

# ELLI MAN REPORT

# Q3 2018

## MANHATTAN SALES

Quarterly Survey of  
Co-op & Condo Sales

### CO-OPS & CONDOS DASHBOARD

year-over-year

#### PRICES

Median Sales Price

4.5%

#### PACE

Absorption Rate

1.6 mos

#### SALES

Closed Sales

11.3%

#### INVENTORY

Total Inventory

13.2%

#### MARKETING TIME

Days on Market

9 days

#### NEGOTIABILITY

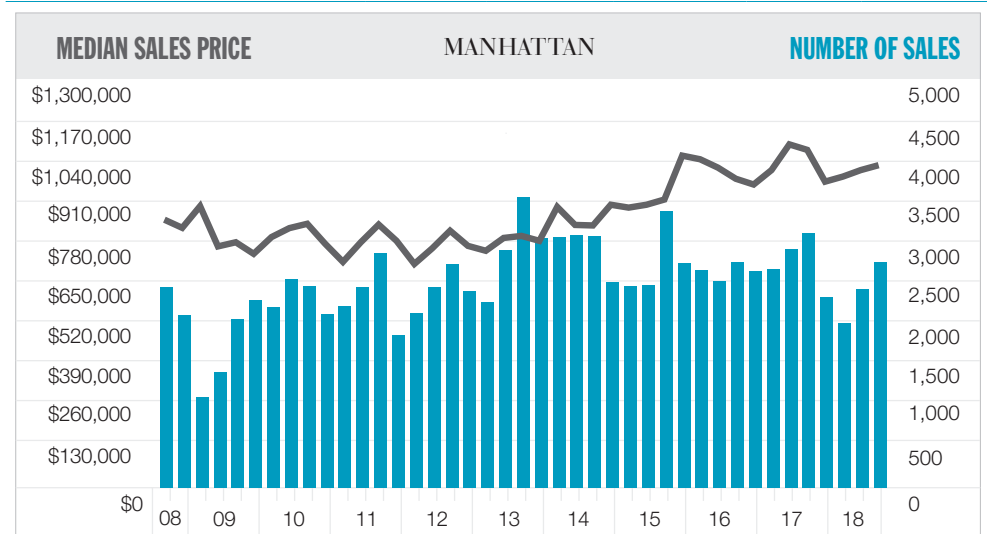
Listing Discount

0.3%

- Number of sales declined year over year for the fourth consecutive quarter
- Most inventory gains were seen in the studio and 1-bedroom markets
- Negotiability between buyers and sellers has not changed significantly over the past year

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.

