QTR)	3Q-2013	%Chg (YR)	4Q-2012
Average Sales Price	\$1,538,203	7.2%	\$1,434,614	5.3%	\$1,461,473
Average Price per Sq Ft	\$1,178	3.6%	\$1,137	8.7%	\$1,084
Median Sales Price	\$855,000	-1.9%	\$872,000	2.1%	\$837,500
New Development	\$1,725,000	20.9%	\$1,426,250	26.8%	\$1,360,000
Re-sale	\$821,094	-4.0%	\$855,000	5.3%	\$780,000
Number of Sales	3,297	-14.1%	3,837	26.9%	2,598
Days on Market (From Last List Date)	95	8.0%	88	-46.3%	177
Listing Discount (From Last List Price)	3.6%		2.0%		3.7%
Listing Inventory	4,164	-8.8%	4,567	-12.3%	4,749
Absorption Rate (mos)	3.8	5.6%	3.6	-30.9%	5.5
Pending Price Index (1Q 08 = 100)	113.05	-2.5%	115.98	12.2%	100.72
Pending Sales Index (1Q 08 = 100)	109.48	-21.7%	139.82	4.6%	104.68
Year-to-Date	4Q-2013	%Chg (QTR)	3Q-2013	%Chg (YR)	4Q-2012
Average Sales Price (YTD)	\$1,443,753	N/A	N/A	1.9%	\$1,417,080
Average Price per Sq Ft (YTD)	\$1,144	N/A	N/A	5.4%	\$1,085
Median Sales Price (YTD)	\$855,000	N/A	N/A	2.4%	\$835,000
Number of Sales (YTD)	12,735	N/A	N/A	21.2%	10,508

*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 final quarter for the Manhattan apartment market was characterized by a record fourth quarter sales volume, record low inventory and record condo prices. Typically the weakest quarter of the year, the fourth quarter sales total of 3,297 was the highest fourth quarter total in at least 25 years and was above the very active spring market. The burst in sales activity was the remainder of momentum that began in the third quarter fueled by the May/June spike in mortgage rates as well as the release of pent-up demand culminating with the fiscal cliff event at

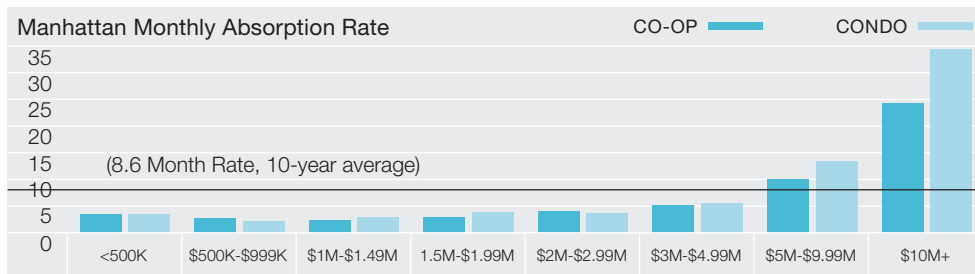
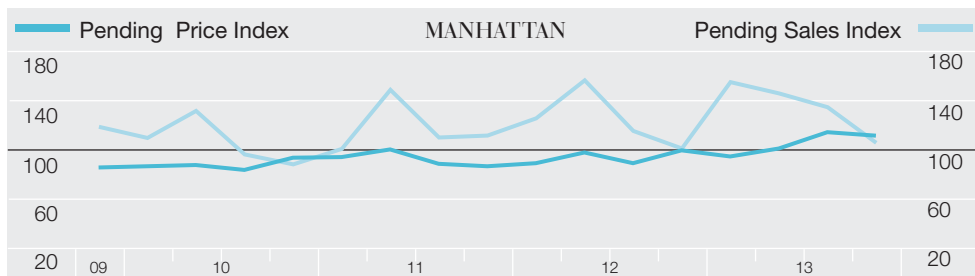
the end of 2012. The absorption rate, the number of months to sell all inventory at the current pace of sales, was at a near record pace of 3.8 months. Although the market is expected to improve in 2014, rising mortgage rates suggest it is unlikely the torrid pace of sales cannot be sustained. With the surge in sales in the fourth quarter, inventory could not enter the market fast enough to meet demand, causing inventory to fall 12.3% to a record low of 4,164 from the prior year quarter. However price growth next year

may be tempered by a modest gain in inventory. Rising prices have already begun to pull in more re-sale supply but the recent sales surge simply overpowered new inventory entering the market. New development product, largely centered on the luxury market, is also expected to expand over the next year. Overall price indicators showed year-over-year gains. Median sales price increased 2.1% to \$855,000 from the same period last year. Average sales price and price per square foot rose 5.3% and 8.7%

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.



