

# Sotheby's

INTERNATIONAL REALTY



## New York City Market Update Second Quarter 2017

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# MANHATTAN MARKET | OVERVIEW

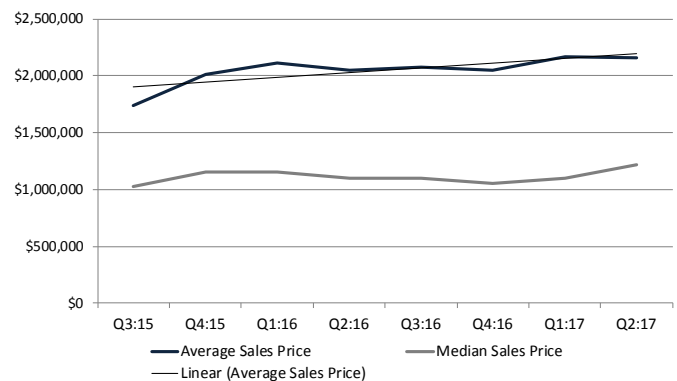
## CONDOS & CO-OPS OVERVIEW

An effective equilibrium has developed in the overall market as formerly hesitant buyers are re-emerging, met with rising inventory and more realistic pricing on the part of sellers. A 5% increase in total number of closed sales and a 12% increase in the more affordable co-op market segment signaled that value-conscious buyers were more enthusiastic this past quarter. The increase in the number of closed sales was joined by increases in the overall average sale price (+5%) and the median sale price (+10%). The under \$3mil market made up 82% of all sales activity with a 3% increase on total sales. Sales in the under \$3mil market posted a 5% increase in the average sale price and 6% increase in the median sale price. The average and median sale prices in the \$3mil to \$10mil category remained relatively unchanged while the \$10mil+ category reflected a 5% drop in the average sale price and an 8% drop in the median sale price.

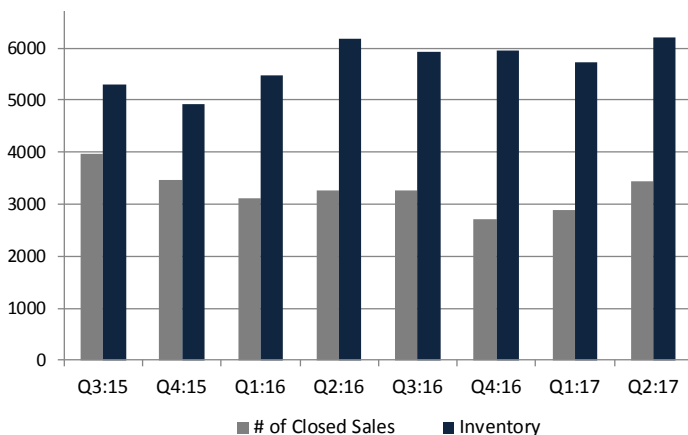
MANHATTAN OVERVIEW	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE
<b>Number of Closed Sales</b>	2,825	2,731	3%	531	467	14%	82	67	22%	3,438	3,275	5%
Average Days on Market										98	88	11.4%
Listing Discount										6%	7%	-14.3%
<b>Average Sales Price</b>	\$1,175,000	\$1,122,000	5%	\$5,015,000	\$5,088,000	-1%	\$17,908,000	\$18,935,000	-5%	\$2,160,000	\$2,058,000	5%
<b>Median Sales Price</b>	\$975,000	\$920,000	6%	\$4,517,000	\$4,608,000	-2%	\$13,995,000	\$15,157,000	-8%	\$1,220,000	\$1,108,000	10%
<b>Listing Inventory</b>	Further detail on page 3									6,209	6,190	0%
Months of Supply										6.4	5.8	10%

The average sale price of all recorded Manhattan sales was \$2,160,000, a 5% gain over the prior year. The median sale price of \$1,220,000 was a 10% gain over the prior quarter and an 11% gain over the prior year. The median sale price for all of Manhattan has registered over \$1mil for the eighth consecutive quarter.