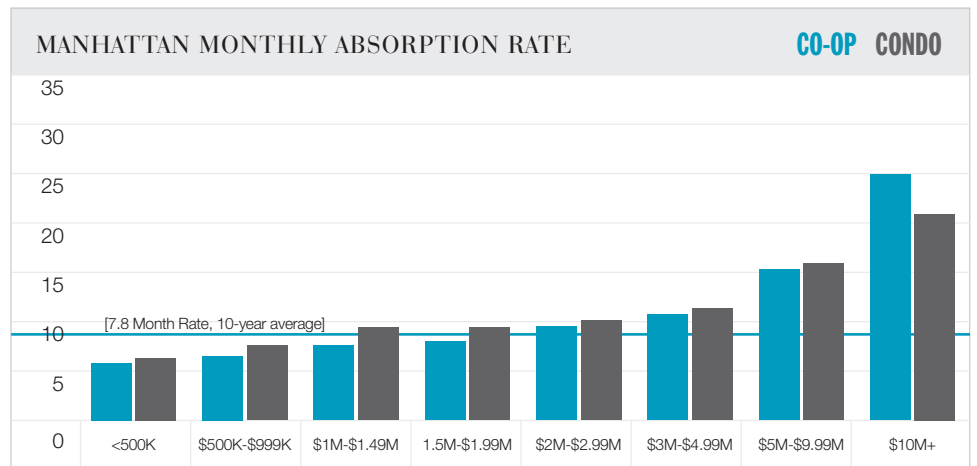
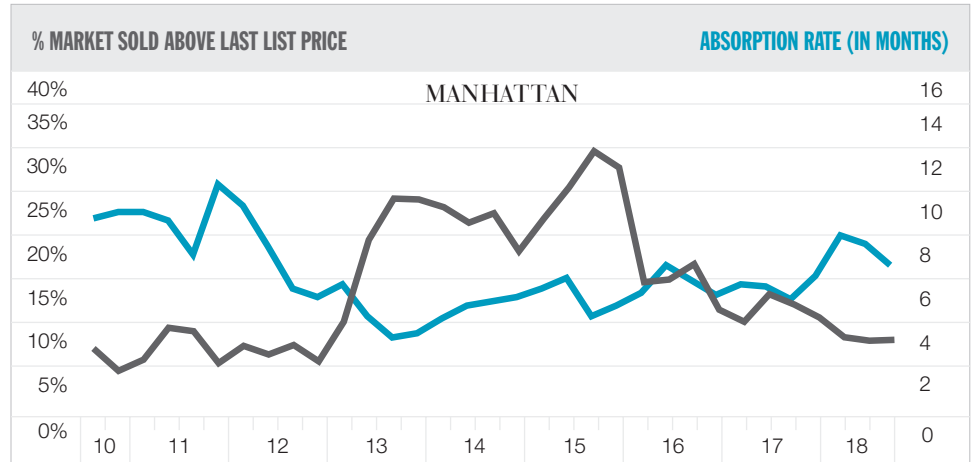
Manhattan Market Matrix	Q3-2018	%Δ (qtr)	Q2-2018	%Δ (yr)	Q3-2017
Average Sales Price	\$1,928,049	-7.8%	\$2,090,567	-3.7%	\$2,002,835
Average Price per Sq Ft	\$1,610	-7.1%	\$1,733	-4.1%	\$1,678
Median Sales Price	\$1,117,000	1.5%	\$1,100,000	-4.5%	\$1,170,000
New Development	\$2,550,000	-4.6%	\$2,673,182	-8.8%	\$2,797,500
Re-sale	\$995,000	1.5%	\$980,000	0.0%	\$995,000
Number of Sales (Closed)	2,987	13.6%	2,629	-11.3%	3,369
Days on Market (From Last List Date)	92	-10.7%	103	-8.9%	101
Listing Discount (From Last List Price)	5.2%		4.1%		5.5%
Listing Inventory (Active)	6,925	-0.9%	6,985	13.2%	6,115
Absorption Rate (Months)	7.0	-12.5%	8.0	29.6%	5.4
Year-to-Date	Q3-2018	%Δ (qtr)	Q2-2018	%Δ (yr)	Q3-2017
Average Sales Price (YTD)	\$1,984,294	N/A	N/A	-5.3%	\$2,094,876
Average Price per Sq Ft (YTD)	\$1,676	N/A	N/A	-8.0%	\$1,821
Median Sales Price (YTD)	\$1,100,000	N/A	N/A	-4.3%	\$1,150,000
Number of Sales (YTD)	7,796	N/A	N/A	-17.2%	9,413



Market conditions continue to be affected by a layer of consumer uncertainty despite evidence of robust local and national economic metrics. The real estate conversation by market participants remains focused on the impact potential of the new federal tax law and its impact on itemization of reduced deductions for property taxes and SALT. Other issues include rising mortgage rates and consumer confusion about the near-term direction of the U.S. economy. The decline in sales has been the primary barometer of the change in the real estate market

during 2018. The number of sales has declined year over year for the fourth straight quarter as the market underwent a reset of activity. There were 2,987 sales, down 11.3% from the year-ago quarter, the lowest of the last four declines but still 9.5% above the quarterly sales average for the decade. New development closings represented 12.1% of the market down from 13.7% over the same period. The market share of "all cash" purchases rose 2.7% to 51.9% from the year-ago quarter. Apartment sales below \$500,000 were purchased by cash