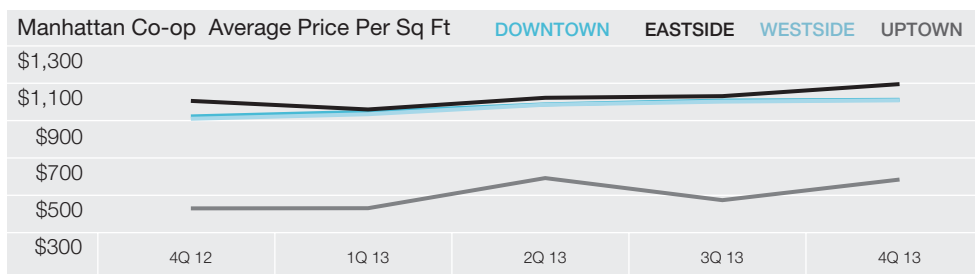
respectively over the same period. The individual co-op and condo markets indicated that record low inventory and record high sales were finally pressing prices higher. Co-op price indicators showed robust price gains in the lower half of the market yet the shift in the mix tempered overall price trends. Condo price indicators showed large gains at the upper end of the market and the overall condo median sales price set a 25-year record of \$1,320,000. Listing discount, the percentage difference between the list price at time of sale and the sales price, slipped to 3.6% from 3.7% in the prior year quarter. Days on market, the number of days from the last price change to the contract date, dropped by nearly half to 95 days from 177 days in the prior year quarter as supply evaporated. The increase in monthly carrying charges for co-ops and condos edged up 1.2% to \$1.71 from \$1.69 in the same period last year.



CO-OPS

- Price indicators were mixed with shift to smaller sales** Median sales price rose 4.6% to \$680,000 from the prior year quarter. Average sales price slipped, largely due to the shift in mix to lower priced sales.
- Number of sales surged as inventory fell** Sales jumped 29.4% to 2,016 from the same period last year. Inventory continued to drop, falling 14.6% to 2,234 over the same period.
- Days on market and listing discount fell** The lack of supply caused the number of days to sell a property to fall by half to 90 days from the prior year quarter. Listing discount fell to 2% from 3.8% over the same period.

Co-op Market Matrix	4Q-2013	%Chg (QTR)	3Q-2013	%Chg (YR)	4Q-2012
Average Sales Price	\$1,171,552	-0.5%	\$1,177,952	-1.6%	\$1,190,430
Average Price Per Sq Ft	\$1,029	4.1%	\$988	9.6%	\$939
Median Sales Price	\$680,000	-3.6%	\$705,325	4.6%	\$650,000
Number of Sales	2,016	-15.2%	2,378	29.4%	1,558
Days on Market (From Last List Date)	90	-5.3%	95	-51.1%	184
Listing Discount (From Last List Price)	2.0%		2.0%		3.8%
Listing Inventory (Active)	2,234	-14.3%	2,608	-14.6%	2,616
Absorption Rate (Monthly, Active)	3.3	0.0%	3.3	-34.0%	5.0



Quintiles	Med. Sales Price	%Chg (YR)	Co-op Mix	Sales Share	Med. Sales Price
5/5	\$2,300,000	4.5%	Studio	17.8%	\$375,000
4/5	\$1,065,500	8.7%	1 bedroom	43.0%	\$595,000
3/5	\$675,000	6.4%	2 bedroom	25.9%	\$1,200,000
2/5	\$495,250	7.7%	3 bedroom	9.9%	\$2,050,000
1/5	\$345,000	15.0%	4+ bedroom	3.4%	\$5,000,000

Median sales price increased 4.6% to \$680,000 from the same period last year. Overall there was more price growth at the lower end of the market based on apartment size and quintile analysis. Average price per square foot increased 9.6% to \$1,029, the highest level in 5 years. Average sales price did not follow the same trend, sliding 1.6% to \$1,171,552 over the same period largely due to a shift towards smaller sized sales. The average size of a sale fell 10.2% to 1,139 square feet as studio/1-bedroom market share expanded by nearly 3% to comprise 60.8% of sales from the same period last year. There were 2,016 sales in the fourth quarter, a 29.4%

