

# ELLI MAN REPORT

**3Q** 2017  
MANHATTAN  
SALES

Quarterly Survey of Co-op & Condo Sales

## CO-OPS & CONDOS DASHBOARD

year-over-year

### PRICES

Median Sales Price

9.3%

### PACE

Absorption Rate

0.9 mos

### SALES

Closed Sales

13.0%

### INVENTORY

Total Inventory

2.4%

### MARKETING TIME

Days on Market

22 days

### NEGOTIABILITY

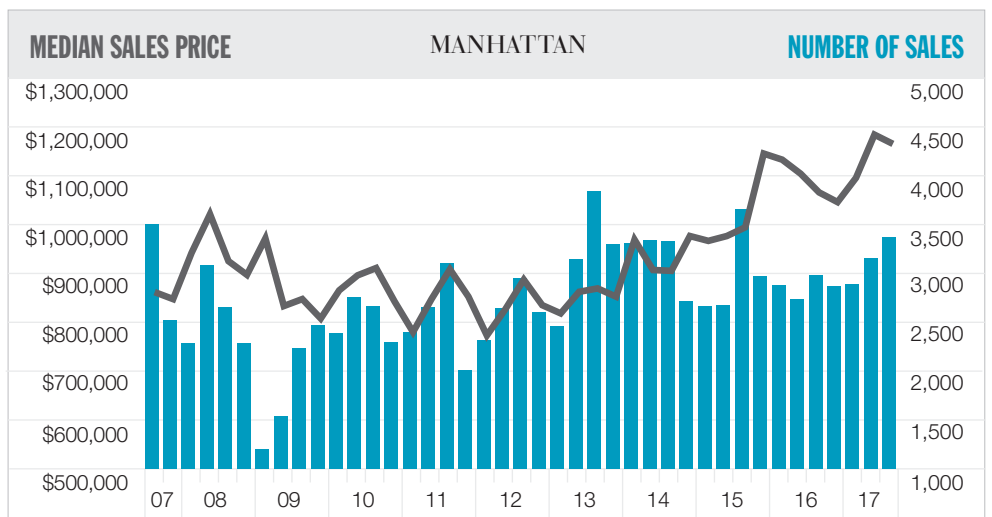
Listing Discount

2.6%

- Median sales price increased annually, but fell short of prior quarter record
- Most overall sales in two years as inventory slipped
- Market share of bidding wars remained less frequent in larger apartments

