

ELLI MAN REPORT

4Q 2016
MANHATTAN
SALES

Quarterly Survey of Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

8.7%

PACE

Absorption Rate

0.5 mos

SALES

Closed Sales

3.7%

INVENTORY

Total Inventory

6.9%

MARKETING TIME

Days on Market

12 days

NEGOTIABILITY

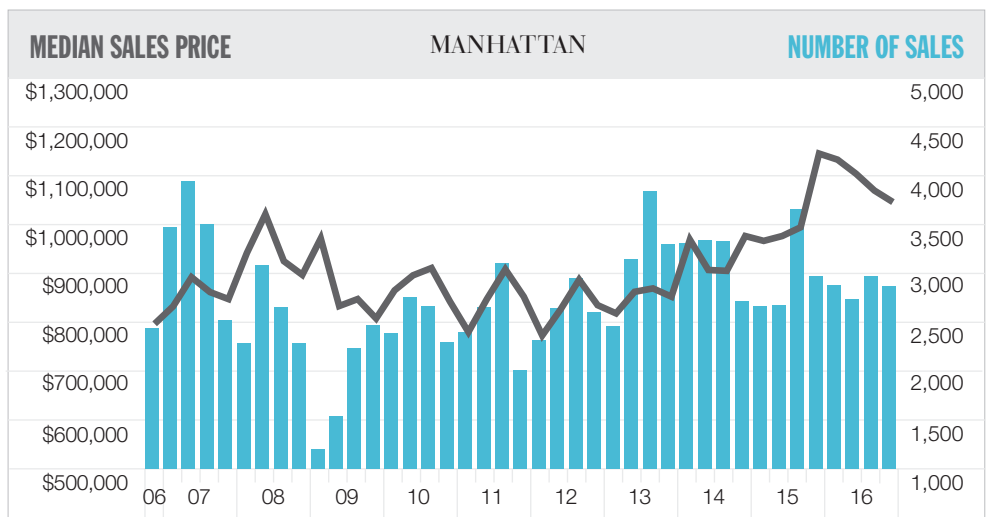
Listing Discount

2.5%

- Median sales price declined year over year for 2nd time in 3 years
- Number of sales slipped as inventory edged higher
- Slower marketing times and much more negotiability

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.

