

ELLI MAN REPORT

Q1 2018

MANHATTAN SALES

Quarterly Survey of
Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

2.0%

PACE

Absorption Rate

2.3 mos

SALES

Closed Sales

24.6%

INVENTORY

Total Inventory

4.4%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

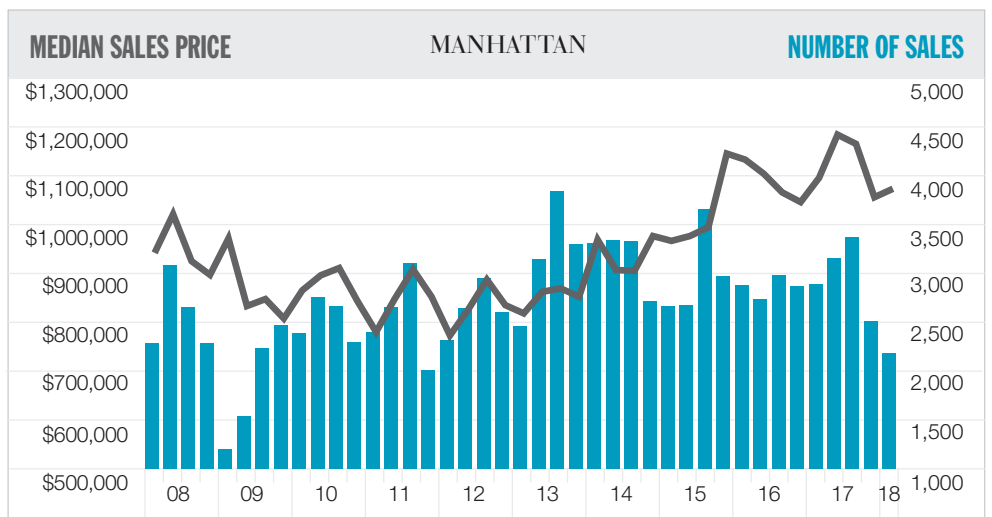
Listing Discount

1.3%

- Lowest sales quarter total in more than six years and largest annual decline in nine years
- The market share of bidding wars fell to five-year low and well below the decade average
- Highest all cash market share in the four years of tracking this metric

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.

