

ELLI MAN REPORT

Q4 2018

MANHATTAN SALES

Quarterly Survey of
Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

5.8%

PACE

Absorption Rate

1.0 mos

SALES

Closed Sales

3.3%

INVENTORY

Total Inventory

11.8%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

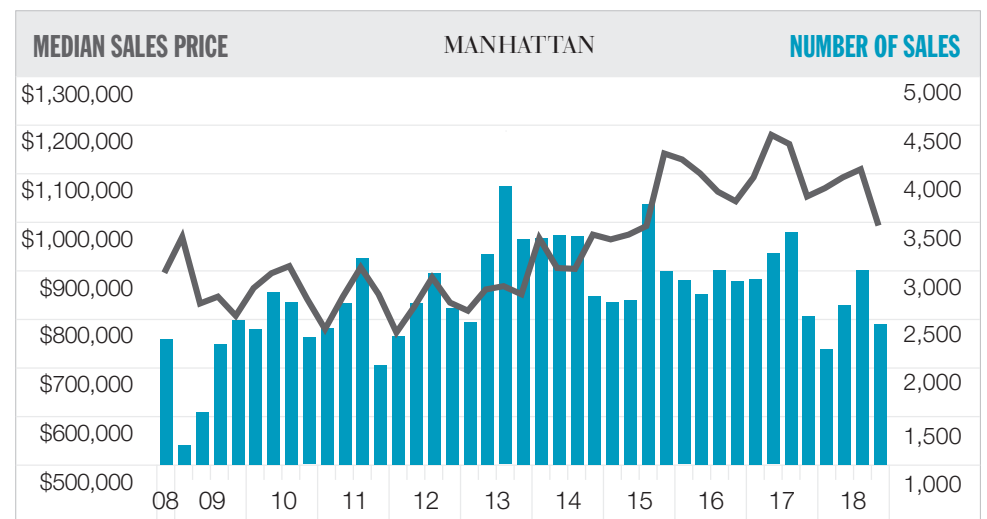
Listing Discount

0.8%

- Median sales price slipped below the \$1 million threshold for first time in three years
- Number of sales declined year over year for the fifth consecutive quarter, but size of decline continued to ease
- Lowest market share of bidding wars in six years

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.