### AVERAGE and MEDIAN SALES PRICE



### NUMBER OF CLOSED SALES and INVENTORY



Buyers are seeing increasing inventory this quarter. After a period of resisting record-high prices, buyers have returned to the market as sellers have adjusted their expectations and sale prices. The number of sales increased the second quarter of the year to an estimated 3,438 from 2,893 in the first quarter of 2017. Inventory is at 6,209 listings which is higher than the prior quarter of 5,725 listings. This is the highest level of inventory since the 2nd quarter of 2016. This level of inventory is still below normalized supply levels of 8,000+/- listings.

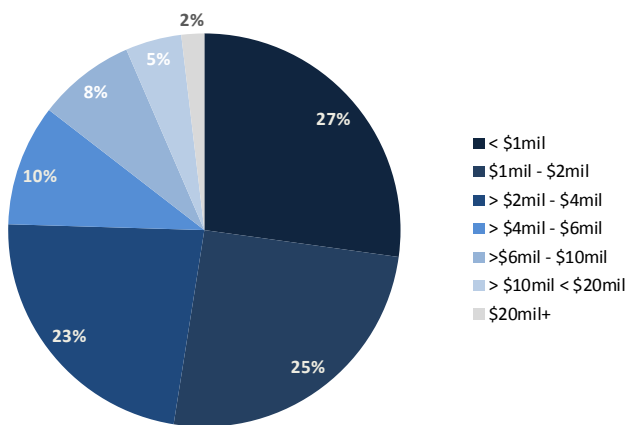
# MANHATTAN MARKET | ABSORPTION RATE

## CONDOS & CO-OPS (based on 6 months of closed sales 01/01/2017-06/30/2017)

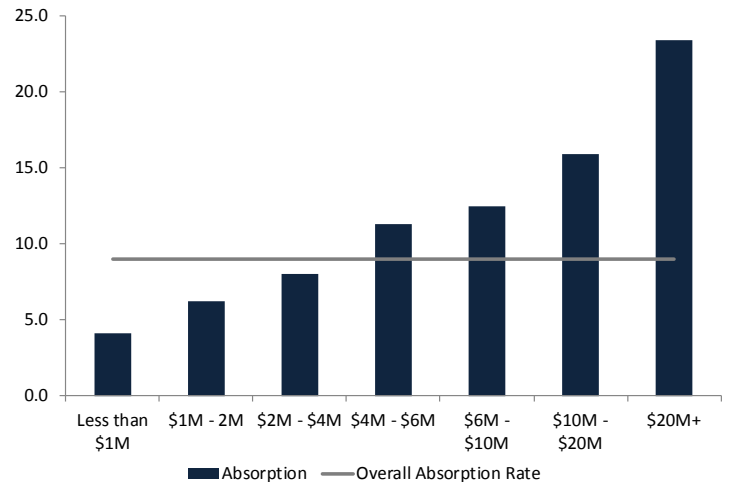
The overall Manhattan absorption rate stands at 6.4 months which in a general sense signifies a market in equilibrium. The historic range of equilibrium for the market area is 6-9 months. The absorption rate is calculated by taking the total number of currently active listings and dividing by the average number of closed sales over the referenced 6-month period. The lower price segments continue to experience shortages of inventory with the under-\$1mil market at 4.1 months of supply and units under \$2mil at 6.2 months of supply. The top two price tiers have absorption rates of 16 months and 23 months, signifying an oversupply that has resulted in price discounts and longer marketing time for the highest valued properties. More seller negotiability should materialize in the \$4-\$6mil range and the \$6-\$10mil range as these segments are also approaching one year of inventory at the current pace of sales.