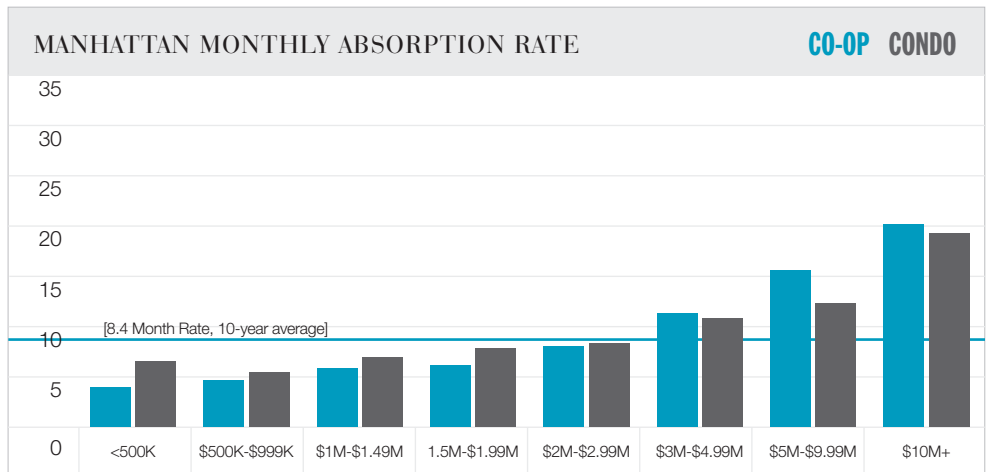
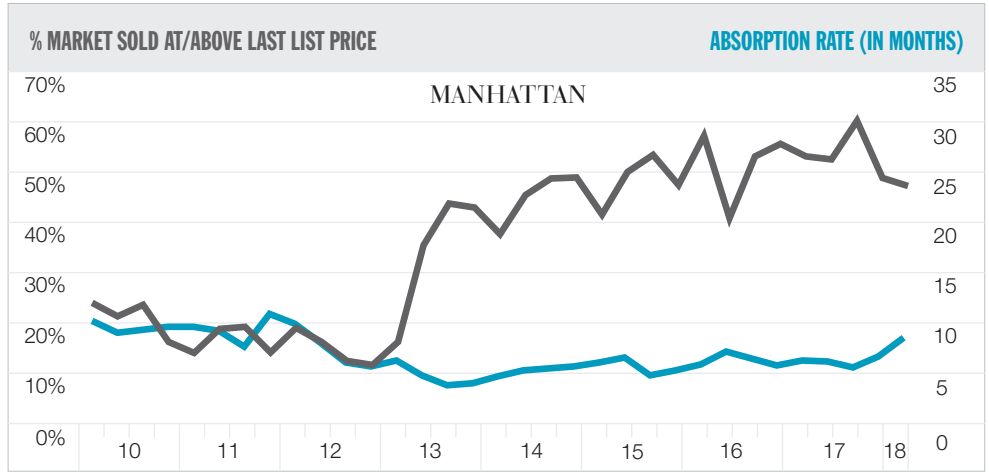
Manhattan Market Matrix	Q1-2018	%Δ (qtr)	Q4-2017	%Δ (yr)	Q1-2017
Average Sales Price	\$1,933,198	1.9%	\$1,897,503	-8.1%	\$2,104,350
Average Price per Sq Ft	\$1,697	5.5%	\$1,609	-18.5%	\$2,083
Median Sales Price	\$1,077,500	1.7%	\$1,060,000	-2.0%	\$1,100,000
New Development	\$2,802,937	2.1%	\$2,744,184	3.9%	\$2,698,362
Re-sale	\$965,000	5.3%	\$916,425	4.3%	\$925,000
Number of Sales (Closed)	2,180	-13.3%	2,514	-24.6%	2,892
Days on Market (From Last List Date)	107	10.3%	97	-0.9%	108
Listing Discount (From Last List Price)	5.5%		5.4%		4.2%
Listing Inventory (Active)	6,125	12.4%	5,451	4.4%	5,867
Absorption Rate (Months)	8.4	29.2%	6.5	37.7%	6.1
Year-to-Date	Q1-2018	%Δ (qtr)	Q4-2017	%Δ (yr)	Q1-2017
Average Sales Price (YTD)	\$1,933,198	N/A	N/A	-8.1%	\$2,104,350
Average Price per Sq Ft (YTD)	\$1,697	N/A	N/A	-4.6%	\$1,778
Median Sales Price (YTD)	\$1,077,500	N/A	N/A	-2.0%	\$1,100,000
Number of Sales (YTD)	2,180	N/A	N/A	-24.6%	2,892



The combination of the new federal tax law, the end of the “legacy” contract pipeline and rising mortgage rates have slowed the pace of the Manhattan sales market. The number of sales to close in the first quarter of 2018 fell 24.6% to 2,180 from the same period last year. This was the lowest quarterly sales total in more than six years and the largest year over year percent decline in nine years. Resales represented 88.1% of sales and their number declined 17.5% from the same period a year ago.

New development closings represented 11.9% of all sales and their number fell 54% over the same period. The faster decline of new development sales was largely skewed by the drop in “legacy” contracts. New development prices are generally higher than resales, so the legacy sales exit from the market will overstate overall market sales declines, after overstating sales increases over the past several years. Buyers and sellers have entered a period of “price discovery” for the next few years as they

adjust their interpretation of value to factor in these new external influences on current market conditions. The sharp drop in closed sales has allowed listing inventory to rise for the second consecutive quarter. The combination of resale and new development listings rose 4.4% to 6,125. Separately, resale and new development inventory rose 5.1% and 4.3% respectively over the same period. With falling sales and rising inventory, the pace of the market slowed. The absorption rate, the number of months to sell all inventory at the current rate of sales slowed to 8.4 months from 6.1 months in the prior year quarter, the slowest market pace in six years. Listing discount, the percentage difference between the list price at the time of sale and the sales price, was 5.5% up from 4.2% in the prior year quarter as sellers were more willing to meet the buyers on price during negotiation. Days on market, the average number of days to sell all apartments that closed during the quarter slipped nominally by 0.9% to 107 from 108 in than the same period last year. The market share of bidding wars fell to 9.4%, the lowest in five years. The luxury market, representing the top 10% of all sales, had a bidding war market share of 4.4%. The remaining 90% of the market or non-luxury, had a bidding war market share of 10.1% or two and a half times as large as the luxury market. Luxury real estate began at \$3,950,000, down 8.1% from the prior year quarter as the top of the market remains soft. Luxury median sales price declined 15.1% to \$5,925,000 over the same period. Luxury sales at or above \$10 million reached 49 transactions, 32.9% below the year-ago quarterly total. Over the same period, luxury inventory rose 15.4% to 1,494, a substantially higher growth rate than the non-luxury market, which edged up 1.3% to 4,631. The median sales price for the remaining