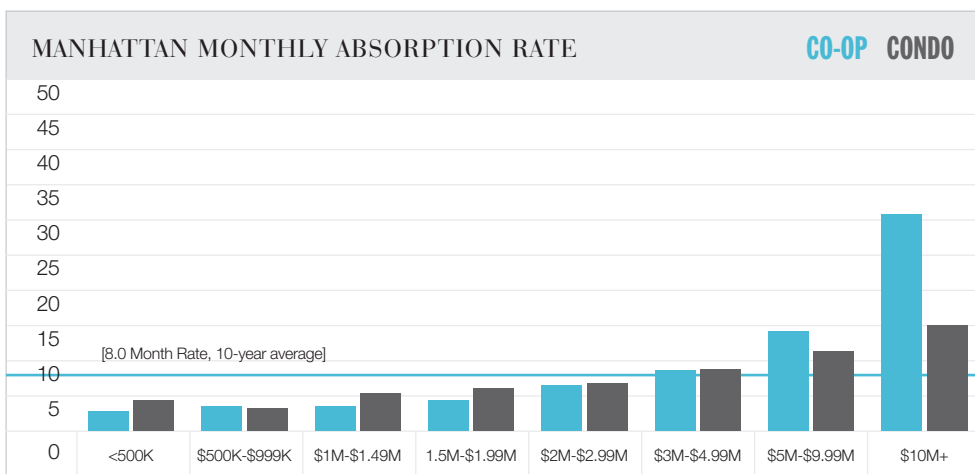
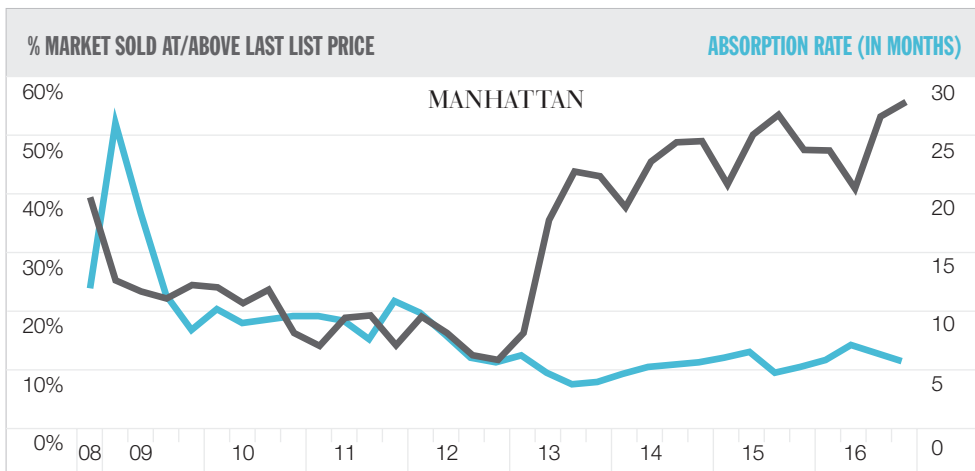
Manhattan Market Matrix	4Q-2016	%Δ (qtr)	3Q-2016	%Δ (yr)	4Q-2015
Average Sales Price	\$2,098,459	3.2%	\$2,032,459	7.7%	\$1,948,221
Average Price per Sq Ft	\$1,760	4.0%	\$1,692	7.0%	\$1,645
Median Sales Price	\$1,050,000	-2.2%	\$1,073,750	-8.7%	\$1,150,000
New Development	\$2,965,000	-26.1%	\$4,011,044	44.0%	\$2,059,411
Re-sale	\$900,000	-5.3%	\$950,000	-6.3%	\$960,000
Number of Sales (Closed)	2,864	-3.7%	2,974	-3.7%	2,973
Days on Market (From Last List Date)	94	19.0%	79	14.6%	82
Listing Discount (From Last List Price)	5.5%		2.9%		3.0%
Listing Inventory (Active)	5,393	-13.9%	6,263	6.9%	5,046
Absorption Rate (Months)	5.6	-11.1%	6.3	9.8%	5.1
Year-to-Date	4Q-2016	%Δ (qtr)	3Q-2016	%Δ (yr)	4Q-2015
Average Sales Price (YTD)	\$2,064,837	N/A	N/A	12.7%	\$1,832,069
Average Price per Sq Ft (YTD)	\$1,725	N/A	N/A	10.4%	\$1,563
Median Sales Price (YTD)	\$1,100,000	N/A	N/A	8.9%	\$1,010,500
Number of Sales (YTD)	11,451	N/A	N/A	-4.3%	11,962



The Manhattan housing market showed more signs of easing in the final quarter of 2016, capping off a lackluster year relative to the frenzy of the prior several years. Legacy contracts, new development sales signed a few years ago that recently closed when their respective projects were completed, continued to push prices higher than conditions reflected. Overall average sales price increased 7.7% to a 27-year record of \$2,098,459 largely skewed by those legacy contracts within the new development

market. However the overall median sales price of a Manhattan apartment declined 8.7% year over year to \$1,050,000. Median sales price for re-sales reflected 83.3% of all closings, and declined 6.3% year over year to \$900,000, the second and largest such decline of the past four years. New development market share slipped to 16.7% of all closings, from 18.6% in the year ago quarter as their median sales price surged to \$2,965,000 over the same period. This was a reflection of the shift in mix as the average

