

ELLI MAN

REPORT

3Q 2016
MANHATTAN SALES

Quarterly Survey of Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

7.6%

PACE

Absorption Rate

1.7 mos

SALES

Closed Sales

-18.6%

INVENTORY

Total Inventory

10.8%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

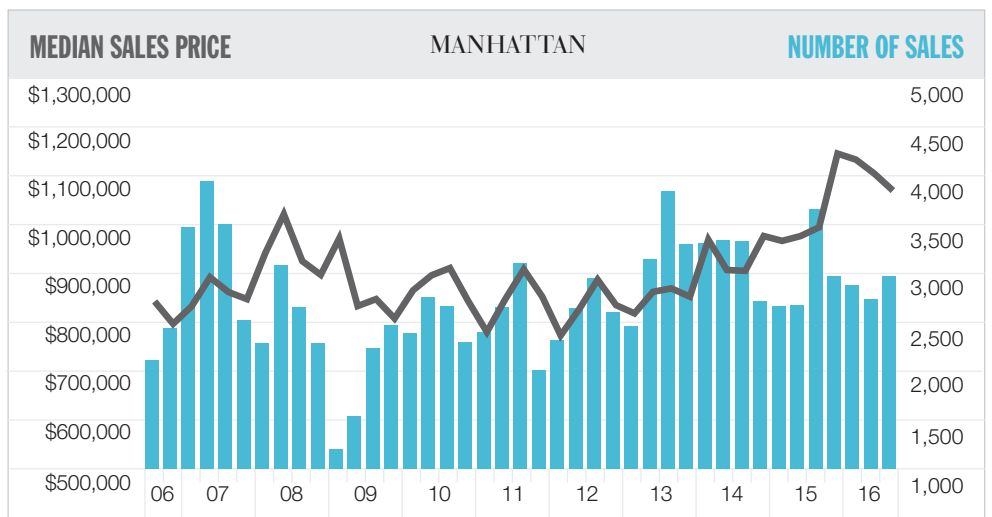
Listing Discount

0.7%

- All price indicators moved higher, influenced by new development skew
- Median sales price for re-sales showed modest gain
- Number of sales fell, pressing inventory 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.

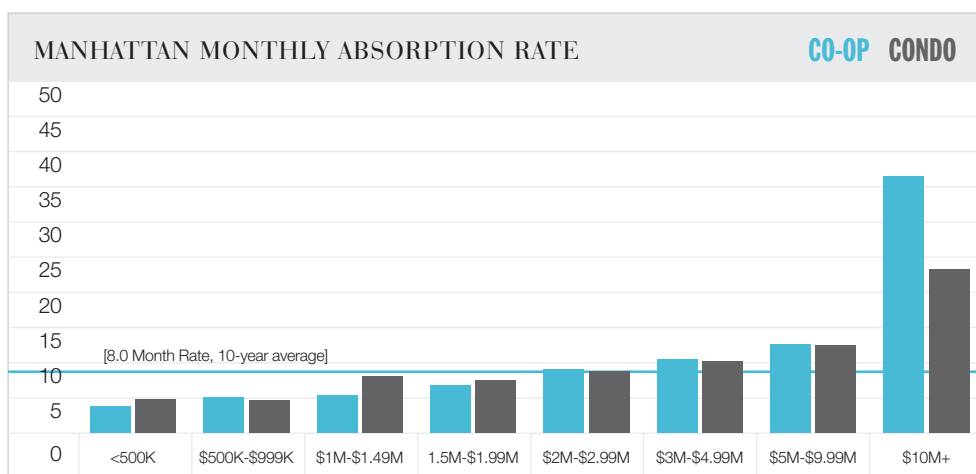
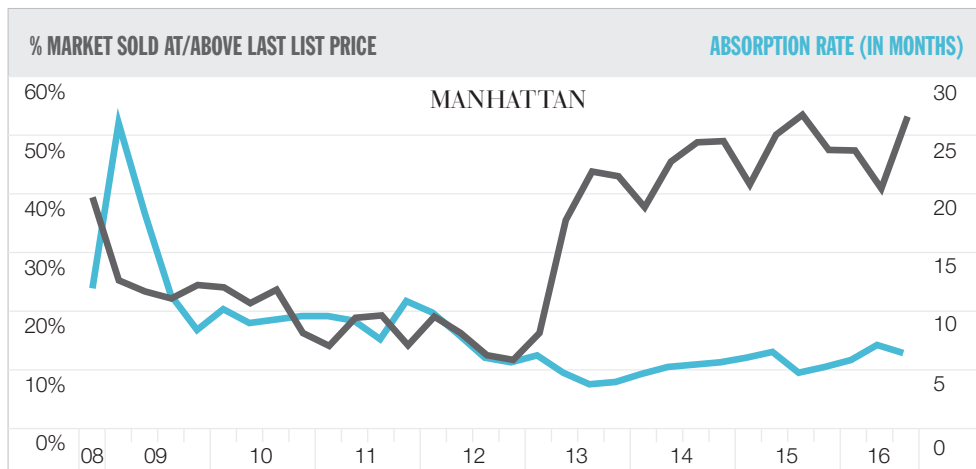
| Manhattan Market Matrix | 3Q-2016 | %Δ (qtr) | 2Q-2016 | %Δ (yr) | 3Q-2015 |
|---|-------------|----------|-------------|---------|-------------|
| Average Sales Price | \$2,032,459 | 0.2% | \$2,029,075 | 17.0% | \$1,737,565 |
| Average Price per Sq Ft | \$1,692 | -3.8% | \$1,759 | 13.0% | \$1,497 |
| Median Sales Price | \$1,073,750 | -3.1% | \$1,108,500 | 7.6% | \$998,000 |
| New Development | \$4,011,044 | 48.9% | \$2,693,271 | 95.8% | \$2,048,341 |
| Re-sale | \$950,000 | 0.5% | \$945,000 | 2.6% | \$926,250 |
| Number of Sales (Closed) | 2,974 | 8.7% | 2,736 | -18.6% | 3,654 |
| Days on Market (From Last List Date) | 79 | -11.2% | 89 | 8.2% | 73 |
| Listing Discount (From Last List Price) | 2.9% | | 2.2% | | 2.2% |
| Listing Inventory (Active) | 6,263 | -1.4% | 6,352 | 10.8% | 5,654 |
| Absorption Rate (Months) | 6.3 | -10.0% | 7.0 | 37.0% | 4.6 |
| Year-to-Date | 3Q-2016 | %Δ (qtr) | 2Q-2016 | %Δ (yr) | 3Q-2015 |
| Average Sales Price (YTD) | \$2,030,838 | N/A | N/A | 13.2% | \$1,794,528 |
| Average Price per Sq Ft (YTD) | \$1,724 | N/A | N/A | 20.5% | \$1,431 |
| Median Sales Price (YTD) | \$1,100,000 | N/A | N/A | 11.5% | \$986,500 |
| Number of Sales (YTD) | 8,587 | N/A | N/A | -4.5% | 8,989 |