90% of the market, or non-luxury segment, declined 1% to \$960,000. Median sales price for the overall market slipped 2% to \$1,077,500 and average sales price fell 8.1% to \$1,933,198 respectively from the same period last year. After seven consecutive quarters with an average sales price skewed above the \$2 million threshold due to heavy super luxury "legacy" contract sales volume, the indicator has remained below the threshold for the second consecutive quarter.

The market share of "all cash" purchases rose 5.1% to 53.8% from the year-ago quarter to the highest level in the four years this metric has been tracked. Apartment sales below \$500,000 were purchased by cash buyers 35% of the time, while sales above \$5 million were purchased by cash buyers 83.7% of the time. According to Freddie Mac, the 30-year mortgage rate was 4.45%, up from 4.14% at the same time last year and up from 3.99% at the end of the prior quarter.

RE-SALES

- Median sales price edged higher year over year for fourth consecutive quarter
- Highest days on market in three years as listing inventory edged higher
- Sales declined year over year despite expanded negotiability by sellers

Re-Sales Market Matrix	Q1-2018	%Δ (QTR)	Q4-2017	%Δ (YR)	Q1-2017
Average Sales Price	\$1,649,407	9.7%	\$1,503,674	11.7%	\$1,476,552
Average Price per Sq Ft	\$1,546	11.1%	\$1,392	-8.2%	\$1,684
Median Sales Price	\$965,000	5.3%	\$916,425	4.3%	\$925,000
Number of Sales (Closed)	1,921	-9.7%	2,127	-17.5%	2,329
Days on Market (From Last List Date)	96	11.6%	86	11.6%	86
Listing Discount (From Last List Price)	6.2%		5.7%		4.8%
Listing Inventory (Active)	5,066	15.2%	4,397	4.3%	4,859
Absorption Rate (Months)	7.9	27.4%	6.2	25.4%	6.3
Sales Share of Overall Market	88.1%		84.6%		80.5%

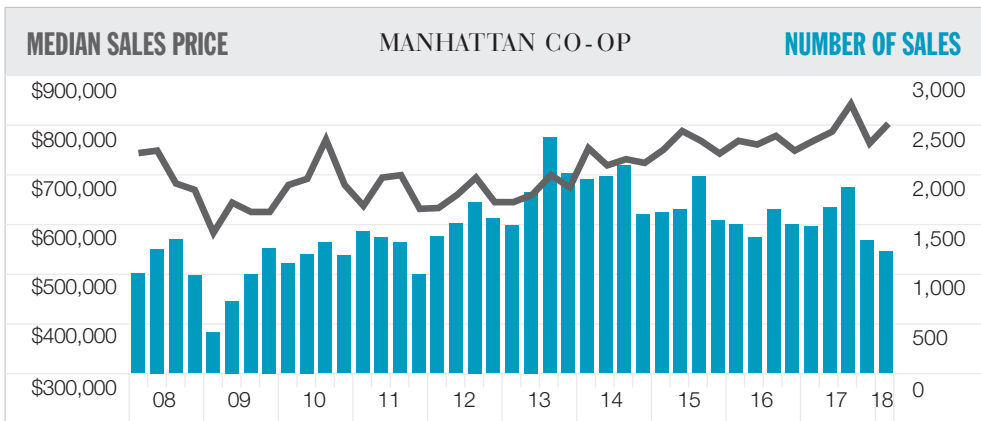
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Median sales price expanded year over year to second highest level on record
- Median sales price rose or remained stable for the seventh consecutive quarter
- Days on market edged higher as listing inventory expanded

Co-op Mix	Sales Share	Median Sales Price
Studio	19.7%	\$450,000
1 bedroom	42.2%	\$735,000
2 bedroom	25.5%	\$1,352,500
3 bedroom	9.1%	\$2,287,500
4+ bedroom	3.5%	\$4,900,000

