

ELLI MAN REPORT

2Q
2016
MANHATTAN
SALES

Quarterly Survey of Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

13.1%

PACE

Absorption Rate

0.6 mos

SALES

Closed Sales

2.3%

INVENTORY

Total Inventory

10.9%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

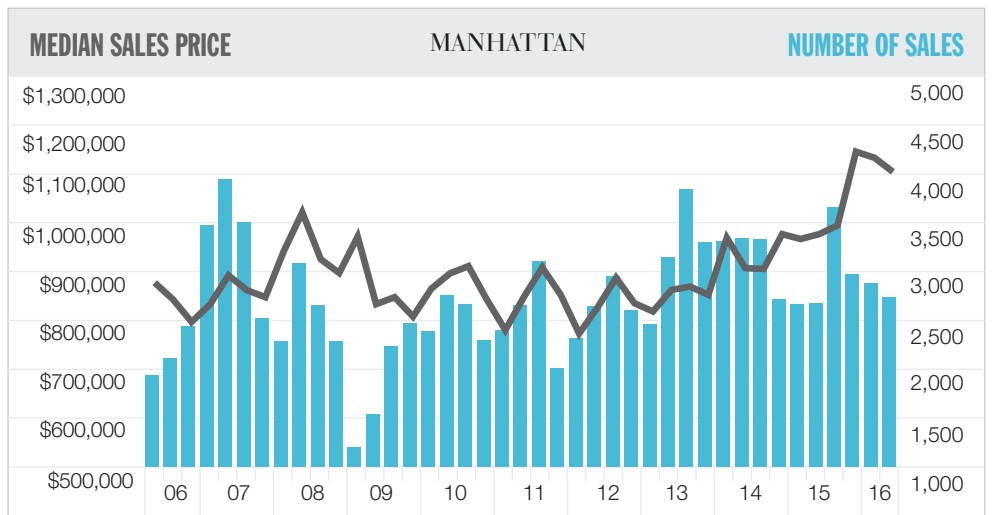
Listing Discount

3.9%

- Average price per square foot sets new record
- Sales edged higher as marketing time slipped
- Market share of sales above list price fell to three year low

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.