	Less than \$1M	\$1M - \$2M	\$2M - \$4M	\$4M - \$6M	\$6M - \$10M	\$10M - \$20M	\$20M+	TOTAL
<b>Active Listing Inventory</b>	1,688	1,572	1,426	620	499	287	117	6,209
<b>Average Closed Sales / Month</b>	410	252	179	55	40	18	5	959
<b>Months of Supply per Price Category</b>	4.1	6.2	8.0	11.3	12.5	15.9	23.4	6.4

NUMBER OF ACTIVE LISTINGS

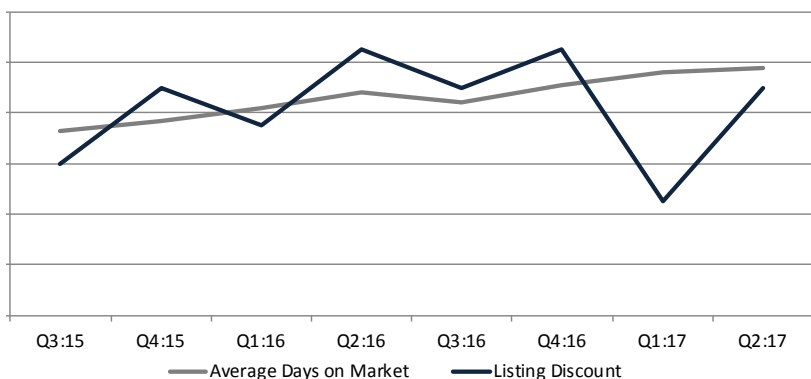


ABSORPTION RATE



## AVERAGE DAYS ON MARKET & LISTING DISCOUNT

	Q3:15	Q4:15	Q1:16	Q2:16	Q3:16	Q4:16	Q1:17	Q2:17
<b>Average Days on Market</b>	73	77	82	88	84	91	96	98
<b>Listing Discount</b>	4%	6%	5%	7%	6%	7%	3%	6%



### AVERAGE DAYS ON MARKET

The total number of days a listing is on the active market before an offer is accepted. It is calculated by totaling the days on market for every closed sale and dividing the total days by the number of closed sales.

### LISTING DISCOUNT

The percent change between the original asking (listing) price of a home, and the final sales price of the home. It is calculated by subtracting the sales price from the original listing price and dividing the result by the original listing price.

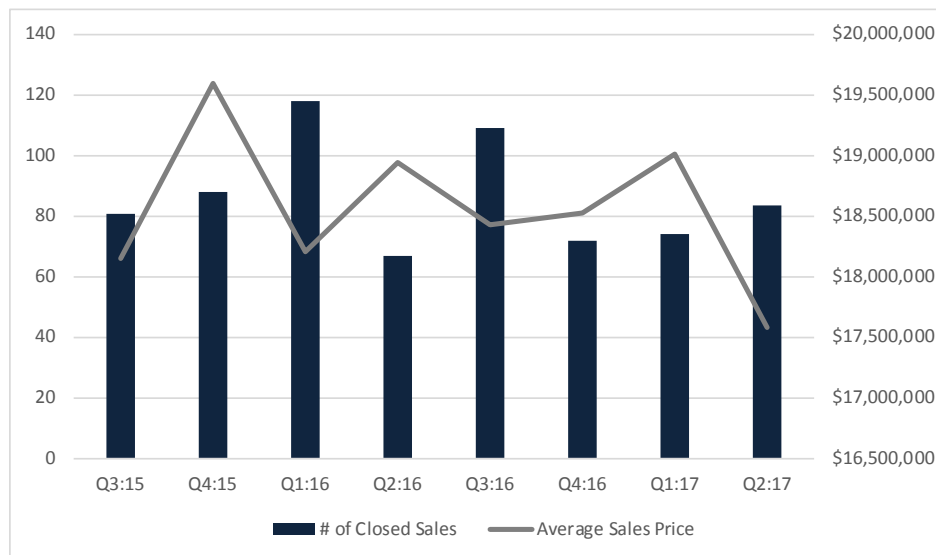
# THE ULTRA LUXURY MARKET

## CO-OPS, CONDOS & TOWNHOUSES OVER \$10M

Over the second quarter of 2017 there were 84 ultra-luxury sales, a 14% increase from the prior quarter. The average sale price in this market sector was \$17,582,000, posting an 8% decline over the prior quarter and a 7% decline over the prior year. The highest posted sale price this quarter was \$55mil for unit 3AB at 960 Fifth Avenue.