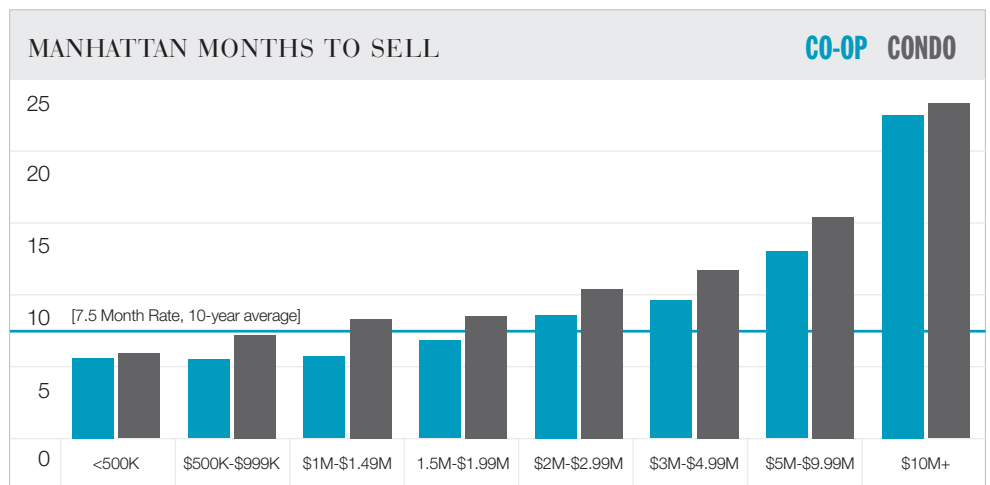
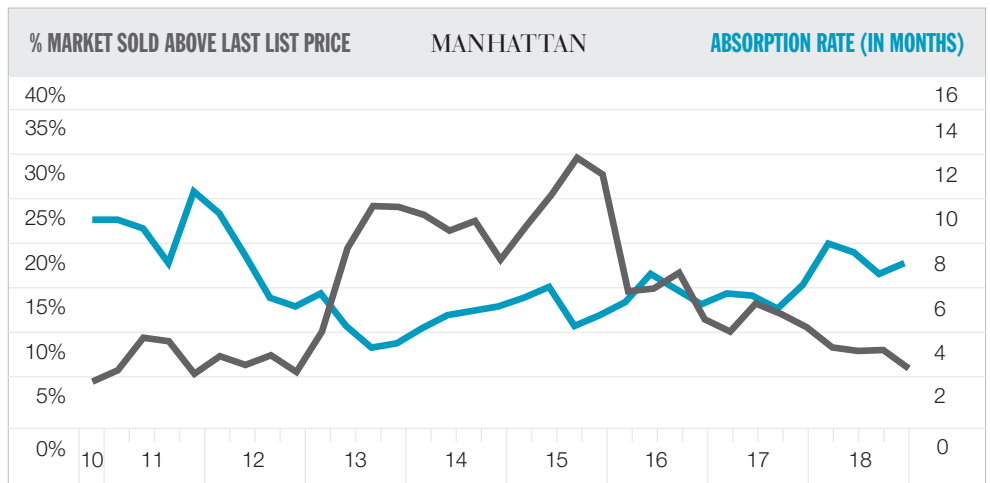
Manhattan Market Matrix	Q4-2018	%Δ (qtr)	Q3-2018	%Δ (yr)	Q4-2017
Average Sales Price	\$1,963,938	1.9%	\$1,928,049	3.5%	\$1,897,503
Average Price per Sq Ft	\$1,684	4.6%	\$1,610	4.7%	\$1,609
Median Sales Price	\$999,000	-10.6%	\$1,117,000	-5.8%	\$1,060,000
New Development	\$2,045,000	-19.8%	\$2,550,000	-25.5%	\$2,744,184
Re-sale	\$942,500	-5.3%	\$995,000	2.8%	\$916,425
Number of Sales (Closed)	2,432	-18.6%	2,987	-3.3%	2,514
Days on Market (From Last List Date)	93	1.1%	92	-4.1%	97
Listing Discount (From Last List Price)	6.2%		5.2%		5.4%
Listing Inventory (Active)	6,092	-12.0%	6,925	11.8%	5,451
Months to Sell	7.5	7.1%	7.0	15.4%	6.5
Year-to-Date	Q4-2018	%Δ (qtr)	Q3-2018	%Δ (yr)	Q4-2017
Average Sales Price (YTD)	\$1,979,275	N/A	N/A	-3.6%	\$2,053,273
Average Price per Sq Ft (YTD)	\$1,658	N/A	N/A	-6.6%	\$1,775
Median Sales Price (YTD)	\$1,075,000	N/A	N/A	-5.7%	\$1,140,000
Number of Sales (YTD)	10,229	N/A	N/A	-14.2%	11,927



Manhattan market conditions are now more than a year into a reset mode. The year over year change in the number of sales remained a key metric on the state of the market. This quarter saw the fifth consecutive year over year quarterly sales decline, down 3.3% from the first drop a year ago. The number of sales for the fourth quarter was 7.1% below the ten-year fourth quarter average. New development closings represented 10.9% of all sales, down from a market share of 15.4% in the prior year period. Those sales fell year over

year by 31.5% to 265 as resales edged up 1.9% to 2,167 over the same period. Higher mortgage rates, uncertainty about the impact of the new federal tax law and challenged affordability continued will likely continue to play a role suppressing sales levels in 2019. Listing inventory expanded year over year by 11.8% to 6,092 but all of the gains occurred in the resale market. In contrast, supply for new development fell 10.6% as developers pulled apartments out of active inventory. Existing supply increased year over