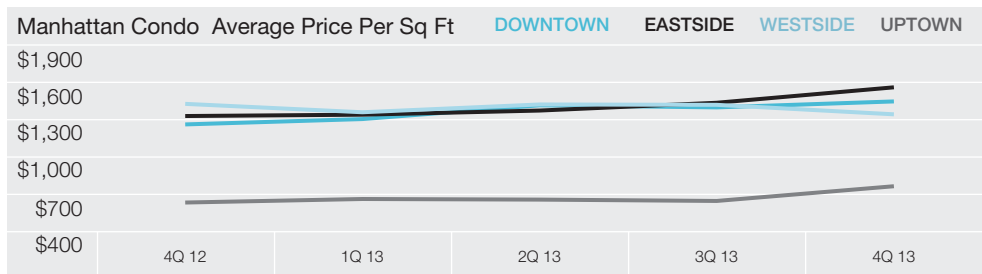
jump from the prior year quarter and the second highest quarterly total in the 25 years this metric has been tracked. Inventory fell 14.6% to 2,234 over the same period, a record low. As a result, the monthly absorption rate remained at 3.3 months from last quarter, the fastest market pace seen in the 14 years this metric has been

tracked. As a result of the record pace, the time to sell an apartment fell by half to 90 days and the listing discount also dropped by roughly half to 2%. Co-op maintenance charges for sales that closed in the fourth quarter increased 3.6% to \$1.74 per square foot per month from \$1.68 per square foot per month in the prior year quarter.

CONDOS

- Price indicators jumped as 25 year median sales price record set** Median sales price rose 14.3% to a record \$1,320,000 from the prior year quarter. Average sales price and price per square foot increased 13.3% and 8.5% respectively over the same period.
- Number of sales surged as inventory fell** Compared to the prior year quarter, the number of sales jumped 23.2% to 1,281 as inventory fell 9.5% to 1,930. As a result, the monthly absorption rate dropped 27.4% to 4.5 months.
- Days on market dropped as sellers pushed list prices higher** Days on market was 2 months faster, but sellers began to push listing prices higher. The listing discount increased to 6% from 3.5% in the prior year quarter.

Condo Market Matrix	4Q-2013	%Chg (QTR)	3Q-2013	%Chg (YR)	4Q-2012
Average Sales Price	\$2,115,228	14.2%	\$1,852,943	13.3%	\$1,867,516
Average Price Per Sq Ft	\$1,412	2.4%	\$1,379	8.5%	\$1,301
Median Sales Price	\$1,320,000	9.9%	\$1,201,000	14.3%	\$1,155,000
Number of Sales	1,281	-12.2%	1,459	23.2%	1,040
Days on Market (From Last List Date)	103	33.8%	77	-38.0%	166
Listing Discount (From Last List Price)	6.0%		2.0%		3.5%
Listing Inventory (Active)	1,930	-1.5%	1,959	-9.5%	2,133
Absorption Rate (Monthly, Active)	4.5	12.5%	4.0	-27.4%	6.2



Quintiles	Med. Sales Price	%Chg (YR)	Condo Mix	Sales Share	Med. Sales Price
5/5	\$4,525,000	18.3%	Studio	11.9%	\$565,000
4/5	\$2,156,891	3.2%	1 bedroom	36.5%	\$899,000
3/5	\$1,335,000	3.7%	2 bedroom	31.9%	\$1,825,000
2/5	\$857,459	0.9%	3 bedroom	14.8%	\$3,200,000
1/5	\$550,000	-4.3%	4+ bedroom	4.8%	\$7,275,000

Price indicators continued to press higher. Median sales price surged 14.3% to \$1,320,000, a 25-year record. The other price indicators showed a similar pattern. Apparently the price trend was not the result of a shift in the mix or size of units sold. The 2-bedroom and 3-bedroom market sales share fell, while the studio and 1-bedroom market share rose. The average square footage of a sale was 1,498, only 4.4% larger than the same period last year, but well above the 1,354 square foot 20-year average. The number of sales jumped 23.2% to 1,281 from the same period last year. Inventory fell 9.5% to 1,930 the lowest