	Q3:15	Q4:15	Q1:16	Q2:16	Q3:16	Q4:16	Q1:17	Q2:17
<b>Number of Closed Sales</b>	81	88	118	67	109	72	74	84
<b>Average Sales Price</b>	\$18,145,000	\$19,600,000	\$18,200,000	\$18,935,000	\$18,424,000	\$18,527,000	\$19,018,000	\$17,582,000
<b>Highest Sales Price</b>	\$37,940,000	\$45,000,000	\$44,833,000	\$59,144,000	\$86,090,000	\$60,894,000	\$65,662,000	\$55,000,000

NUMBER OF CLOSED SALES and AVERAGE SALES PRICE



## SOTHEBY'S INTERNATIONAL REALTY - ON THE MARKET, AROUND THE WORLD



NURAI ISLAND, ABU DHABI | PRICE UPON REQUEST  
 SOTHEBYSREALTY.COM | Property ID: 64FS44  
 Gulf Sotheby's International Realty



VAUD, SWITZERLAND | \$5,711,319 USD  
 SOTHEBYSREALTY.COM | Property ID: V2LNMQ  
 Cardis Immobilier Sotheby's International Realty



SOUTHERN AEGEAN, GREECE | \$5,507,745 USD  
 SOTHEBYSREALTY.COM | Property ID: TCVKMZ  
 Greece Sotheby's International Realty

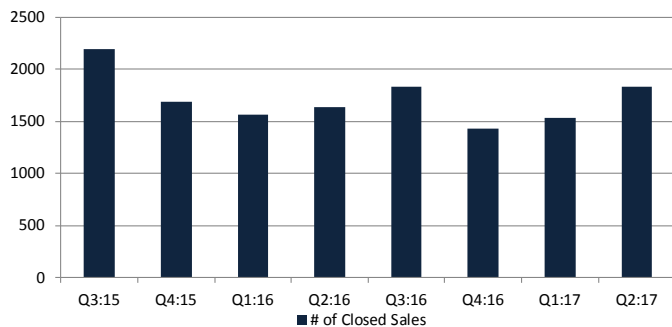
# MANHATTAN MARKET | CO-OPS & CONDOS

## CO-OPS

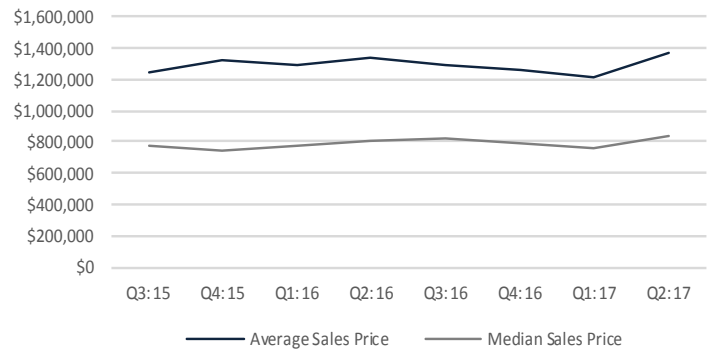
Second quarter 2017 co-op number of sales are up 12% from the prior year. The average overall co-op price posted an increase of 7% to \$1,370,000. In the under \$3mil segment, both the average sale price and median sale price increased 6% and number of closed sales increased 13%. For co-op units in the price tier ranging from \$3mil to \$10 mil, the measures posted losses of 3% off the average sales price while the median sales price was down 5%. There were 14 recorded sales in the top tier co-op price bracket ending with an average sale price of \$21,075,000.