year by 17.1% to 5,150 with the most significant gains seen in the studio and 1-bedroom market, a consistent pattern throughout 2018. The studio and 1-bedroom market inventory were up 12.3% and 20.1% respectively year over year. The listings for 2-bedrooms, 3-bedrooms, and 4-bedrooms were up 6.2%, up 4.2% and down 4.3% respectively. Higher mortgage rates had more impact on the starter market which was more reliant on financing. However, even with the increase in starter inventory, studio and 1-bedroom sales remained the fastest moving submarkets. Their Months to Sell, defined as the number of months to sell all active listings at the current rate of sales, was 5.4 and 6.1 months respectively while the overall market averaged 7.5 months. The total market share of “all cash” purchases rose 4.2% to 55.4% from the year-ago quarter, the highest share tracked in the five-year window of data so far. Apartment sales below \$500,000 were purchased by cash buyers 36% of the time, while sales above \$5 million were purchased by cash buyers 90.4% of the time. Median sales price slid 5.8% to \$999,000 down 5.8% from \$1,060,000 in the year-ago quarter, and was the first time this indicator fell below the \$1 million threshold in three years. Most of this decline was related to the expiration of the legacy contract pipeline where older and much higher priced new development contracts had largely closed by the end of 2017. It is important to note that the median sales price for resales has not shown a year over year decline in seven consecutive quarters. The market share of sales that were subject to a bidding war was 7%, the lowest level in nearly six years and within the range that is considered “normal.” Days on market, the average number of days to sell all apartments that closed during the quarter slid by 4.1% to 93 days from the year-ago quarter. This



decline suggests that sellers are pricing more in sync with current market conditions. Listing discount, the percentage difference between the list price at the time of sale and the sales price, rose to 6.2% from 5.4% in the prior-year quarter. The listing discount reached its highest quarterly average in six years indicating more negotiability by sellers. In a reversal from the prior quarter, the luxury market, representing the top 10% of all sales, showed across the board

price gains mainly from the rise in average sales size. The average square footage of a luxury new development closing was 3,386 square feet, up 15.3% year over year. Luxury resales averaged 2,935 square feet, up 3.6% over the same period. Luxury resales accounted for nearly two times the number of luxury new development sales in the quarter. The luxury entry threshold fell 0.1% to \$3,900,000, virtually unchanged from the year-ago quarter.

RE-SALES

- Fifth consecutive year over year gain in re-sale inventory at rising rate
- After four quarters of year over year declines, sales edged higher
- All price trend indicators and marketing time moved higher

Re-Sales Market Matrix	Q4-2018	%Δ (QTR)	Q3-2018	%Δ (YR)	Q4-2017
Average Sales Price	\$1,529,425	-4.3%	\$1,598,560	1.7%	\$1,503,674
Average Price per Sq Ft	\$1,399	-1.2%	\$1,416	0.5%	\$1,392
Median Sales Price	\$942,500	-5.3%	\$995,000	2.8%	\$916,425
Number of Sales (Closed)	2,167	-17.5%	2,627	1.9%	2,127
Days on Market (From Last List Date)	91	9.6%	83	5.8%	86
Listing Discount (From Last List Price)	5.8%		5.0%		5.7%
Listing Inventory (Active)	5,150	-13.3%	5,937	17.1%	4,397
Months to Sell	7.1	4.4%	6.8	14.5%	6.2
Sales Share of Overall Market	89.1%		87.9%		84.6%

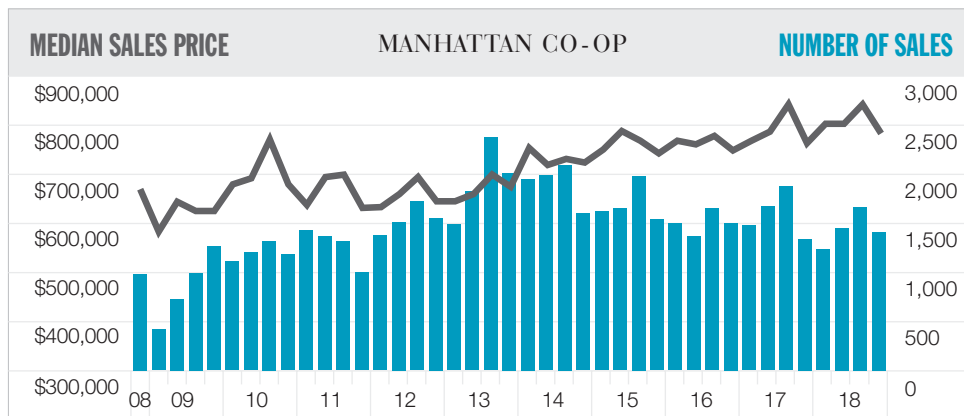
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Median sales price and number of sales for co-ops outperformed condos
- Fourth consecutive year over year gain in listing inventory
- Median sales price has not seen a year over year decline nine quarters