buyers 37.2% of the time, while sales above \$5 million were purchased by cash buyers 79.9% of the time. With lower sales activity, listing inventory has been rising steadily since late 2017. There were 6,925 listings at the end of the quarter, up 13.2% from the same period last year. Since the financial crisis, listing inventory peaked in the first quarter of 2009 at 10,445 and bottomed in the fourth quarter of 2013 at 4,164. The influx of listing inventory has primarily occurred where it has been the most scarce; the studio and 1-bedroom markets where supply is up 15.5% and 21.3% respectively from the year-ago quarter. Resale listing inventory was up 17% while new development was down 5% from the prior year respectively as the decline of the latter came from developers shifting active inventory to shadow inventory. The absorption rate, the number of months to sell all inventory at the current rate of sales, cooled to 7 months from 5.4 months in the prior year quarter, the slowest third quarter market pace in seven years. Days on market, the average number of days to sell all apartments that closed during the quarter slid by 8.9% to 92 days as a possible sign that sellers were pricing more realistically. Listing discount, the percentage difference between the list price at the time of sale and the sales price, slipped to 5.2% from 5.5% in the prior-year quarter. Given the lower level of sales and higher inventory, it was surprising to see the market share of bidding wars hold steady at 9.1% for the third consecutive quarter, but well below the 31% record set three years ago. The market outlier by size was the studio market with a 13.2% share of bidding wars. The remainder of property types ranged from an 8.2% to a 9.7% share of bidding wars. The median sales price declined 4.5% to \$1,117,000 from the prior-year quarter and the third highest median sales price



on record. However, the resale median sales price, which represented 87.9% of the market was unchanged at \$995,000, the highest median sales price on record. The market-wide decline in median sales price was due to the 21.9% decline in new development sales, more than double the rate of resale decline, and the 8.8% decline in new development median sales price. In other words, the aggregate of the majority of market activity showed stability. The luxury market, representing

the top 10% of all sales, showed a pattern of price declines as the market shifted to lower priced units. The entry threshold fell 9.2% to \$3,850,000 from the year-ago quarter to the lowest level in three years. The luxury median sales price declined 9.7% to \$5,800,000 as luxury listing inventory rose 27.2% to 1,465 respectively from the same period last year.

## RE-SALES

- Listing inventory increased annually for four straight quarters
- Median sales price tied the record set in the year-ago quarter
- Median sales price has not experienced a year over year decline in six quarters

Re-Sales Market Matrix	Q3-2018	%Δ (QTR)	Q2-2018	%Δ (YR)	Q3-2017
Average Sales Price	\$1,598,560	-3.6%	\$1,658,563	-2.9%	\$1,645,488
Average Price per Sq Ft	\$1,416	-4.1%	\$1,476	-4.4%	\$1,481
Median Sales Price	\$995,000	1.5%	\$980,000	0.0%	\$995,000
Number of Sales (Closed)	2,627	15.4%	2,277	-9.7%	2,908
Days on Market (From Last List Date)	83	-11.7%	94	15.3%	72
Listing Discount (From Last List Price)	5.0%		4.5%		6.8%
Listing Inventory (Active)	5,937	-0.3%	5,956	17.0%	5,075
Absorption Rate (Months)	6.8	-12.8%	7.8	30.8%	5.2
Sales Share of Overall Market	87.9%		86.6%		86.3%

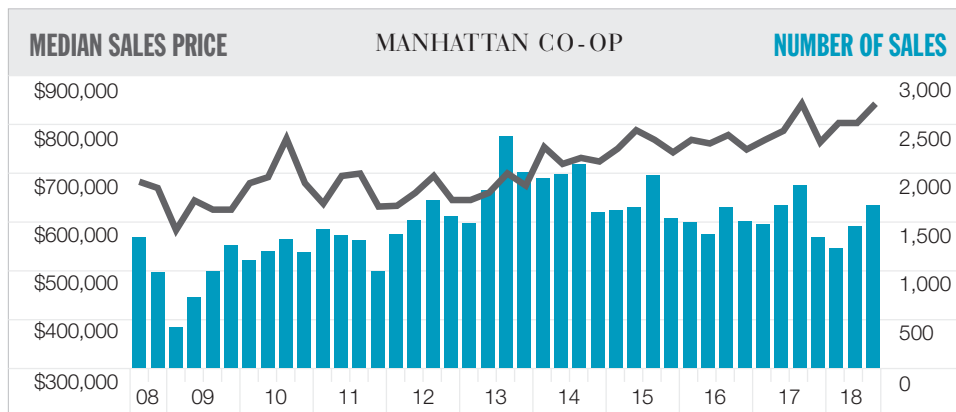
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

# CO-OPS

- Median sales price has not experienced a year over year decline in more than two years
- Median sales price tied the record reached in the year-ago quarter
- Listing inventory rose sharply year over year during the last three quarters