CO-OPS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE
<b>Number of Closed Sales</b>	1,707	1,509	13%	117	126	-7%	14	6	126%	1,838	1,641	12%
<b>Average Sales Price</b>	\$992,000	\$936,000	6%	\$4,580,000	\$4,722,000	-3%	\$21,075,000	\$15,631,000	35%	\$1,370,000	\$1,280,000	7%
<b>Median Sales Price</b>	\$775,000	\$732,000	6%	\$3,925,000	\$4,125,000	-5%	\$16,000,000	\$14,956,000	7%	\$836,000	\$836,000	0%

NUMBER OF CLOSED SALES



AVERAGE and MEDIAN SALES PRICE

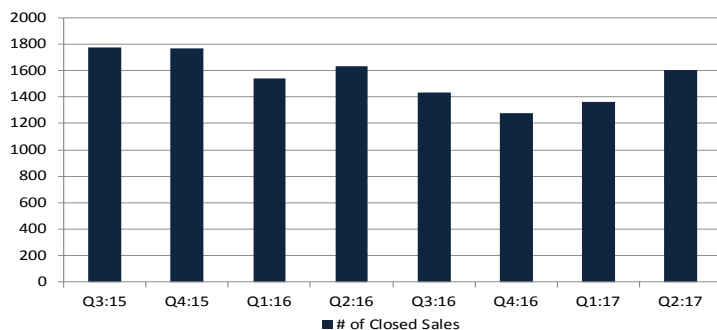


## CONDOS

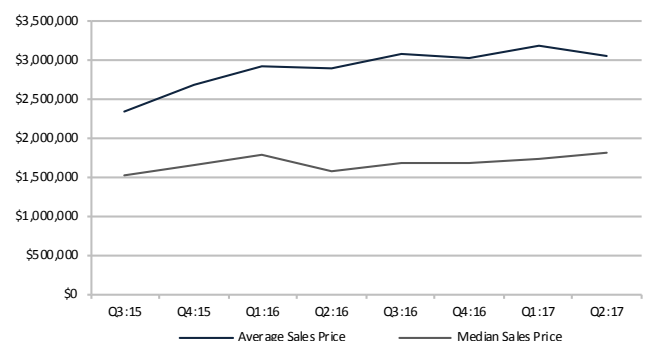
Condominium closings declined slightly by 2% with a total of 1601 closed sales. However, the average sale price, median sale price and price per square foot continued to post gains. The average condo sale price rose 8% to \$3,069,000; the average price per square foot gained 3% to \$1,817; and the median sale price increased 16% to \$1,827,000. Rising condo price statistics continue to be produced by a large number of units closing from the new development sector of deals procured in pre-construction phases of 2015. The under \$3mil condo segment, which is largely made up of resales, gained 7% in average sale price and 12% increase in median sale price. For condo units over \$10mil, the market measures were lower this quarter with a 12% drop in the average sale price; 11% decline in median price; and, a 6% lower average price per square foot.

CONDOS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE	2Q:17	2Q:16	% CHANGE
<b>Number of Closed Sales</b>	1,118	1,222	-26%	415	351	-4%	68	61	-8%	1,601	1,634	-2%
<b>Average Sales Price</b>	\$1,453,000	\$1,353,000	7%	\$5,109,000	\$5,160,000	-1%	\$17,031,000	\$19,260,000	-12%	\$3,069,000	\$2,839,000	8%
<b>Average PPSF</b>	\$1,495	\$1,457	3%	\$2,308	\$2,400	-4%	\$4,137	\$4,394	-6%	\$1,817	\$1,771	3%
<b>Median Sales Price</b>	\$1,320,000	\$1,180,000	12%	\$4,775,000	\$4,643,000	3%	\$13,533,000	\$15,157,000	-11%	\$1,827,000	\$1,575,000	16%

NUMBER OF CLOSED SALES



AVERAGE and MEDIAN SALES PRICE



# NEIGHBORHOOD BREAKDOWN

## UPPER EAST SIDE *north of 58<sup>th</sup> Street and south of 96<sup>th</sup> Street, Fifth Avenue to East End Avenue*

This market area showed a slight decline in sales volume in the condo sector and a major increase in the sale of coop units. The average co-op sale price posted a 7% increase to \$1,782,000 while the median sale price declined 3% from the prior year to \$925,000. Condo average sale prices were up 12% to \$3,013,000 from \$2,688,000.