The third quarter Manhattan housing market showed higher prices with fewer sales and more inventory. The median sales price of a Manhattan apartment was \$1,073,750, up 7.6% from the year ago quarter and was the fourth consecutive quarter above the \$1 million threshold. Average price per square foot was \$1,692 up 13% and average sales price was \$2,032,459 was up 17% respectively from the year ago quarter. New development results, especially a large portion from contracts signed 12-18 months

ago, continued to skew the metrics higher with 80 sales closing at or above \$10 million, the most since 2008. As a result the median sales price for new development nearly doubled to \$4,011,044 from the same period last year, reflective of the shift in the mix to larger units, not a surge in value. The re-sale market, accounting for 87.7% of sales in the third quarter, was more reflective of current market conditions. All re-sale price trend indicators showed modest growth as the number of sales fell from year ago levels for the

fourth consecutive quarter. Re-sale median sales price was \$950,000, bracketed closely by the results of the prior four quarters and up 2.6% from the same period a year ago. This gain followed a 0% year over year change in the prior quarter and was a noticeable step down from the 6.6% average increase on a year over year basis during the preceding three years. The number of resales dropped 20.1% from the year ago quarter, yet remained 19.1% higher than the quarterly resales average of the last decade. The number of re-sales has fallen year over year in each of the last four quarters at an increasing rate. Listing inventory reflected significant differences in the rate of growth between re-sale and new development. Re-sale inventory expanded 8.2% to 5,290 while new development inventory surged 27.2% to 973 respectively from the same period a year ago. The re-sale absorption rate, the number of months to sell all re-sale inventory at the current rate of re-sales, increased to 6.1 months from 4.5 months in the year ago quarter, but was below the 8.1 month quarterly average of the prior decade. The year over year surge in new development inventory was a significant change in direction after four consecutive quarters of year over year declines. The declines had ranged from 31% to 49% as developers pulled inventory from active to shadow status to prevent their offerings from seeing extended marketing times. After setting a record 31% market share in the prior year quarter for sales that exceeded their list price at time of contract, the market share fell sharply to 17.4%. The amount paid in excess of list price fell by roughly half to 4.6% from 8.2% over the same period. The resulting decline in bidding wars over the past year was reflective of additional inventory and less sales activity. The luxury market, representing the top 10% of all sales, set new price records for average sales