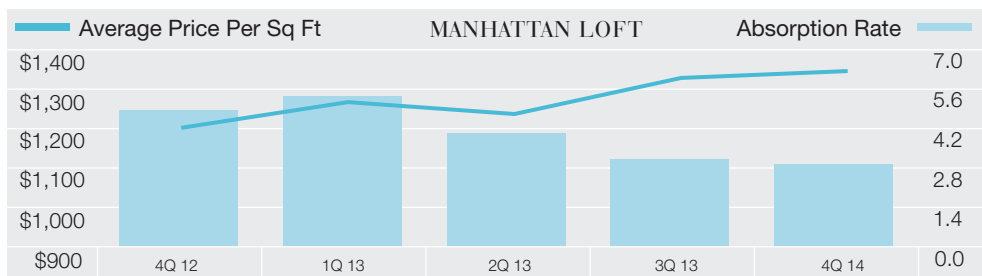
level in more than 11 years. The combination of rising demand and falling supply resulted in a 4.5 month absorption rate, the third fastest market pace over the 14 years this metric has been tracked. Consistent with the faster market pace, days on market dropped 38% to 103 days, more than 2 months faster than during the same period last year. However the listing discount jumped

to 6% from 3.5% in the prior year quarter as sellers became more emboldened by improving market conditions and limited competition, pushing list prices higher. The average monthly common charge and real estate tax per square foot for units closed in the fourth quarter was \$1.67, 1.8% below the \$1.70 average in the prior year quarter.

LOFTS

- Price indicators surged above prior year levels** Median sales price jumped 12.1% to \$1,850,000 from the prior year quarter. Average sales price rose 2.7% and average price per square foot gained 12.3% over the same period.
- Inventory fell sharply and sales spiked** Listing inventory fell 20% to 272 from the prior year quarter. The number of sales jumped 33.6% to 286 sales over the same period.
- New development sales remain scarce** Loft resale market share continued to dominate, accounting for 93.7% of all loft sales, remaining at about the same level as last year.

Loft Market Matrix	4Q-2013	%Chg (QTR)	3Q-2013	%Chg (YR)	4Q-2012
Average Sales Price	\$2,269,387	-3.8%	\$2,358,641	2.7%	\$2,209,272
Average Price Per Sq Ft	\$1,354	1.3%	\$1,336	12.3%	\$1,206
Median Sales Price	\$1,850,000	-5.1%	\$1,950,000	12.1%	\$1,650,000
Number of Sales	286	-1.7%	291	33.6%	214
Days on Market (From Last List Date)	173	80.2%	96	36.2%	127
Listing Discount (From Last List Price)	2.3%		0.0%		3.9%
Listing Inventory (Active)	272	-10.8%	305	-20.0%	340
Absorption Rate (Monthly, Active)	2.9	-6.5%	3.1	-39.6%	4.8



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

- **Resale market share continued to dominate new development market share** Approximately 90% of all luxury sales to close during the quarter were re-sales versus 10% for new development.
- **All price indicators up sharply from prior year period** Price per square foot rose 8.3% to \$2,313 from the prior year quarter to the second highest level in history.
- **Inventory was up sharply from prior year levels** There were 1,190 listings in the fourth quarter, up 24.9% from the same quarter last year. Re-sale inventory jumped 28%, outpacing the 16.4% rise in new development over the same period.

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.

NEW DEVELOPMENT

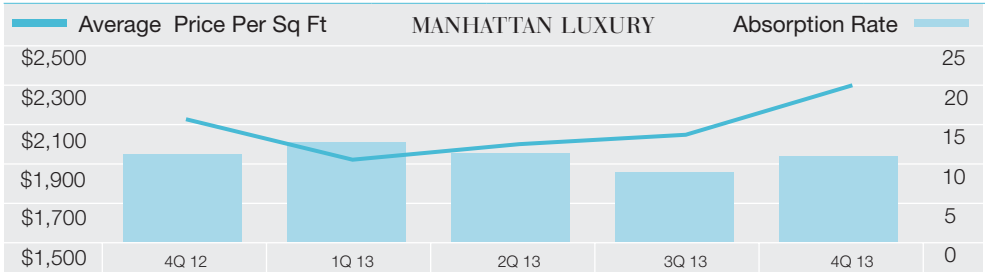
- **Market share jumped but remained near record low** The number of new development closings jumped to 9.9% from a record low of 6.2% in the prior quarter, but still remained the third lowest share since 2003.
- **Years of falling supply and shift to large units finally pressed prices higher** Price per square foot jumped 17.7% to \$1,588, an 11-year record high. The average sales size surged 22.9% to 1,697 square feet from the prior year quarter.
- **Market pace accelerated** Although sales remained flat from prior year levels, monthly absorption fell to 6.5 months with the decline of inventory.