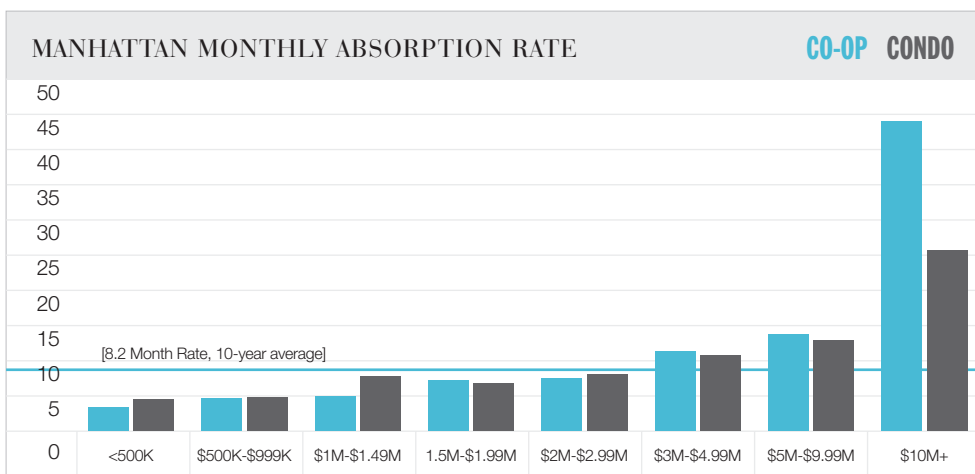
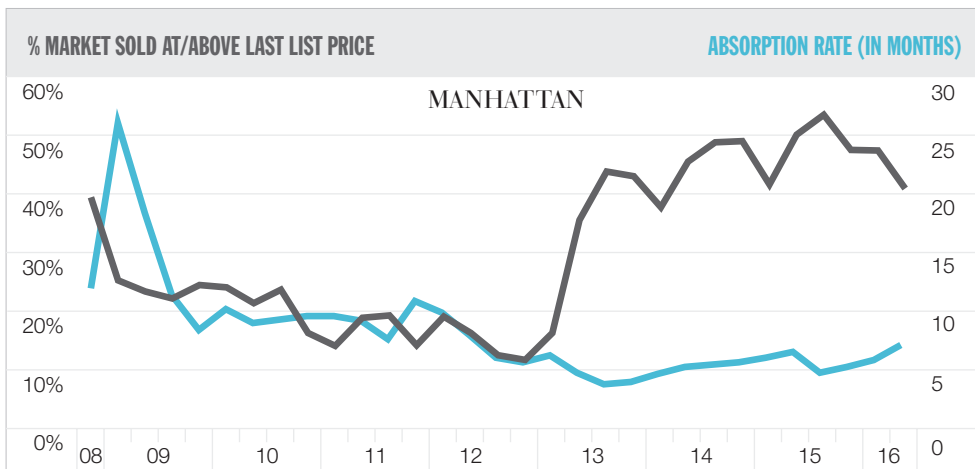
Manhattan Market Matrix	2Q-2016	%Δ (qtr)	1Q-2016	%Δ (yr)	2Q-2015
Average Sales Price	\$2,029,075	-1.1%	\$2,051,321	8.4%	\$1,872,367
Average Price per Sq Ft	\$1,759	2.7%	\$1,713	31.3%	\$1,340
Median Sales Price	\$1,108,500	-2.5%	\$1,137,500	13.1%	\$980,000
New Development	\$2,693,271	3.3%	\$2,606,720	44.1%	\$1,868,489
Re-sale	\$945,000	-0.5%	\$950,000	0.0%	\$945,000
Number of Sales (Closed)	2,736	-4.9%	2,877	2.3%	2,674
Days on Market (From Last List Date)	89	-4.3%	93	-5.3%	94
Listing Discount (From Last List Price)	2.2%		2.1%		6.1%
Listing Inventory (Active)	6,352	15.4%	5,506	10.9%	5,730
Absorption Rate (Months)	7.0	22.8%	5.7	9.4%	6.4
Year-to-Date	2Q-2016	%Δ (qtr)	1Q-2016	%Δ (yr)	2Q-2015
Average Sales Price (YTD)	\$2,040,477	N/A	N/A	13.2%	\$1,802,848
Average Price per Sq Ft (YTD)	\$1,735	N/A	N/A	33.3%	\$1,302
Median Sales Price (YTD)	\$1,125,000	N/A	N/A	15.4%	\$975,000
Number of Sales (YTD)	5,613	N/A	N/A	5.2%	5,335



Manhattan apartment prices continued to set records partly due to the heavy volume of new development closings that went to contract 12-18 months ago. Re-sale activity, representing 81.5% of the market showed second quarter market conditions more clearly and so a re-sale section has been added to this report. Median sales price for re-sales was unchanged at \$945,000 from the same period a year ago while the other price indicators showed mixed results.

Re-sale average price per square foot set a new record of \$1,453, up 13.8% and re-sale average sales price fell 10.6% to \$1,496,233 respectively over the same period. The number of re-sales fell 9.4% to 2,231 as the number of new development closings surged 138.2% to 505 respectively from the same period a year ago. Like sales and price trends, listing inventory showed disparity in re-sale and new development trends. Three years after re-sale inventory bottomed out and

growth remained limited, supply has begun to rise. Re-sale listing inventory jumped 25% to 5,362 from the same period a year ago but remained 1.5% below the post-financial crisis average to a more sustainable level. The return of supply to long-term averages was caused by the slow down in re-sale activity after a several years of record sales volume, as well as price growth pulling sellers onto the market. The re-sale absorption rate, the number of months to sell all re-sale inventory at the current rate of re-sales, increased to 7.2 months from 5.2 months in the year ago quarter, but remained below the 8.2 month quarterly average over last 10 years. New development closings accounted for 18.5% of second quarter sales. New development median sales price surged 44.1% to a record \$2,693,271 from the same period last year. This reflects the wave of older contracts that began to close in the third quarter of 2015. As discussed in prior reports, new development listing inventory – supply formally listed to the public - fell 31.3% from the year ago quarter. As a result of the decline of active new development inventory and the increase of re-sale inventory, overall inventory increased 10.9% to 6,352 apartments from the year ago quarter. The luxury market, representing the top 10% of all sales, set new price records largely with help from new development closings that accounted for 58.4% of sales. Luxury median sales price increased 10.1% to \$6,605,000 and the remaining price indicators set new records. Luxury average sales price increased 5.4% to a record \$8,622,734 and luxury average price per square foot increased to a record \$2,973 respectively from the same period last year. The luxury threshold began at \$4,325,000, up 12.3% from the year ago quarter as higher end new development sales closed. The number of sales at or above \$5