price and average price per square foot as new development market share surged to 55% of all luxury sales from 29% in the year ago quarter. The luxury average price per square foot was \$3,040, up 23.9% from the year ago quarter, to a new record and exceeded the \$3,000 per square foot threshold for the first time. Luxury average sales price surged 30.8% to a record \$8,840,704 over the same period. The share of “all cash” sales was 46% of all apartment sales market wide

down from 49% in the year ago quarter. “All cash” sales comprised 39% of co-op sales and 55% of condo sales in the third quarter. Listing discount, the percentage difference between the list price at time of sale and the sales price, increased to 2.9% from 2.2% in the prior year quarter. Days on market, the average number of days to sell all apartments that closed during the quarter, was 6 days slower than the same period last year, falling to 79 days.

RE-SALES

- Price trend indicators showed modest gains
- Absorption slowed as marketing time edged higher
- Despite the decline in sales, activity remained higher than the quarterly average for the decade

| Re-Sales Market Matrix | 3Q-2016 | %Δ (QTR) | 2Q-2016 | %Δ (YR) | 3Q-2015 |
|---|-------------|----------|-------------|---------|-------------|
| Average Sales Price | \$1,566,066 | 4.7% | \$1,496,233 | 5.2% | \$1,488,825 |
| Average Price per Sq Ft | \$1,422 | -2.1% | \$1,453 | 4.6% | \$1,360 |
| Median Sales Price | \$950,000 | 0.5% | \$945,000 | 2.6% | \$926,250 |
| Number of Sales (Closed) | 2,608 | 16.9% | 2,231 | -20.1% | 3,264 |
| Days on Market (From Last List Date) | 72 | -1.4% | 73 | 7.5% | 67 |
| Listing Discount (From Last List Price) | 2.9% | | 3.4% | | 2.6% |
| Listing Inventory (Active) | 5,290 | -1.3% | 5,362 | 8.2% | 4,889 |
| Absorption Rate (Months) | 6.1 | -15.3% | 7.2 | 35.6% | 4.5 |
| Sales Share of Overall Market | 87.7% | | 81.5% | | 89.3% |

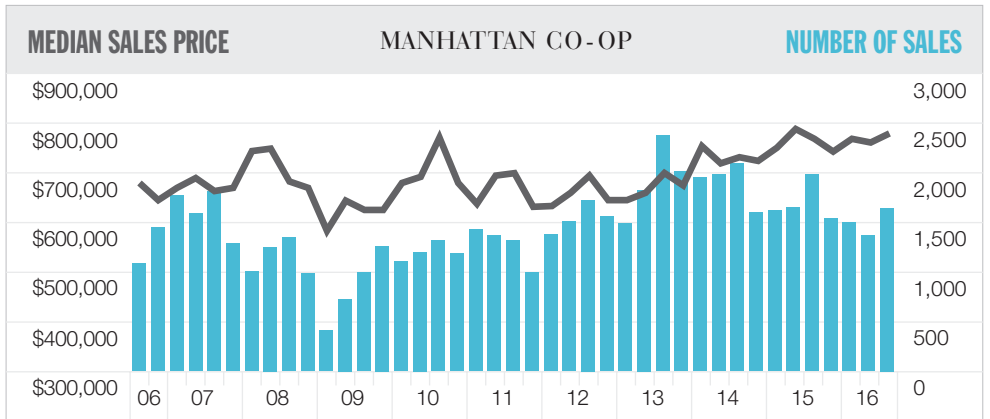
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Median sales price edged up to second highest level on record
- Sharp decline in sales as inventory edged higher
- Marketing time and negotiability expanded

| Co-op Market Matrix | 3Q-2016 | %Δ (QTR) | 2Q-2016 | %Δ (YR) | 3Q-2015 |
|---|-------------|----------|-------------|---------|-------------|
| Average Sales Price | \$1,291,269 | -0.8% | \$1,301,812 | 3.6% | \$1,246,435 |
| Average Price Per Sq Ft | \$1,225 | -8.0% | \$1,331 | 2.9% | \$1,190 |
| Median Sales Price | \$786,000 | 2.4% | \$767,500 | 1.4% | \$775,000 |
| Number of Sales | 1,647 | 20.2% | 1,370 | -17.1% | 1,986 |
| Days on Market (From Last List Date) | 73 | -2.7% | 75 | 14.1% | 64 |
| Listing Discount (From Last List Price) | 2.6% | | 3.0% | | 1.2% |
| Listing Inventory (Active) | 2,788 | 0.1% | 2,785 | 5.3% | 2,648 |
| Absorption Rate (Monthly, Active) | 5.1 | -16.4% | 6.1 | 27.5% | 4.0 |

| Co-op Mix | Sales Share | Median Sales Price |
|------------|-------------|--------------------|
| Studio | 16.5% | \$440,000 |
| 1 bedroom | 44.6% | \$711,000 |
| 2 bedroom | 27.4% | \$1,325,000 |
| 3 bedroom | 8.8% | \$2,200,000 |
| 4+ bedroom | 2.7% | \$4,618,757 |