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

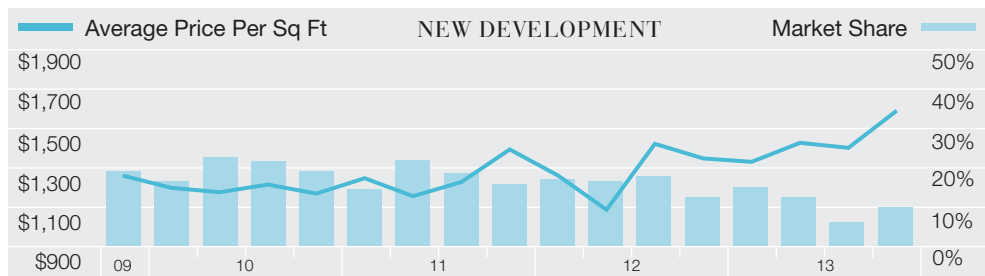
IN-FOCUS

- **The 4+ bedroom sales pace remained the slowest** The sales pace of the largest size category accelerated, but remained 7 months slower than the overall market.
- **The absorption rate of most size categories moved faster** Approximately 96% of the market (everything but 4+ bedrooms) experienced a very similar brisk pace over the past two years.

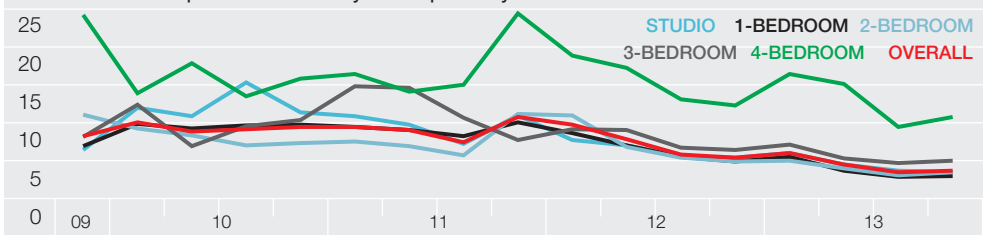
Luxury Market Matrix	4Q-2013	%Chg (QTR)	3Q-2013	%Chg (YR)	4Q-2012
Average Sales Price	\$6,206,155	14.8%	\$5,405,610	5.8%	\$5,868,442
Average Price Per Sq Ft	\$2,313	12.6%	\$2,055	8.3%	\$2,136
Median Sales Price	\$4,900,000	19.5%	\$4,100,000	10.4%	\$4,440,150
Number of Sales	330	-13.8%	383	26.9%	260
Days on Market (From Last List Date)	110	3.8%	106	-41.5%	188
Listing Discount (From Last List Price)	3.2%		3.0%		3.5%
Listing Inventory (Active)	1,190	7.5%	1,107	24.9%	953
Absorption Rate (Monthly, Active)	10.8	24.1%	8.7	-1.8%	11.0
Entry Threshold	\$3,232,944	9.6%	\$2,950,000	6.7%	\$3,029,294



New Development Market Matrix	4Q-2013	%Chg (QTR)	3Q-2013	%Chg (YR)	4Q-2012
Average Sales Price	\$2,694,436	22.9%	\$2,192,640	44.7%	\$1,862,387
Average Price per Sq Ft	\$1,588	13.3%	\$1,402	17.7%	\$1,349
Median Sales Price	\$1,725,000	20.9%	\$1,426,250	26.8%	\$1,360,000
Number of Sales	327	38.6%	236	0.3%	326
Days on Market (From Last List Date)	102	25.9%	81	-42.4%	177
Listing Discount (From Last List Price)	3.6%		1.9%		3.1%
Listing Inventory (Active)	709	-4.4%	742	-19.6%	882
Absorption Rate (mos, active)	6.5	-30.9%	9.4	-19.8%	8.1
Sales Share of Overall Market	9.9%		6.2%		12.5%



IN-FOCUS: Co-op/Condo Monthly Absorption by Number of Bedrooms



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