million jumped 27.4% and at or above \$10 million increased 23.4% respectively from the prior year quarter. Luxury listing inventory fell 20.7% from the combination of a 35.6% drop in active luxury new development listings and a 10.7% decline in luxury re-sale listings. The former occurred as developers pulled some active listings from the market as sales slowed. The latter occurred as properties with “aspirational” asking prices have been exiting the market over the past year.

Market wide, the share of “cash” transactions was 45% of all apartment sales, 33% of co-op sales and 58% of condo sales. Days on market, the average number of days to sell all apartments that closed during the quarter, was 5 days faster than the same period last year, falling to 89 days. Listing discount, the percentage difference between the list price at time of sale and the sales price, fell to 2.2% from 6.1% in the prior year quarter.

RE-SALES

- Median unchanged, average declined and price per square foot set new record
- Number of sales declined as inventory jumped
- Faster marketing time and less negotiability

Re-Sales Market Matrix	2Q-2016	%Δ (QTR)	1Q-2016	%Δ (YR)	2Q-2015
Average Sales Price	\$1,496,233	-2.6%	\$1,536,475	-10.6%	\$1,673,844
Average Price per Sq Ft	\$1,453	1.2%	\$1,436	13.8%	\$1,277
Median Sales Price	\$945,000	-0.5%	\$950,000	0.0%	\$945,000
Number of Sales (Closed)	2,231	-1.1%	2,256	-9.4%	2,462
Days on Market (From Last List Date)	73	-6.4%	78	-17.0%	88
Listing Discount (From Last List Price)	3.4%		2.7%		5.8%
Listing Inventory (Active)	5,362	15.0%	4,663	25.0%	4,289
Absorption Rate (Months)	7.2	16.1%	6.2	38.5%	5.2
Sales Share of Overall Market	81.5%		78.4%		92.1%

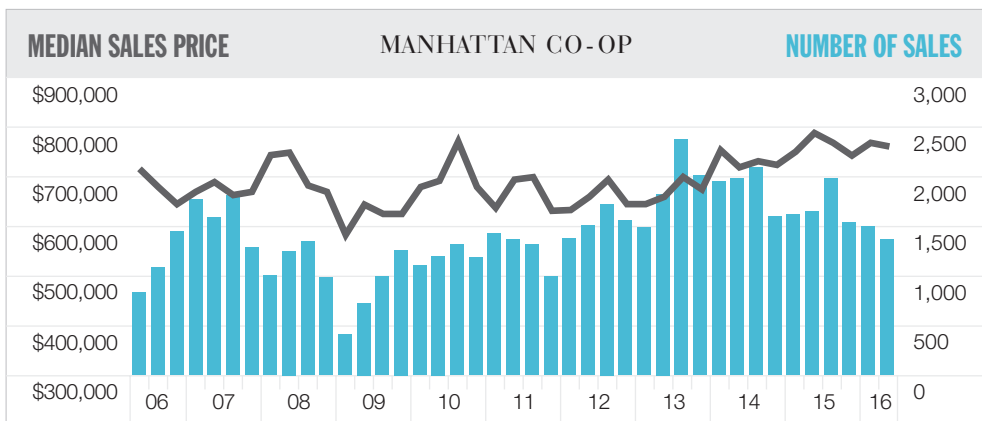
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Eighth consecutive quarter with year over year decline in sales
- Decline in median and average sales price
- Inventory expanded yet pace of market remained fast