CO-OPS	2Q:17	2Q:16	% CHANGE
# Closed Sales	538	419	28%
Average Sales Price	\$1,782,000	\$1,668,000	7%
Median Sales Price	\$900,000	\$925,000	-3%

CONDOS	2Q:17	2Q:16	% CHANGE
# Closed Sales	236	242	-2%
Average Sales Price	\$3,013,000	\$2,688,000	12%
Median Sales Price	\$1,775,000	\$1,480,000	20%

## UPPER WEST SIDE *north of 58<sup>th</sup> Street and south of 110<sup>th</sup> Street, Central Park West to Riverside Drive*

The total number of co-op sales on the Upper West Side was 296, a decrease of 8% from prior year. Co-ops in this market area posted an average sale price of \$1,529,000, a 9% increase from the prior year. The condo sector posted gains in both the average sale price and the median sale price. The average condo sale price was \$2,949,000 and the median sale price was \$1,424,000.

CO-OPS	2Q:17	2Q:16	% CHANGE
# Closed Sales	296	321	-8%
Average Sales Price	\$1,529,000	\$1,403,360	9%
Median Sales Price	\$999,000	\$930,000	7%

CONDOS	2Q:17	2Q:16	% CHANGE
# Closed Sales	182	186	-2%
Average Sales Price	\$2,949,000	\$2,290,000	29%
Median Sales Price	\$1,424,000	\$1,325,000	7%

## MIDTOWN *north of 34<sup>th</sup> Street and south of 57<sup>th</sup> Street*

The average co-op sale price in this market area increased 2% to \$977,000 while the median co-op price gained 3% over the prior year. This market area had an average condo sale price of just \$2,489,000 compared with \$2,961,000 the year prior. Lower average and median price statistics this period were due mostly in part to fewer closings at 432 Park Avenue.

CO-OPS	2Q:17	2Q:16	% CHANGE
# Closed Sales	298	245	21%
Average Sales Price	\$977,000	\$957,000	2%
Median Sales Price	\$668,000	\$650,000	3%

CONDOS	2Q:17	2Q:16	% CHANGE
# Closed Sales	337	431	-22%
Average Sales Price	\$2,489,000	\$2,961,000	-16%
Median Sales Price	\$1,165,000	\$1,470,000	-21%

## UPTOWN *north of 96<sup>th</sup> Street on the East Side and north of 110<sup>th</sup> Street on the West Side*

The average sales price of co-ops was higher by 5%, reaching \$578,000. The median sale price decreased 4% to \$480,000. Market measures were significantly higher in the condo unit sector with a 40% gain in the average condo sales price and a 19% gain in the median condo sales price. The average condo unit price reached \$1,063,000 with the median condo sale price reaching \$830,000. Both the condo sector had a significant decrease in sales volume from the prior year.

CO-OPS	2Q:17	2Q:16	% CHANGE
# Closed Sales	133	133	0%
Average Sales Price	\$578,000	\$551,000	5%
Median Sales Price	\$480,000	\$498,000	-4%

CONDOS	2Q:17	2Q:16	% CHANGE
# Closed Sales	108	141	-23%
Average Sales Price	\$1,063,000	\$762,000	40%
Median Sales Price	\$830,000	\$700,000	19%

# NEIGHBORHOOD BREAKDOWN

## DOWNTOWN *south of 34<sup>th</sup> Street through Tribeca*

The 550 co-op sales in the second quarter of 2017 marked a 10% increase from prior year. The co-op average sale price was essentially equal with prior year ending at \$1,232,000. The median co-op sale price was up 6% ending this quarter at \$875,000. In the condo sector sales volume was modestly higher. The average sales price was up just 5% while the median sales price decreased 4%.