*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.*

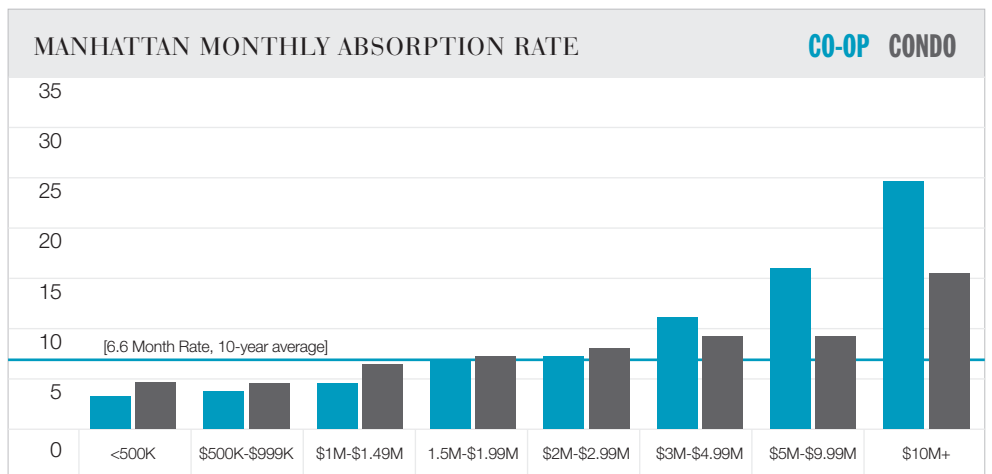
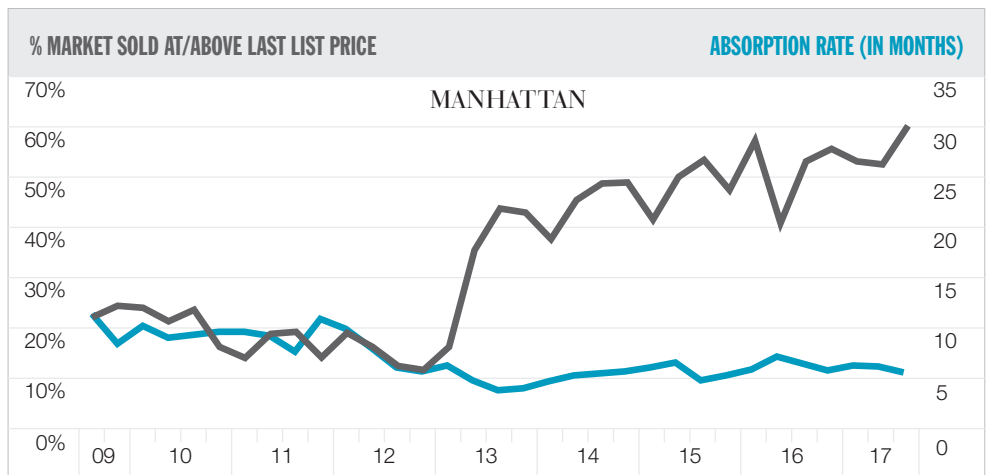
Manhattan Market Matrix	3Q-2017	%Δ (qtr)	2Q-2017	%Δ (yr)	3Q-2016
Average Sales Price	\$2,002,835	-8.5%	\$2,189,037	-1.3%	\$2,029,017
Average Price per Sq Ft	\$1,678	-5.4%	\$1,773	-11.5%	\$1,897
Median Sales Price	\$1,170,000	-1.6%	\$1,189,011	9.3%	\$1,070,000
New Development	\$2,797,500	-15.4%	\$3,306,656	-23.0%	\$3,632,090
Re-sale	\$995,000	2.1%	\$975,000	1.9%	\$976,751
Number of Sales (Closed)	3,369	6.9%	3,153	13.0%	2,982
Days on Market (From Last List Date)	101	-6.5%	108	27.8%	79
Listing Discount (From Last List Price)	5.5%		6.1%		2.9%
Listing Inventory (Active)	6,115	-3.1%	6,311	-2.4%	6,263
Absorption Rate (Months)	5.4	-10.0%	6.0	-14.3%	6.3
Year-to-Date	3Q-2017	%Δ (qtr)	2Q-2017	%Δ (yr)	3Q-2016
Average Sales Price (YTD)	\$2,094,876	N/A	\$2,148,521	3.2%	\$2,029,045
Average Price per Sq Ft (YTD)	\$1,821	N/A	\$1,906	-0.5%	\$1,831
Median Sales Price (YTD)	\$1,150,000	N/A	\$1,150,000	4.5%	\$1,100,000
Number of Sales (YTD)	9,413	N/A	\$6,045	9.5%	8,595



The Manhattan housing market was characterized by elevated sales activity, sliding inventory and record pricing associated with segments that have not enjoyed significant new development activity. Median sales price increased 9.3% to \$1,170,000 while average sales price slid 1.3% to \$2,002,835 from the year ago record, respectively, over the same period. The difference in direction is a reflection of the decline of the "legacy contract" pipeline, defined as contracts signed several years ago

that closed when construction of the building was completed. Average sales price fell across most markets as the influence of legacy sales is beginning to wane. Because the first wave of new development activity circa 2011 to 2014 was skewed much larger in size and higher in price than the second wave, new development median price is now beginning to fall as the shift in mix to smaller units takes hold. Median sales price for new development fell 23% to \$2,797,500 while re-sales rose 1.9% to a record \$995,000

respectively from the prior year quarter. The overall number of sales increased 13% to 3,369 over the same period, the highest quarterly total in two years. The number of sales was 20% higher than the 2,732 quarterly average of the past decade. With heavy sales volume overpowering supply, overall listing inventory was unable to keep up with demand. Re-sale inventory fell 4.1% and new development active inventory rose 6.9% for an overall decline of 2.4% to 6,115 apartments. As a result, the absorption rate, the number of months to sell all inventory at the current rate of sales, was faster, falling to 5.4 months from 6.3 months in the year-ago quarter. The co-op market moved much more quickly than the condo market consistent with the lower pricing of co-ops than condos and the “softer at the top” housing narrative of the past several years. The co-op absorption rate was 4.3 months and the condo absorption rate was 6.9 months before considering shadow inventory of new development. Co-op median sales price increased 8.3% to a record of \$850,000, the highest level reached since this metric was first tracked in 1989. As noted in the previous several quarters, sellers have become more willing to discount their asking price to enable a sale, therefore creating a paradox. Price trends in aggregate set new records because many sellers were more willing to offer larger discounts. Listing discount, the percentage difference between the list price at the date of sale and the sales price, more than doubled to 5.5% from 2.9% in the prior year quarter as sellers traveled farther to meet the buyer on price. This pattern was reinforced by the expanding marketing times of sales; buyers were simply waiting for sellers to bring their asking prices down to more reasonable levels. Days on market, the average number of