Co-op Market Matrix	Q4-2018	%Δ (QTR)	Q3-2018	%Δ (YR)	Q4-2017
Average Sales Price	\$1,241,655	-7.9%	\$1,347,890	0.5%	\$1,235,038
Average Price Per Sq Ft	\$1,225	-5.0%	\$1,290	2.1%	\$1,200
Median Sales Price	\$790,000	-7.1%	\$850,000	2.6%	\$770,000
Number of Sales	1,412	-15.3%	1,668	5.3%	1,341
Days on Market (From Last List Date)	86	8.9%	79	8.9%	79
Listing Discount (From Last List Price)	5.6%		3.9%		4.6%
Listing Inventory (Active)	2,871	-13.7%	3,328	23.8%	2,320
Months to Sell	6.1	1.7%	6.0	17.3%	5.2

Co-op Mix	Sales Share	Median Sales Price
Studio	17.5%	\$439,000
1 bedroom	40.9%	\$698,500
2 bedroom	27.5%	\$1,200,000
3 bedroom	10.3%	\$2,225,000
4+ bedroom	3.8%	\$4,640,000

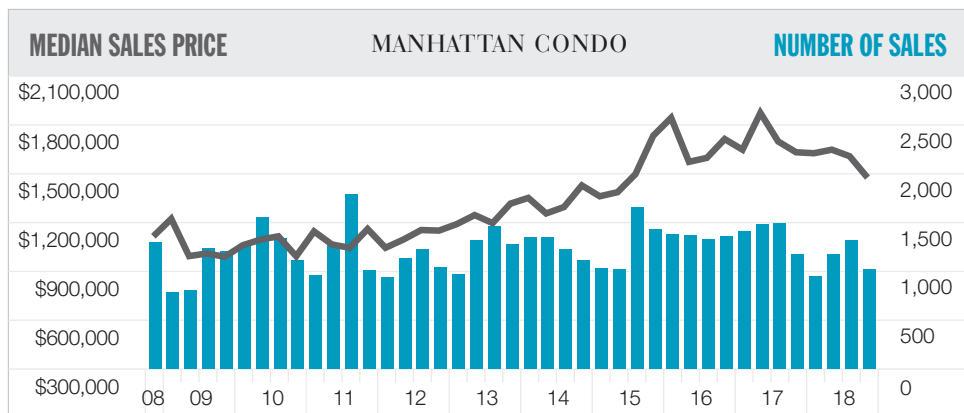


CONDOS

- Sales fell short of last year's total with new development declining more than resales
- While listing inventory edged higher, active new development inventory declined as developers pulled units from the market
- Price trend indicators showed mixed year over year trends

Condo Market Matrix	Q4-2018	%Δ (QTR)	Q3-2018	%Δ (YR)	Q4-2017
Average Sales Price	\$2,963,804	11.3%	\$2,661,716	11.6%	\$2,654,848
Average Price Per Sq Ft	\$2,152	12.5%	\$1,913	9.5%	\$1,965
Median Sales Price	\$1,479,235	-8.1%	\$1,610,000	-9.5%	\$1,634,186
Number of Sales	1,020	-22.7%	1,319	-13.0%	1,173
Days on Market (From Last List Date)	106	-2.8%	109	-8.6%	116
Listing Discount (From Last List Price)	6.7%		6.1%		5.9%
Listing Inventory (Active)	3,221	-10.5%	3,597	2.9%	3,131
Months to Sell	9.5	15.9%	8.2	18.8%	8.0

Condo Mix	Sales Share	Median Sales Price
Studio	10.4%	\$634,000
1 bedroom	34.9%	\$1,058,849
2 bedroom	31.9%	\$1,825,417
3 bedroom	15.4%	\$3,695,000
4+ bedroom	7.5%	\$8,502,281