CO-OPS	2Q:17	2Q:16	% CHANGE
# Closed Sales	550	498	10%
Average Sales Price	\$1,232,000	\$1,218,000	1%
Median Sales Price	\$875,000	\$825,000	6%

CONDOS	2Q:17	2Q:16	% CHANGE
# Closed Sales	545	512	6%
Average Sales Price	\$4,141,000	\$3,947,000	5%
Median Sales Price	\$2,750,000	\$2,875,000	-4%

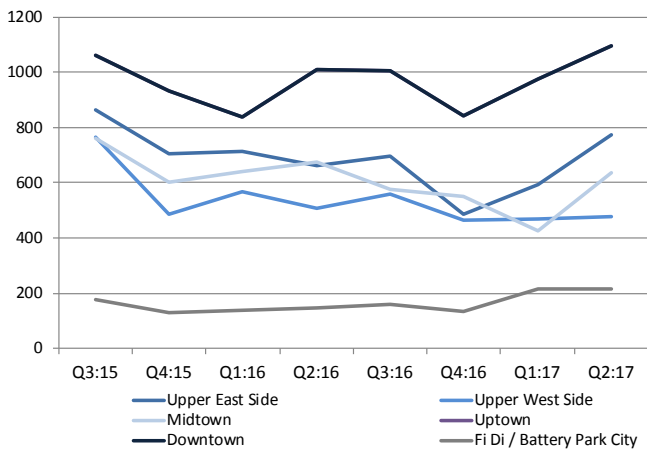
## FINANCIAL DISTRICT | BATTERY PARK CITY

There were 192 condo units closed in the second quarter of 2017, a substantial increase over the prior year. This was caused in part by a high volume of closings at 50 West Street. The average condominium price increased 52% to \$2,209,000 from \$1,455,000 in the second quarter of 2016, also a result of closings at 50 West Street. Co-op sales are a minimal share of housing in this market. The 23 coop units sold had an average sale price of \$980,000 and a median sale of \$732,000.

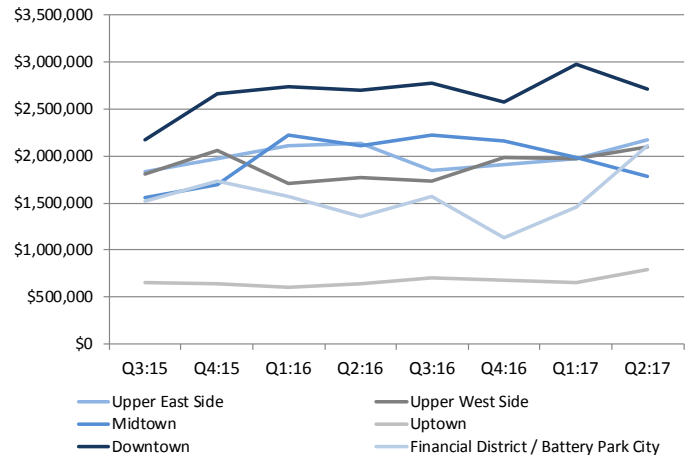
CO-OPS	2Q:17	2Q:16	% CHANGE
# Closed Sales	23	25	-7%
Average Sales Price	\$980,000	\$839,000	17%
Median Sales Price	\$732,000	\$720,000	2%

CONDOS	2Q:17	2Q:16	% CHANGE
# Closed Sales	192	122	57%
Average Sales Price	\$2,209,000	\$1,455,000	52%
Median Sales Price	\$1,799,500	\$1,100,000	64%