days to sell all apartments that closed during the quarter rose 27.8% to 101 days from 79 days in than the same period last year. For context, days on market for the third quarter was more than three weeks faster than the 125.1 day quarterly average for the decade. The market share of bidding wars fell 4.7% to 13.2% from the year-ago period with an average bid that was 2.9% above the last listing price. The luxury market, representing the top 10% of all sales, had an

entry threshold of \$4,241,011, down 3.2% from the year ago quarter. Luxury listing inventory continued to decline as sellers let overpriced listings expire, creating less price misinformation for owners of listings entering the market. The market share of cash sales was 49.2% overall; an average of 41.2% for co-ops and 59.2% for condos in the third quarter.

## RE-SALES

- Median sales price reached new record level, just shy of \$1 million threshold
- Resale inventory fell as new development supply continued to expand
- Listing discount more than doubled as sellers more willing to meet buyers on price

Re-Sales Market Matrix	3Q-2017	%Δ (QTR)	2Q-2017	%Δ (YR)	3Q-2016
Average Sales Price	\$1,645,488	-0.3%	\$1,650,698	-0.2%	\$1,649,160
Average Price per Sq Ft	\$1,481	-0.9%	\$1,494	-6.9%	\$1,591
Median Sales Price	\$995,000	2.1%	\$975,000	1.9%	\$976,751
Number of Sales (Closed)	2,908	12.0%	2,597	7.3%	2,710
Days on Market (From Last List Date)	72	-15.3%	85	-1.4%	73
Listing Discount (From Last List Price)	6.8%		5.5%		2.9%
Listing Inventory (Active)	5,075	-4.1%	5,290	-4.1%	5,290
Absorption Rate (Months)	5.2	-14.8%	6.1	-11.9%	5.9
Sales Share of Overall Market	86.3%		82.4%		90.9%

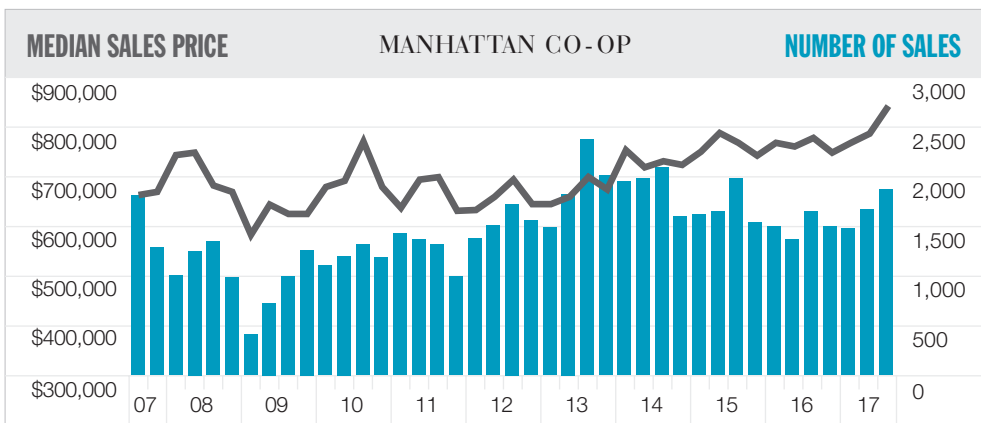
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

# CO-OPS

- Median sales reached record high after coming close several times in previous year
- Number of sales jumped as listing inventory declined, accelerating the pace of the market
- Listing discount more than doubled as sellers more willing to meet buyers on price