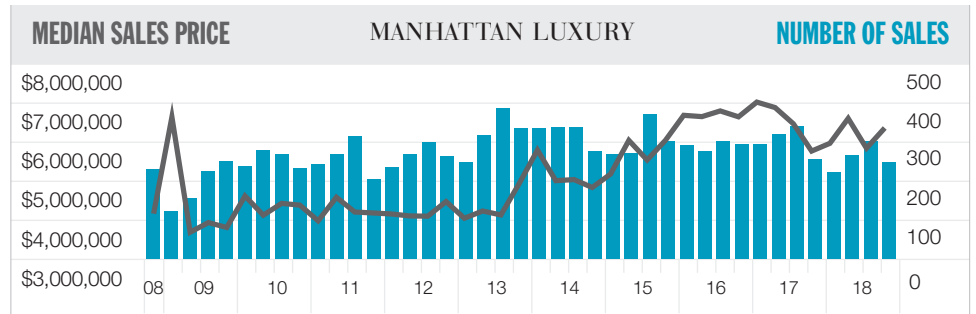


LUXURY

- The rise of luxury price trend indicators was attributable to the gain in average square footage of sales
- Listing inventory declined along with shorter marketing times
- Resales accounted for nearly two thirds of all luxury sales, up sharply from a year ago

Luxury Mix	Sales Share	Median Sales Price
Co-ops	58.2%	\$3,600,000
Condos	41.8%	\$13,696,449
New Dev.	35.2%	8,502,281
Re-sales	64.8%	5,295,000

Luxury Market Matrix	Q4-2018	%Δ (QTR)	Q3-2018	%Δ (YR)	Q4-2017
Average Sales Price	\$8,947,737	14.3%	\$7,831,042	18.0%	\$7,580,185
Average Price per Sq Ft	\$2,892	14.3%	\$2,531	10.0%	\$2,630
Median Sales Price	\$6,316,016	8.9%	\$5,800,000	10.3%	\$5,727,600
Number of Sales (Closed)	244	-18.4%	299	-3.2%	252
Days on Market (From Last List Date)	115	-8.0%	125	-25.3%	154
Listing Discount (From Last List Price)	8.6%		6.2%		6.6%
Listing Inventory (Active)	1,345	-8.2%	1,465	-6.5%	1,439
Months to Sell	16.5	12.2%	14.7	-3.5%	17.1
Entry Threshold	\$3,900,000	1.3%	\$3,850,000	0.1%	\$3,895,000

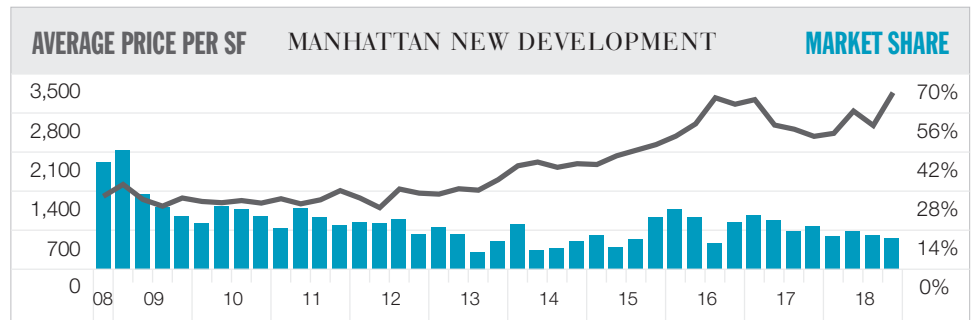


NEW DEVELOPMENT

- Price trend indicators showed mixed results as sales declined from year ago levels
- The market share of closings under \$1 million continued to see its largest market share in more than three years
- A record price per square foot reached as several new luxury building closings skewed price trends higher.

New Dev. Mix	Sales Share	%Δ (yr) Sales
< \$1M	20.4%	45.9
\$1M - \$3M	42.3%	-34.9
> \$3M	37.4%	-44.4

New Development Market Matrix	Q4-2018	%Δ (QTR)	Q3-2018	%Δ (YR)	Q4-2017
Average Sales Price	\$5,517,103	27.3%	\$4,332,408	35.8%	\$4,062,036
Average Price per Sq Ft	\$3,130	22.8%	\$2,548	32.9%	\$2,356
Median Sales Price	\$2,045,000	-19.8%	\$2,550,000	-25.5%	\$2,744,184
Number of Sales (Closed)	265	-26.4%	360	-31.5%	387
Days on Market (From Last List Date)	142	-26.8%	194	-25.3%	190
Listing Discount (From Last List Price)	8.2%		5.8%		4.4%
Listing Inventory (Active)	942	-4.7%	988	-10.6%	1,054
Months to Sell	10.7	30.5%	8.2	30.5%	8.2
Sales Share of Overall Market	10.9%		12.1%		15.4%



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Report Methodology:

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