size of a new development closing was 1,752 square feet, up 17.6%, while the average size of a resale closing was 1,079 square feet, down 8.5% respectively from the year ago quarter. The luxury market, representing the top 10% of all sales, had an entry threshold of \$4,500,000 in the fourth quarter and once again set new price records for average sales price and average price per square foot. New development market share of closed sales comprised 58.8% of all luxury sales from 43.1% in the year ago quarter. The new luxury average price per square foot record was \$3,219, up 25.2% from the year ago quarter. Overall resale activity remained 7.5% above the quarterly average for the decade despite declining for the fifth consecutive quarter on a year over year basis. There were 2,385 resales during the quarter, down 1.5% from the same period a year ago. Overall listing inventory rose 6.9% to 5,393 from the year ago quarter and fell 13.9% from the prior quarter, consistent with the seasonal pattern of the past decade. Listing inventory pattern by type showed very different trends. While new development inventory jumped 33.7% to 1,047, yet resale inventory edged up only 1.9% to 4,346 respectively from the year ago quarter. With rising inventory and sliding sales, the pace of the market slowed but remained brisk in some segments. The absorption rate, the number of months to sell all inventory at the current rate of sales, slowed to 5.6 months from 5.1 months in the year ago quarter, but was much faster than the 8-month quarterly average of the prior decade. The market share of sales above list price continued to slow as inventory expanded. In the fourth quarter, 12.6% of all sales exceeded the list price at time of contract, down from 29.1% in the year ago quarter to the lowest share in nearly 4 years. The sharp drop in bidding wars was reflective



of additional inventory and the growing seller sentiment that it was time to price correctly and cash out. "All cash" buyers continued to play an important role. The market share for "all cash" sales was 46.8% for all apartments. By property type, 34% of co-op sales and 61.7% of condo sales were "all cash" in the fourth quarter. Higher priced properties had a higher share of "all cash" buyers. For apartment sales under \$500,000, 35% were "all cash" while those over \$5 million,

82.1% were "all cash." Days on market, the average number of days to sell all apartments that closed during the quarter, was 12 days slower than the same period last year, rising to 94 days. Listing discount, the percentage difference between the list price at time of sale and the sales price, jumped to 5.5% from 3% in the prior year quarter.

RE-SALES

- Median sales price and average sales price declined
- Median sales price declined year over year for 2nd time in 3 years
- Market share of sales above list price fell to lowest share in nearly 4 years

Re-Sales Market Matrix	4Q-2016	%Δ (QTR)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$1,530,695	-2.3%	\$1,566,066	-6.8%	\$1,641,511
Average Price per Sq Ft	\$1,418	-0.3%	\$1,422	1.9%	\$1,392
Median Sales Price	\$900,000	-5.3%	\$950,000	-6.3%	\$960,000
Number of Sales (Closed)	2,385	-8.6%	2,608	-1.5%	2,421
Days on Market (From Last List Date)	80	11.1%	72	12.7%	71
Listing Discount (From Last List Price)	4.7%		2.9%		3.1%
Listing Inventory (Active)	4,346	-17.8%	5,290	1.9%	4,263
Absorption Rate (Months)	5.5	-9.8%	6.1	3.8%	5.3
Sales Share of Overall Market	83.3%		87.7%		81.4%

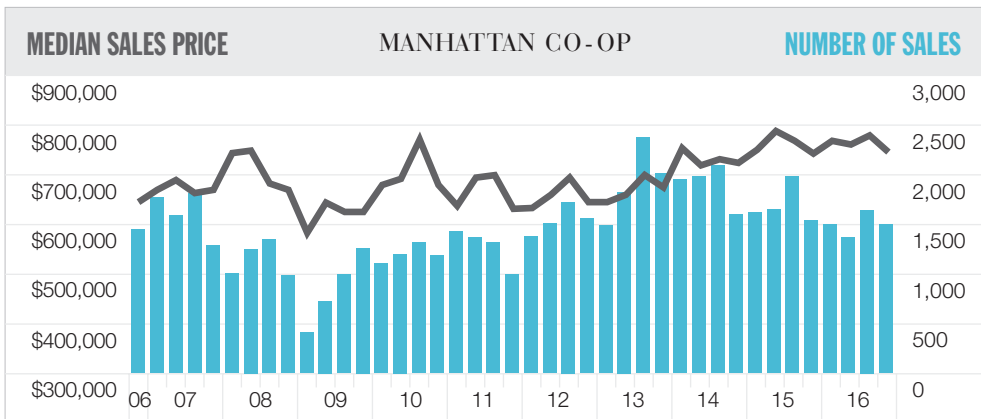
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Median sales price edged higher as sales slipped
- Days on market and listing inventory expanded
- Sharp gain in listing discount