Co-op Market Matrix	Q1-2018	%Δ (QTR)	Q4-2017	%Δ (YR)	Q1-2017
Average Sales Price	\$1,361,409	10.2%	\$1,235,038	9.6%	\$1,242,369
Average Price Per Sq Ft	\$1,389	15.8%	\$1,200	-5.2%	\$1,465
Median Sales Price	\$810,000	5.2%	\$770,000	4.5%	\$775,000
Number of Sales	1,232	-8.1%	1,341	-16.6%	1,477
Days on Market (From Last List Date)	86	8.9%	79	1.2%	85
Listing Discount (From Last List Price)	7.2%		4.6%		5.0%
Listing Inventory (Active)	2,746	18.4%	2,320	6.4%	2,582
Absorption Rate (Monthly, Active)	6.7	28.8%	5.2	28.8%	5.2

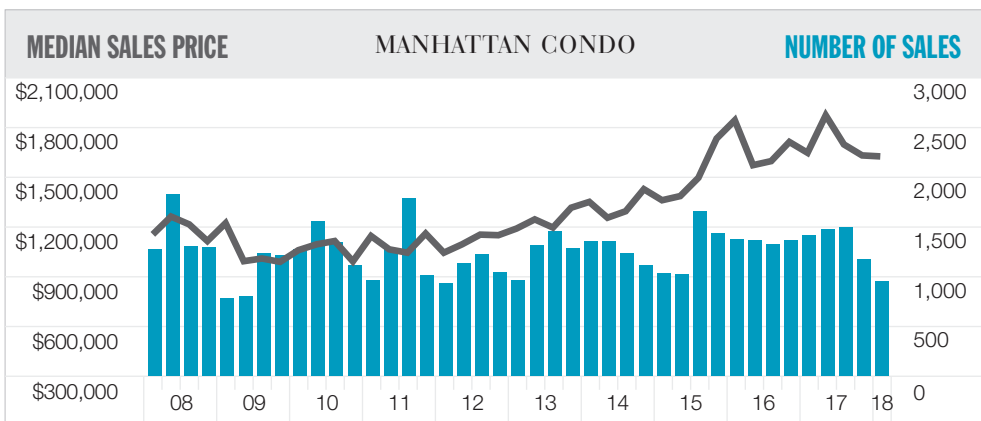


CONDOS

- Market share of bidding wars fell to lowest level seen in the more than two years recorded
- Median sales price for new development slipped as re-sales increased
- Re-sales declined at half the rate of new development sales as overall supply edged higher

Condo Mix	Sales Share	Median Sales Price
Studio	11.7%	\$630,000
1 bedroom	35.7%	\$1,106,500
2 bedroom	31.9%	\$2,307,971
3 bedroom	14.5%	\$4,405,000
4+ bedroom	6.3%	\$8,187,500

Condo Market Matrix	Q1-2018	%Δ (QTR)	Q4-2017	%Δ (YR)	Q1-2017
Average Sales Price	\$2,676,281	0.8%	\$2,654,848	-10.9%	\$3,004,098
Average Price Per Sq Ft	\$1,989	1.2%	\$1,965	-21.8%	\$2,545
Median Sales Price	\$1,628,279	-0.4%	\$1,634,186	-1.3%	\$1,650,000
Number of Sales	948	-19.2%	1,173	-33.0%	1,415
Days on Market (From Last List Date)	131	12.9%	116	-1.5%	133
Listing Discount (From Last List Price)	4.3%		5.9%		3.7%
Listing Inventory (Active)	3,379	7.9%	3,131	2.9%	3,285
Absorption Rate (Monthly, Active)	10.7	33.8%	8.0	52.9%	7.0