TOTAL NUMBER OF SALES



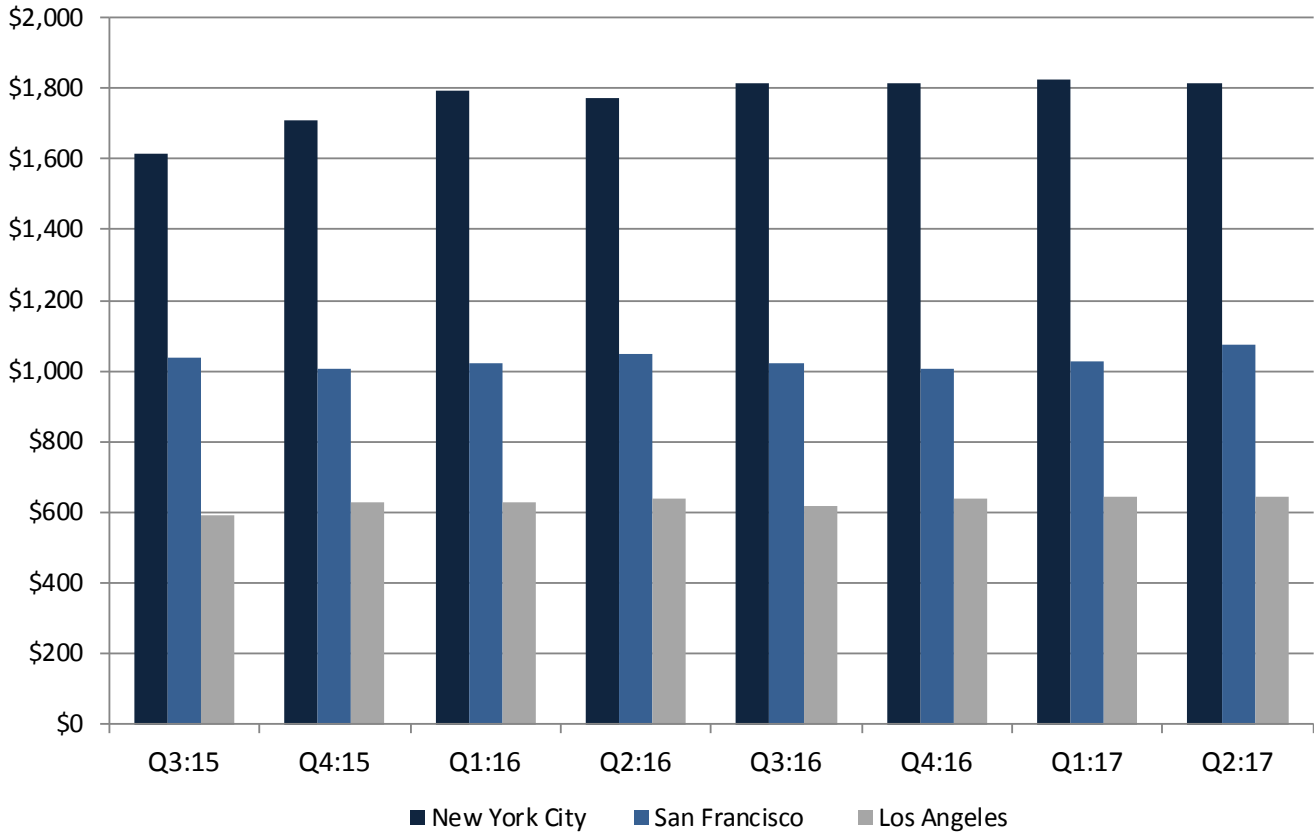
AVERAGE SALES PRICE



# MARKET COMPARISONS

Comparing the second quarter of 2016 and the second quarter of 2017, San Francisco show the largest gain in price per sq. ft. at 2.7%, New York City increased by 2.5%, while Los Angeles remained flat. Comparing second quarter of 2017 and first quarter of 2017 price per sq. ft. remained flat in New York City and Los Angeles while San Francisco saw a 4.6% gain.

AVERAGE PRICE PER SQ. FT. | CONDOS ONLY



For additional information please reach out to any of our Manhattan brokerages:

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