Co-op Market Matrix	4Q-2016	%Δ (QTR)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$1,202,354	-6.9%	\$1,291,269	-6.3%	\$1,283,048
Average Price Per Sq Ft	\$1,195	-2.4%	\$1,225	27.7%	\$936
Median Sales Price	\$752,000	-4.3%	\$786,000	0.4%	\$749,000
Number of Sales	1,502	-8.8%	1,647	-2.4%	1,539
Days on Market (From Last List Date)	75	2.7%	73	8.7%	69
Listing Discount (From Last List Price)	4.8%		2.6%		2.6%
Listing Inventory (Active)	2,358	-15.4%	2,788	9.0%	2,164
Absorption Rate (Monthly, Active)	4.7	-7.8%	5.1	11.9%	4.2

Co-op Mix	Sales Share	Median Sales Price
Studio	20.6%	\$445,000
1 bedroom	44.0%	\$710,000
2 bedroom	24.8%	\$1,295,000
3 bedroom	7.8%	\$2,240,000
4+ bedroom	2.8%	\$4,809,448

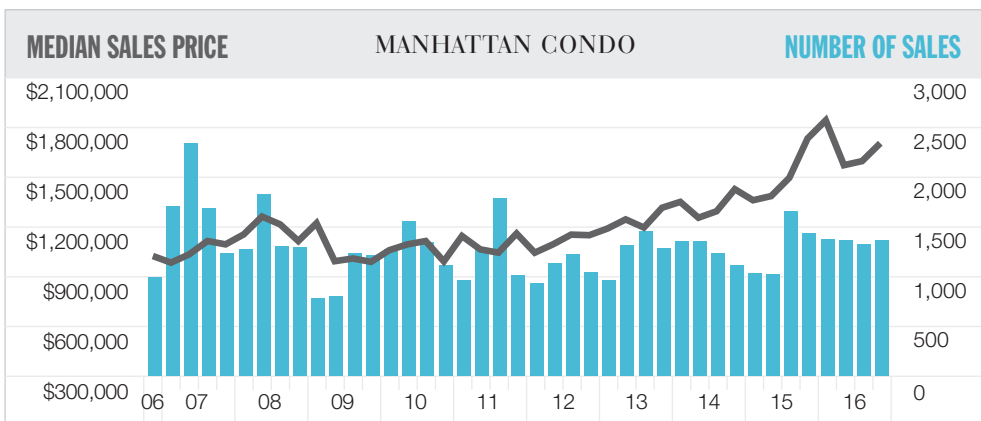


CONDOS

- Average sales price exceeded \$3 million threshold to a new record
- Listing inventory edged higher as sales declined
- Expanded marketing time and negotiability

Condo Market Matrix	4Q-2016	%Δ (QTR)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$3,086,676	4.5%	\$2,952,382	15.9%	\$2,662,100
Average Price Per Sq Ft	\$2,209	3.6%	\$2,133	12.8%	\$1,959
Median Sales Price	\$1,707,500	6.7%	\$1,600,000	-1.6%	\$1,735,641
Number of Sales	1,362	2.6%	1,327	-5.0%	1,434
Days on Market (From Last List Date)	117	36.0%	86	21.9%	96
Listing Discount (From Last List Price)	5.8%		3.2%		3.2%
Listing Inventory (Active)	3,035	-12.7%	3,475	5.3%	2,882
Absorption Rate (Monthly, Active)	6.7	-15.2%	7.9	11.7%	6.0

Condo Mix	Sales Share	Median Sales Price
Studio	10.6%	\$699,769
1 bedroom	35.5%	\$1,150,000
2 bedroom	31.1%	\$2,300,000
3 bedroom	15.0%	\$4,767,431
4+ bedroom	7.9%	\$8,316,000