Co-op Market Matrix	Q3-2018	%Δ (QTR)	Q2-2018	%Δ (YR)	Q3-2017
Average Sales Price	\$1,347,890	-2.4%	\$1,380,512	-5.6%	\$1,427,544
Average Price Per Sq Ft	\$1,290	-2.2%	\$1,319	-3.4%	\$1,335
Median Sales Price	\$850,000	4.9%	\$810,000	0.0%	\$850,000
Number of Sales	1,668	14.6%	1,455	-11.1%	1,876
Days on Market (From Last List Date)	79	-12.2%	90	14.5%	69
Listing Discount (From Last List Price)	3.9%		4.6%		9.5%
Listing Inventory (Active)	3,328	2.4%	3,251	24.6%	2,670
Absorption Rate (Monthly, Active)	6.0	-10.4%	6.7	39.5%	4.3

Co-op Mix	Sales Share	Median Sales Price
Studio	14.6%	\$435,000
1 bedroom	42.9%	\$720,000
2 bedroom	29.0%	\$1,350,000
3 bedroom	10.0%	\$2,377,500
4+ bedroom	3.7%	\$4,047,000

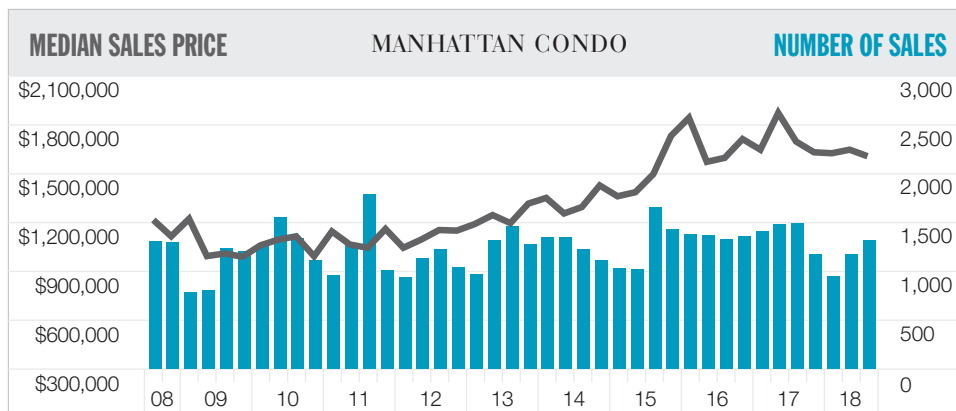


# CONDOS

- Sales declined year over year for a fourth consecutive quarter but at a much lower rate
- Cash sales exceeded sixty percent of all condo sales for the fourth straight quarter
- Studios had more than double the market share of bidding wars than any other category

Condo Market Matrix	Q3-2018	%Δ (QTR)	Q2-2018	%Δ (YR)	Q3-2017
Average Sales Price	\$2,661,716	-10.4%	\$2,970,576	-2.3%	\$2,725,706
Average Price Per Sq Ft	\$1,913	-9.6%	\$2,115	-5.3%	\$2,020
Median Sales Price	\$1,610,000	-2.4%	\$1,650,000	-5.3%	\$1,700,000
Number of Sales	1,319	12.4%	1,174	-11.7%	1,493
Days on Market (From Last List Date)	109	-9.9%	121	-19.9%	136
Listing Discount (From Last List Price)	6.1%		3.7%		3.0%
Listing Inventory (Active)	3,597	-3.7%	3,734	4.4%	3,445
Absorption Rate (Monthly, Active)	8.2	-13.7%	9.5	18.8%	6.9

Condo Mix	Sales Share	Median Sales Price
Studio	8.4%	\$624,000
1 bedroom	36.7%	\$985,500
2 bedroom	32.0%	\$2,150,000
3 bedroom	15.0%	\$3,337,500
4+ bedroom	7.9%	\$7,939,441