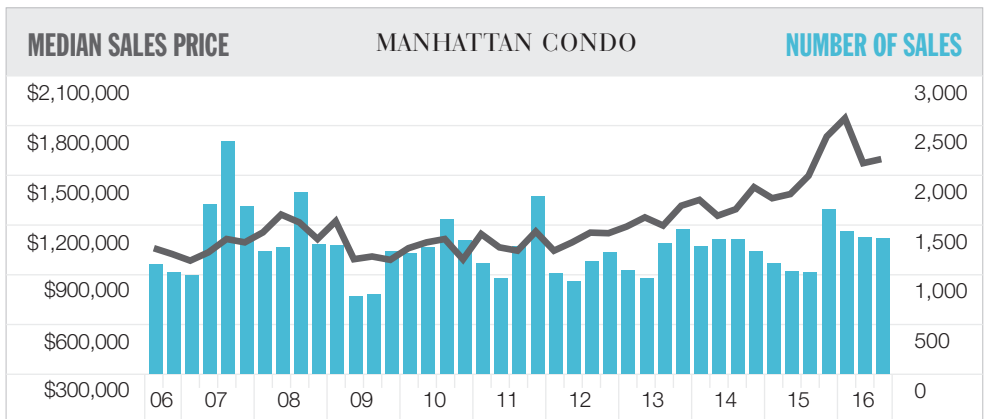


CONDOS

- Price trend indicators increased as sales declined
- Average price per square foot set new record
- Marketing time expanded as pace of market slowed

| Condo Market Matrix | 3Q-2016 | %Δ (QTR) | 2Q-2016 | %Δ (YR) | 3Q-2015 |
|---|-------------|----------|-------------|---------|-------------|
| Average Sales Price | \$2,952,382 | 7.0% | \$2,758,468 | 27.3% | \$2,319,470 |
| Average Price Per Sq Ft | \$2,133 | 2.9% | \$2,073 | 18.4% | \$1,801 |
| Median Sales Price | \$1,600,000 | 1.5% | \$1,575,638 | 6.7% | \$1,500,000 |
| Number of Sales | 1,327 | -2.9% | 1,366 | -20.1% | 1,661 |
| Days on Market (From Last List Date) | 86 | -19.6% | 107 | 2.4% | 84 |
| Listing Discount (From Last List Price) | 3.2% | | 1.6% | | 2.9% |
| Listing Inventory (Active) | 3,475 | -2.6% | 3,567 | 15.6% | 3,006 |
| Absorption Rate (Monthly, Active) | 7.9 | 1.3% | 7.8 | 46.3% | 5.4 |

| Condo Mix | Sales Share | Median Sales Price |
|------------|-------------|--------------------|
| Studio | 9.3% | \$645,000 |
| 1 bedroom | 36.6% | \$1,065,900 |
| 2 bedroom | 29.8% | \$2,050,000 |
| 3 bedroom | 17.5% | \$4,400,000 |
| 4+ bedroom | 6.8% | \$9,460,775 |

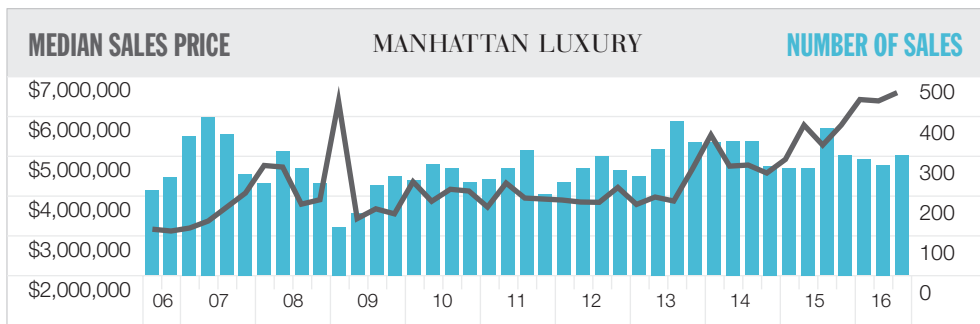


LUXURY

- Price per square foot broke \$3,000 threshold to new record
- More than half of all luxury sales were new development
- Inventory fell as more listings with aspirational prices were pulled from market