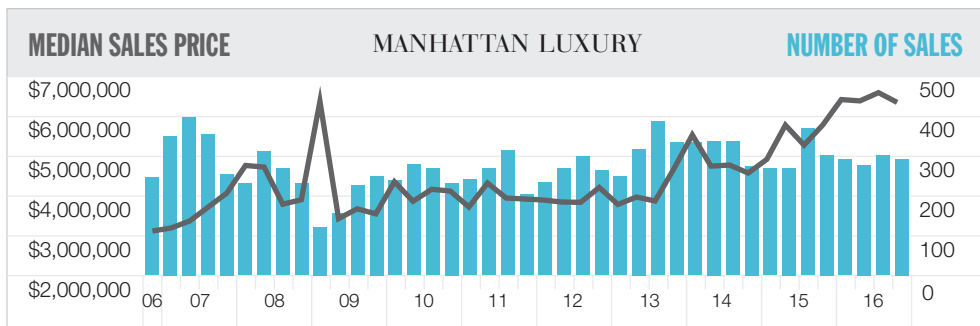


LUXURY

- Price indicators moved higher, largely from new development legacy contracts
- Supply declined, with sharp drop in “aspirationally” priced re-sale inventory
- Surge in negotiability as marketing time expanded

Luxury Market Matrix	4Q-2016	%Δ (QTR)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$9,376,803	6.1%	\$8,840,704	21.7%	\$7,702,643
Average Price per Sq Ft	\$3,219	5.9%	\$3,040	25.2%	\$2,572
Median Sales Price	\$6,567,712	-3.6%	\$6,811,125	9.5%	\$6,000,000
Number of Sales (Closed)	289	-3.0%	298	-3.3%	299
Days on Market (From Last List Date)	155	14.0%	136	3.3%	150
Listing Discount (From Last List Price)	8.6%		2.9%		4.0%
Listing Inventory (Active)	1,271	-5.6%	1,346	-11.6%	1,438
Absorption Rate (Months)	13.2	-2.9%	13.6	-8.3%	14.4
Entry Threshold	\$4,500,000	2.4%	\$4,394,069	6.5%	\$4,225,737

Luxury Mix	Sales Share	Median Sales Price
Co-ops	52.2%	\$3,395,000
Condos	47.8%	\$12,877,001
New Dev.	58.8%	\$6,721,606
Re-sales	41.2%	\$6,000,000

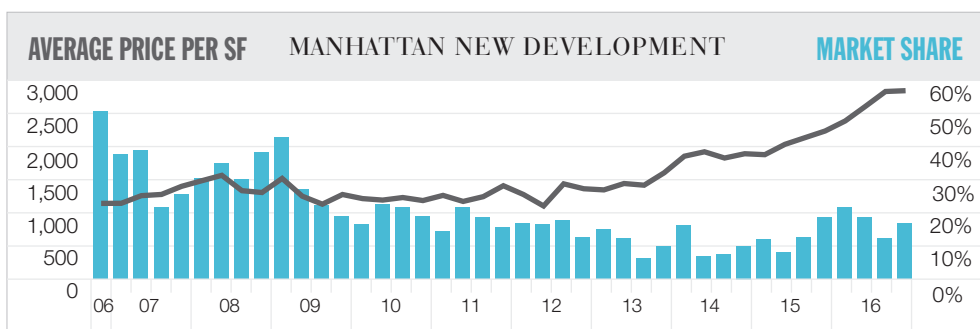


NEW DEVELOPMENT

- Legacy contracts continued to push price indicators to new records
- Number of sales fell from year ago surge as supply rose sharply
- Days on market and listing discount continued to move higher

New Development Market Matrix	4Q-2016	%Δ (QTR)	3Q-2016	%Δ (YR)	4Q-2015
Average Sales Price	\$4,925,429	-8.0%	\$5,355,827	49.6%	\$3,293,411
Average Price per Sq Ft	\$2,811	0.4%	\$2,799	27.2%	\$2,210
Median Sales Price	\$2,965,000	-26.1%	\$4,011,044	44.0%	\$2,059,411
Number of Sales (Closed)	479	30.9%	366	-13.2%	552
Days on Market (From Last List Date)	181	7.7%	168	20.7%	150
Listing Discount (From Last List Price)	6.9%		3.4%		2.9%
Listing Inventory (Active)	1,047	7.6%	973	33.7%	783
Absorption Rate (Months)	6.6	-17.5%	8.0	53.5%	4.3
Sales Share of Overall Market	16.7%		12.3%		18.6%

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	11.1%	\$739,000
\$1M - \$3M	39.7%	\$1,824,990
> \$3M	49.3%	\$5,727,656



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Report Methodology:

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