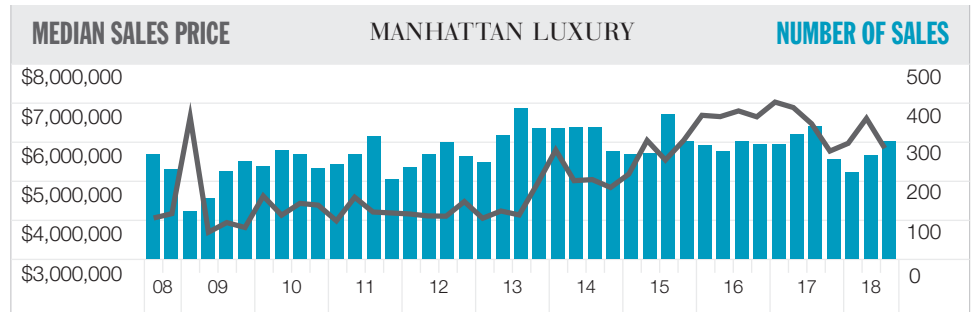


## LUXURY

- The bidding war luxury market share was less than half of the non-luxury market share
- The luxury market shifted lower with the top ten percent at the lowest entry threshold in three years
- Resale units comprised two-thirds of luxury closings in the quarter

Luxury Mix	Sales Share	Median Sales Price
Co-ops	55.9%	\$3,675,000
Condos	44.1%	\$10,559,736
New Dev.	35.5%	\$7,160,622
Re-sales	64.5%	\$5,350,000

Luxury Market Matrix	Q3-2018	%Δ (QTR)	Q2-2018	%Δ (YR)	Q3-2017
Average Sales Price	\$7,831,042	-15.8%	\$9,299,635	-3.2%	\$8,091,277
Average Price per Sq Ft	\$2,531	-12.7%	\$2,899	-11.8%	\$2,868
Median Sales Price	\$5,800,000	-11.6%	\$6,559,312	-9.7%	\$6,423,107
Number of Sales (Closed)	299	13.7%	263	-11.3%	337
Days on Market (From Last List Date)	125	-32.1%	184	-42.4%	217
Listing Discount (From Last List Price)	6.2%		5.3%		7.0%
Listing Inventory (Active)	1,465	7.5%	1,363	27.2%	1,152
Absorption Rate (Months)	14.7	-5.2%	15.5	42.7%	10.3
Entry Threshold	\$3,850,000	-9.9%	\$4,271,558	-9.2%	\$4,241,011

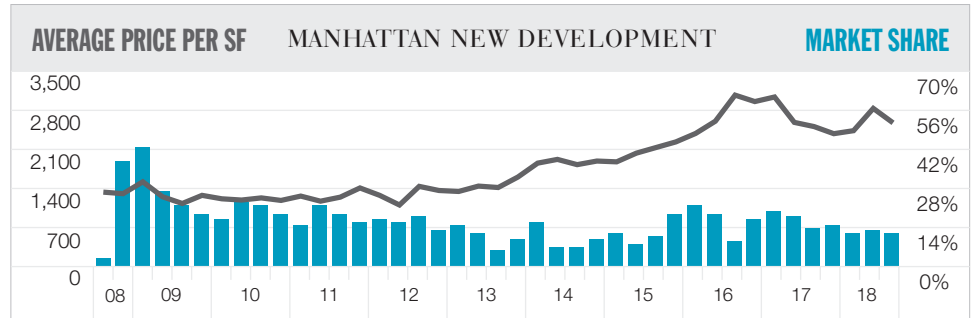


## NEW DEVELOPMENT

- The year over year rate of new development sales decline was double that of resales
- The fourth consecutive decline in year over year sales as the legacy contract pipeline expires
- Closings for less than \$1 million sales had the largest market share in three years

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	16.9%	\$708,000
\$1M - \$3M	44.4%	\$1,835,600
> \$3M	38.6%	\$5,639,541

New Development Market Matrix	Q3-2018	%Δ (QTR)	Q2-2018	%Δ (YR)	Q3-2017
Average Sales Price	\$4,332,408	-11.3%	\$4,885,097	1.8%	\$4,256,992
Average Price per Sq Ft	\$2,548	-9.1%	\$2,804	2.7%	\$2,482
Median Sales Price	\$2,550,000	-4.6%	\$2,673,182	-8.8%	\$2,797,500
Number of Sales (Closed)	360	2.3%	352	-21.9%	461
Days on Market (From Last List Date)	194	0.0%	194	-26.5%	264
Listing Discount (From Last List Price)	5.8%		2.1%		2.7%
Listing Inventory (Active)	988	-4.0%	1,029	-5.0%	1,040
Absorption Rate (Months)	8.2	-6.8%	8.8	20.6%	6.8
Sales Share of Overall Market	12.1%		13.4%		13.7%



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**Report Methodology:**

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