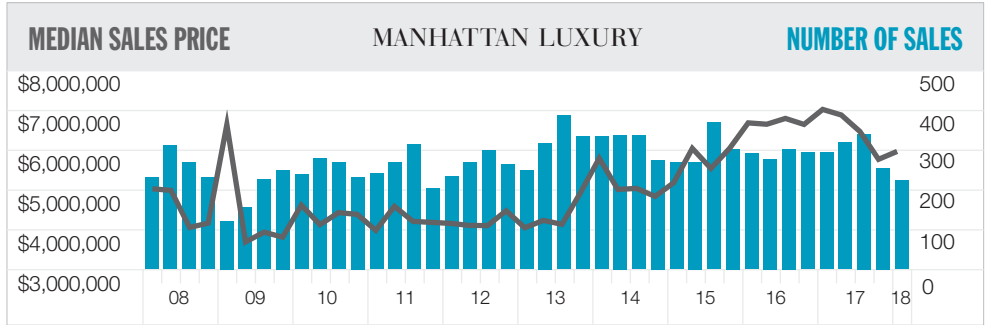


LUXURY

- Inventory rose at more than twice the rate of the overall market
- Market share of re-sales was at its highest level in two and a half years
- Median sales price for new development edged higher as re-sales declined

Luxury Mix	Sales Share	Median Sales Price
Co-ops	56.8%	\$3,750,000
Condos	43.2%	\$10,241,575
New Dev.	47.6%	\$7,240,904
Re-sales	52.4%	\$5,250,000

Luxury Market Matrix	Q1-2018	%Δ (QTR)	Q4-2017	%Δ (YR)	Q1-2017
Average Sales Price	\$7,944,440	4.8%	\$7,580,185	-15.1%	\$9,360,794
Average Price per Sq Ft	\$2,653	0.9%	\$2,630	-20.6%	\$3,343
Median Sales Price	\$5,925,000	3.4%	\$5,727,600	-15.1%	\$6,975,006
Number of Sales (Closed)	220	-12.7%	252	-24.1%	290
Days on Market (From Last List Date)	149	-3.2%	154	-13.4%	172
Listing Discount (From Last List Price)	4.4%		6.6%		4.7%
Listing Inventory (Active)	1,494	3.8%	1,439	15.4%	1,295
Absorption Rate (Months)	20.4	19.3%	17.1	52.2%	13.4
Entry Threshold	\$3,950,000	1.4%	\$3,895,000	-8.1%	\$4,300,000

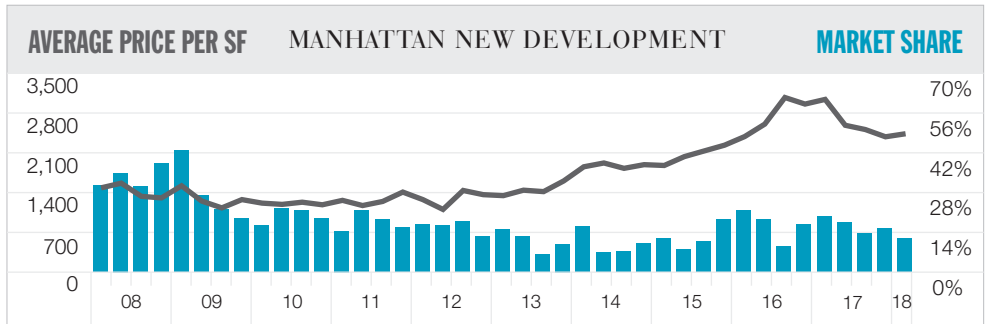


NEW DEVELOPMENT

- Median sales price showed modest gain as average sales price fell sharply
- Number of closed sales fell by half as “legacy” contract pipeline empties
- Seventh consecutive quarter with year over year rise in listing inventory

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	10.4%	\$462,384
\$1M - \$3M	45.9%	\$1,972,859
> \$3M	43.6%	\$5,145,981

New Development Market Matrix	Q1-2018	%Δ (QTR)	Q4-2017	%Δ (YR)	Q1-2017
Average Sales Price	\$4,038,067	-0.6%	\$4,062,036	-14.1%	\$4,701,403
Average Price per Sq Ft	\$2,409	2.2%	\$2,356	-19.9%	\$3,006
Median Sales Price	\$2,802,937	2.1%	\$2,744,184	3.9%	\$2,698,362
Number of Sales (Closed)	259	-33.1%	387	-54.0%	563
Days on Market (From Last List Date)	213	12.1%	190	-5.3%	225
Listing Discount (From Last List Price)	2.1%		4.4%		2.8%
Listing Inventory (Active)	1,059	0.5%	1,054	5.1%	1,008
Absorption Rate (Months)	12.3	50.0%	8.2	127.8%	5.4
Sales Share of Overall Market	11.9%		15.4%		19.5%



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Report Methodology:

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