Co-op Market Matrix	3Q-2017	%Δ (QTR)	2Q-2017	%Δ (YR)	3Q-2016
Average Sales Price	\$1,427,544	4.7%	\$1,363,916	10.8%	\$1,288,184
Average Price Per Sq Ft	\$1,335	-1.0%	\$1,348	8.5%	\$1,230
Median Sales Price	\$850,000	7.1%	\$793,750	8.3%	\$785,000
Number of Sales	1,876	12.1%	1,674	13.5%	1,653
Days on Market (From Last List Date)	69	-19.8%	86	-5.5%	73
Listing Discount (From Last List Price)	9.5%		6.4%		2.6%
Listing Inventory (Active)	2,670	-3.8%	2,775	-4.2%	2,788
Absorption Rate (Monthly, Active)	4.3	-14.0%	5.0	-15.7%	5.1

Co-op Mix	Sales Share	Median Sales Price
Studio	14.6%	\$443,000
1 bedroom	43.2%	\$737,500
2 bedroom	28.5%	\$1,330,000
3 bedroom	10.0%	\$2,612,500
4+ bedroom	3.7%	\$4,900,000

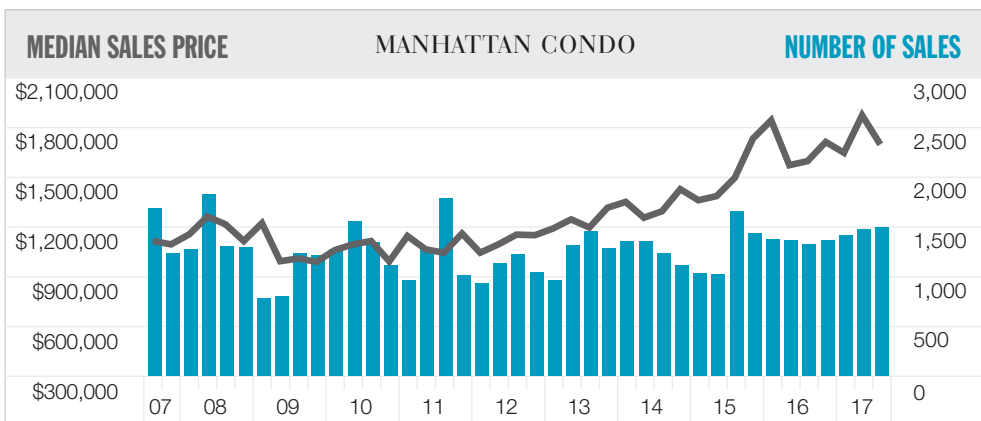


# CONDOS

- Average and median sales price fell short of prior quarter records
- New development inventory continued to rise as resale inventory declined
- Most closed sales for any quarter in the past two years

Condo Market Matrix	3Q-2017	%Δ (QTR)	2Q-2017	%Δ (YR)	3Q-2016
Average Sales Price	\$2,725,706	-12.7%	\$3,122,946	-7.6%	\$2,950,460
Average Price Per Sq Ft	\$2,020	-3.8%	\$2,100	-6.7%	\$2,166
Median Sales Price	\$1,700,000	-9.3%	\$1,875,000	6.3%	\$1,600,000
Number of Sales	1,493	0.9%	1,479	12.3%	1,329
Days on Market (From Last List Date)	136	0.7%	135	58.1%	86
Listing Discount (From Last List Price)	3.0%		5.9%		3.2%
Listing Inventory (Active)	3,445	-2.6%	3,536	-0.9%	3,475
Absorption Rate (Monthly, Active)	6.9	-4.2%	7.2	-11.5%	7.8

Condo Mix	Sales Share	Median Sales Price
Studio	7.8%	\$649,500
1 bedroom	37.7%	\$1,100,000
2 bedroom	31.7%	\$2,120,000
3 bedroom	16.2%	\$3,949,292
4+ bedroom	6.6%	\$7,970,861