Co-op Market Matrix	2Q-2016	%Δ (QTR)	1Q-2016	%Δ (YR)	2Q-2015
Average Sales Price	\$1,301,812	1.5%	\$1,282,693	-15.4%	\$1,537,880
Average Price Per Sq Ft	\$1,331	4.9%	\$1,269	12.2%	\$1,186
Median Sales Price	\$767,500	-1.0%	\$775,000	-3.5%	\$795,000
Number of Sales	1,370	-8.6%	1,499	-17.2%	1,654
Days on Market (From Last List Date)	75	0.0%	75	-23.5%	98
Listing Discount (From Last List Price)	3.0%		2.1%		5.9%
Listing Inventory (Active)	2,785	13.8%	2,448	3.3%	2,696
Absorption Rate (Monthly, Active)	6.1	24.5%	4.9	24.5%	4.9

Co-op Mix	Sales Share	Median Sales Price
Studio	8.6%	\$430,000
1 bedroom	51.9%	\$618,000
2 bedroom	26.6%	\$1,300,000
3 bedroom	10.2%	\$2,797,000
4+ bedroom	2.6%	\$3,900,000

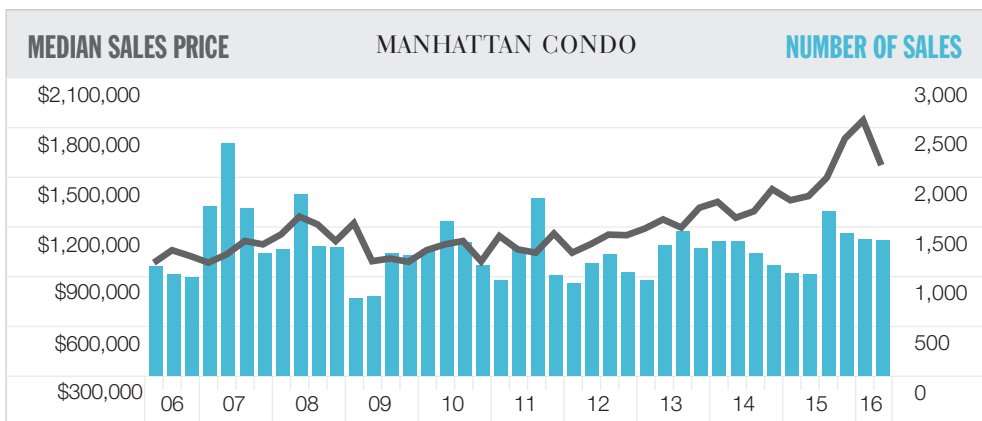


CONDOS

- Surge in sales as new development closings continued to pour into market
- Average price per square foot rose to new record
- Marketing time expanded as negotiability tightened

Condo Market Matrix	2Q-2016	%Δ (QTR)	1Q-2016	%Δ (YR)	2Q-2015
Average Sales Price	\$2,758,468	-4.5%	\$2,887,440	14.2%	\$2,414,761
Average Price Per Sq Ft	\$2,073	0.6%	\$2,061	30.5%	\$1,589
Median Sales Price	\$1,575,638	-14.6%	\$1,845,000	13.4%	\$1,390,000
Number of Sales	1,366	-0.9%	1,378	33.9%	1,020
Days on Market (From Last List Date)	107	-2.7%	110	21.6%	88
Listing Discount (From Last List Price)	1.6%		2.0%		6.4%
Listing Inventory (Active)	3,567	16.6%	3,058	17.6%	3,034
Absorption Rate (Monthly, Active)	7.8	16.4%	6.7	-12.4%	8.9

Condo Mix	Sales Share	Median Sales Price
Studio	7.4%	\$659,000
1 bedroom	38.4%	\$992,000
2 bedroom	32.4%	\$2,100,000
3 bedroom	15.2%	\$4,487,500
4+ bedroom	6.6%	\$8,266,701