| Luxury Market Matrix | 3Q-2016 | %Δ (QTR) | 2Q-2016 | %Δ (YR) | 3Q-2015 |
|---|-------------|----------|-------------|---------|-------------|
| Average Sales Price | \$8,840,704 | 2.5% | \$8,622,734 | 30.8% | \$6,757,134 |
| Average Price per Sq Ft | \$3,040 | 2.3% | \$2,973 | 23.9% | \$2,454 |
| Median Sales Price | \$6,811,125 | 3.1% | \$6,605,000 | 23.9% | \$5,499,365 |
| Number of Sales (Closed) | 298 | 8.8% | 274 | -18.6% | 366 |
| Days on Market (From Last List Date) | 136 | -19.5% | 169 | 17.2% | 116 |
| Listing Discount (From Last List Price) | 2.9% | | 2.2% | | 2.7% |
| Listing Inventory (Active) | 1,346 | -3.2% | 1,391 | -9.1% | 1,480 |
| Absorption Rate (Months) | 13.6 | -10.5% | 15.2 | 12.4% | 12.1 |
| Entry Threshold | \$4,394,069 | 1.6% | \$4,325,000 | 23.3% | \$3,564,094 |

| Luxury Mix | Sales Share | Median Sales Price |
|------------|-------------|--------------------|
| Co-ops | 56.4% | \$3,575,000 |
| Condos | 43.6% | \$12,081,583 |
| New Dev. | 55.0% | \$6,745,894 |
| Re-sales | 45.0% | \$6,375,000 |

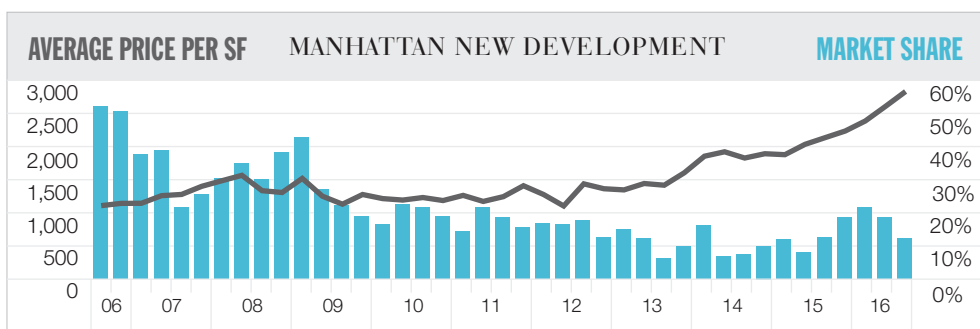


NEW DEVELOPMENT

- All price indicators continued to set new records, skewed by older contracts
- Active inventory began to rise sharply after a year of declines
- Marketing time and negotiability expanded

| New Development Market Matrix | 3Q-2016 | %Δ (QTR) | 2Q-2016 | %Δ (YR) | 3Q-2015 |
|---|-------------|----------|-------------|---------|-------------|
| Average Sales Price | \$5,355,827 | 22.2% | \$4,383,078 | 58.6% | \$3,377,218 |
| Average Price per Sq Ft | \$2,799 | 8.6% | \$2,577 | 32.6% | \$2,111 |
| Median Sales Price | \$4,011,044 | 48.9% | \$2,693,271 | 95.8% | \$2,048,341 |
| Number of Sales (Closed) | 366 | -27.5% | 505 | -6.2% | 390 |
| Days on Market (From Last List Date) | 168 | -14.3% | 196 | 34.4% | 125 |
| Listing Discount (From Last List Price) | 3.4% | | -1.0% | | 0.6% |
| Listing Inventory (Active) | 973 | -1.7% | 990 | 27.2% | 765 |
| Absorption Rate (Months) | 8.0 | 35.6% | 5.9 | 35.6% | 5.9 |
| Sales Share of Overall Market | 12.3% | | 18.5% | | 10.7% |

| New Dev. Mix | Sales Share | Median Sales Price |
|--------------|-------------|--------------------|
| < \$1M | 11.5% | \$757,323 |
| \$1M - \$3M | 30.6% | \$1,708,552 |
| > \$3M | 57.9% | \$5,852,469 |



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Douglas Elliman Real Estate
575 Madison Avenue
New York, NY 10022
212.891.7000
elliman.com

Miller Samuel Inc. Real Estate Appraisers
21 West 38th Street
New York, NY 10018
212.768.8100
millersamuel.com

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