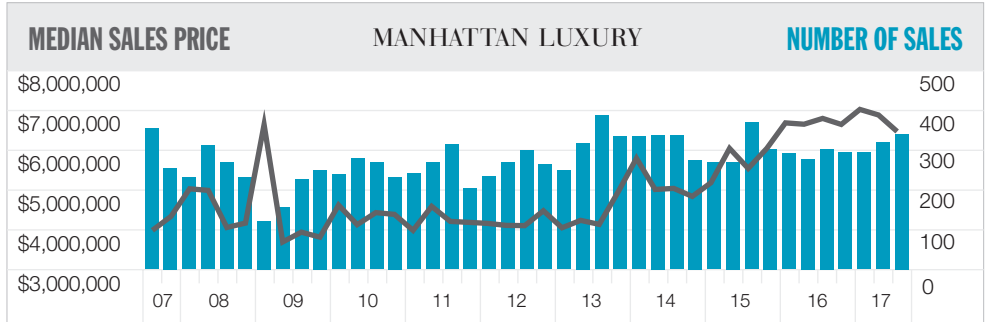


## LUXURY

- Price trend indicators slipped as “legacy contract” era is winding down
- New development inventory rose and resale inventory fell sharply
- Inventory fell as over priced resale listings continued to expire

Luxury Mix	Sales Share	Median Sales Price
Co-ops	56.4%	\$3,987,500
Condos	43.6%	\$10,096,016
New Dev.	47.2%	\$6,879,708
Re-sales	52.8%	\$5,750,000

Luxury Market Matrix	3Q-2017	%Δ (QTR)	2Q-2017	%Δ (YR)	3Q-2016
Average Sales Price	\$8,091,277	-12.8%	\$9,280,290	-8.3%	\$8,825,787
Average Price per Sq Ft	\$2,868	-5.6%	\$3,037	-6.1%	\$3,055
Median Sales Price	\$6,423,107	-6.0%	\$6,836,269	-4.8%	\$6,750,000
Number of Sales (Closed)	337	6.6%	316	12.7%	299
Days on Market (From Last List Date)	217	-6.1%	231	59.6%	136
Listing Discount (From Last List Price)	7.0%		10.4%		2.9%
Listing Inventory (Active)	1,152	-6.7%	1,235	-14.4%	1,346
Absorption Rate (Months)	10.3	-12.0%	11.7	-23.7%	13.5
Entry Threshold	\$4,241,011	-13.0%	\$4,875,000	-3.2%	\$4,380,643

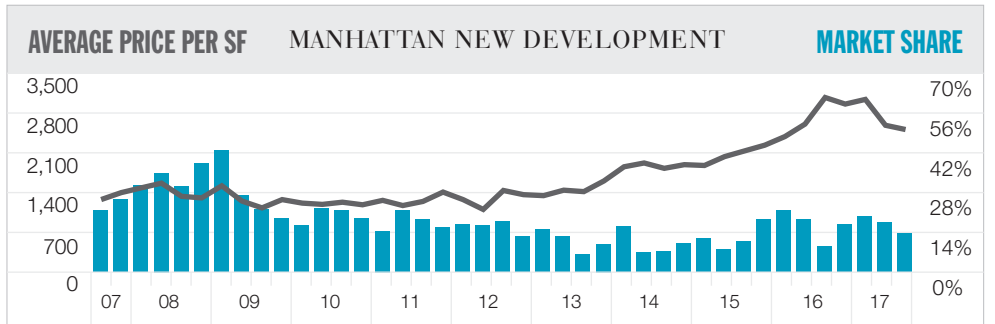


## NEW DEVELOPMENT

- Average sales size and all price trend indicators fell
- Active inventory expanded annually for the fifth consecutive quarter
- Legacy contract pipeline is likely running low

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	7.6%	\$756,255
\$1M - \$3M	45.3%	\$1,807,393
> \$3M	47.1%	\$5,954,819

New Development Market Matrix	3Q-2017	%Δ (QTR)	2Q-2017	%Δ (YR)	3Q-2016
Average Sales Price	\$4,256,992	-9.5%	\$4,703,544	-26.8%	\$5,813,619
Average Price per Sq Ft	\$2,482	-2.9%	\$2,556	-18.3%	\$3,039
Median Sales Price	\$2,797,500	-15.4%	\$3,306,656	-23.0%	\$3,632,090
Number of Sales (Closed)	461	-17.1%	556	69.5%	272
Days on Market (From Last List Date)	264	7.8%	245	65.0%	160
Listing Discount (From Last List Price)	2.7%		7.5%		3.3%
Listing Inventory (Active)	1,040	1.9%	1,021	6.9%	973
Absorption Rate (Months)	6.8	23.6%	5.5	-36.4%	10.7
Sales Share of Overall Market	13.7%		17.6%		9.1%



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**Report Methodology:**

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