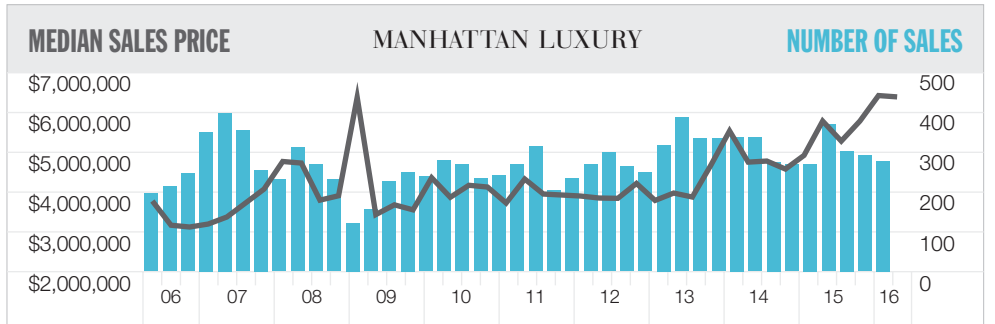


LUXURY

- Average sales price and average price per square foot set records
- Nearly 60 percent of sales were new development closings
- Both re-sale and new development active inventory fell

Luxury Market Matrix	2Q-2016	%Δ (QTR)	1Q-2016	%Δ (YR)	2Q-2015
Average Sales Price	\$8,622,734	3.9%	\$8,297,866	5.4%	\$8,182,735
Average Price per Sq Ft	\$2,973	5.7%	\$2,813	16.5%	\$2,551
Median Sales Price	\$6,605,000	-0.5%	\$6,638,448	10.1%	\$6,000,000
Number of Sales (Closed)	274	-4.9%	288	2.6%	267
Days on Market (From Last List Date)	169	38.5%	122	31.0%	129
Listing Discount (From Last List Price)	2.2%		3.2%		3.4%
Listing Inventory (Active)	1,391	3.0%	1,351	-20.7%	1,754
Absorption Rate (Months)	15.2	7.8%	14.1	-22.8%	19.7
Entry Threshold	\$4,325,000	-2.8%	\$4,450,000	12.3%	\$3,850,000

Luxury Mix	Sales Share	Median Sales Price
Co-ops	50.4%	\$3,964,045
Condos	49.6%	\$11,135,232
New Dev.	58.4%	\$7,500,213
Re-sales	41.6%	\$5,812,500

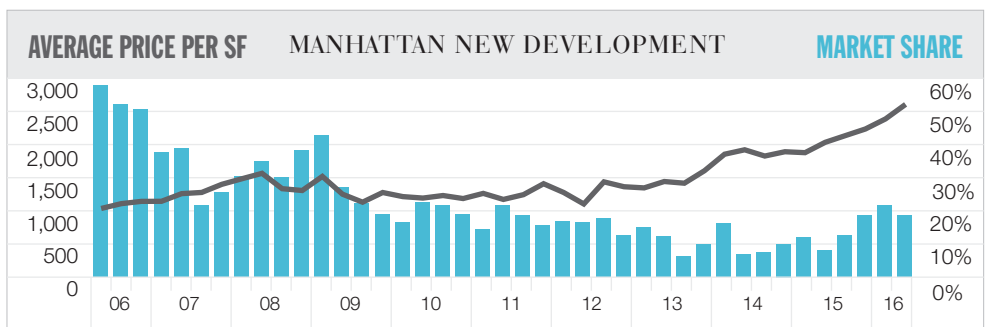


NEW DEVELOPMENT

- All price indicators set new records
- Active inventory fell by nearly a third, closings more than doubled
- Marketing time increased by more than 50 percent

New Development Market Matrix	2Q-2016	%Δ (QTR)	1Q-2016	%Δ (YR)	2Q-2015
Average Sales Price	\$4,383,078	11.8%	\$3,921,677	4.9%	\$4,177,856
Average Price per Sq Ft	\$2,577	9.2%	\$2,360	28.1%	\$2,011
Median Sales Price	\$2,693,271	3.3%	\$2,606,720	44.1%	\$1,868,489
Number of Sales (Closed)	505	-18.7%	621	138.2%	212
Days on Market (From Last List Date)	196	21.0%	162	50.8%	130
Listing Discount (From Last List Price)	-1.0%		1.0%		3.4%
Listing Inventory (Active)	990	17.4%	843	-31.3%	1,441
Absorption Rate (Months)	5.9	43.9%	4.1	-71.1%	20.4
Sales Share of Overall Market	18.5%		21.6%		7.9%

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	17.6%	\$808,241
\$1M - \$3M	39.5%	\$1,957,938
> \$3M	43.0%	\$5,748,289



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Report Methodology:

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