

ELLI MAN REPORT

Q2 2018

MANHATTAN SALES

Quarterly Survey of
Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

7.5%

PACE

Absorption Rate

2.0 mos

SALES

Closed Sales

16.6%

INVENTORY

Total Inventory

10.7%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

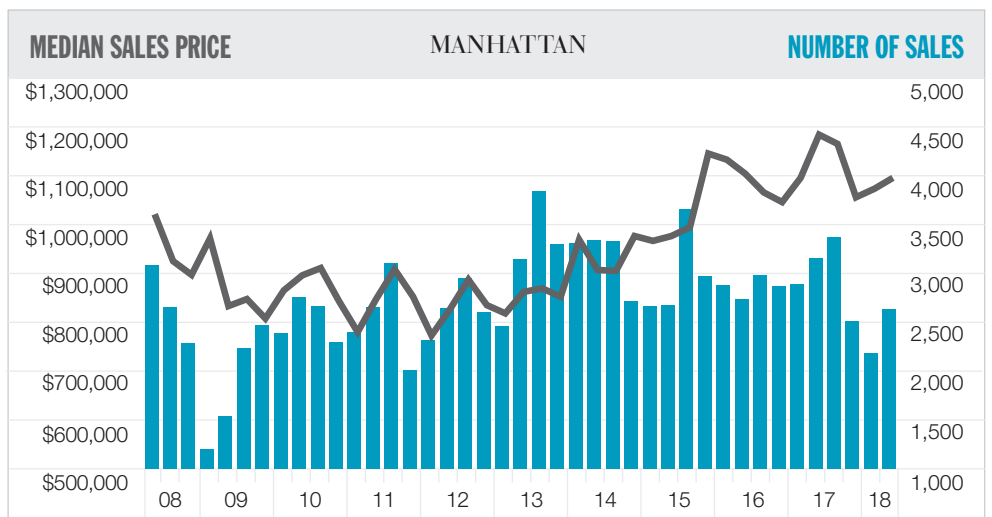
Listing Discount

2.0%

- Ease in rate of annual sales decline while reaching lowest second quarter total in nine years
- Highest second quarter listing inventory total in eight years with lowest share of bidding wars since 2012
- Price trend indicators saw year over year declines due lower new development market share

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.

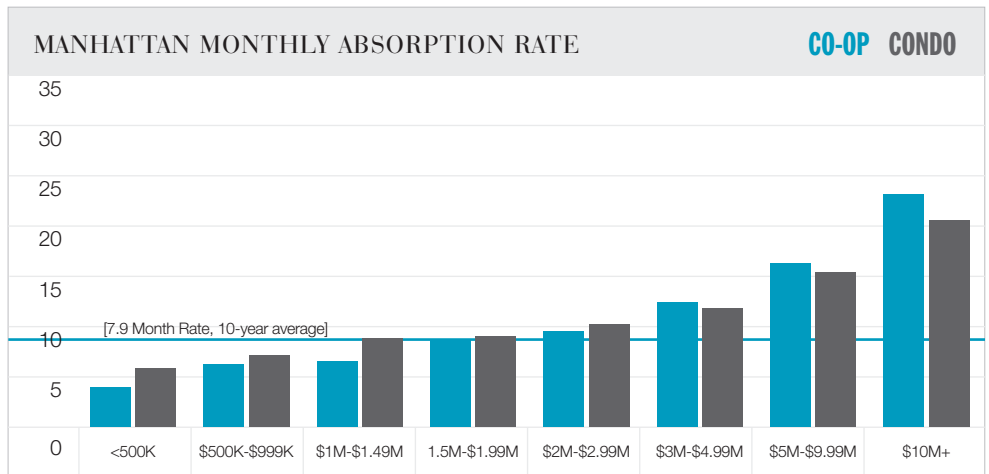
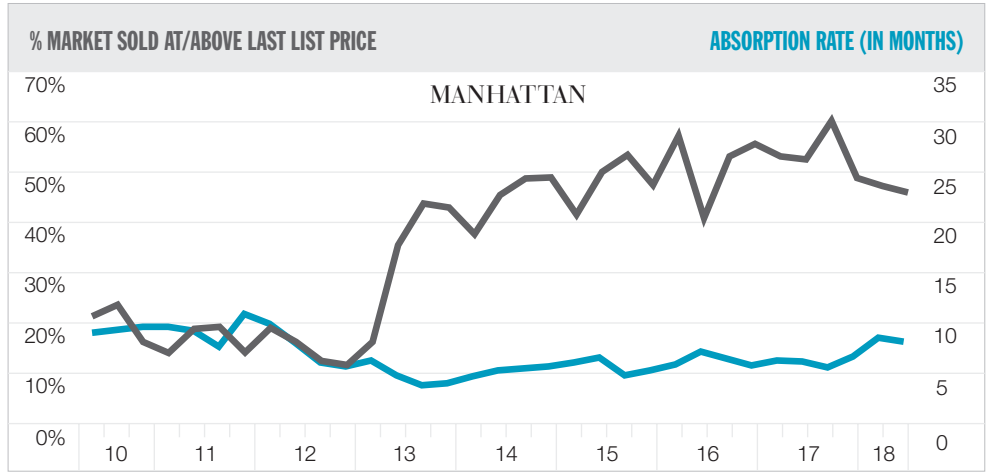
Manhattan Market Matrix	Q2-2018	%Δ (qtr)	Q1-2018	%Δ (yr)	Q2-2017
Average Sales Price	\$2,090,567	8.1%	\$1,933,198	-4.5%	\$2,189,037
Average Price per Sq Ft	\$1,733	2.1%	\$1,697	-2.3%	\$1,773
Median Sales Price	\$1,100,000	2.1%	\$1,077,500	-7.5%	\$1,189,011
New Development	\$2,673,182	-4.6%	\$2,802,937	-19.2%	\$3,306,656
Re-sale	\$980,000	1.6%	\$965,000	0.5%	\$975,000
Number of Sales (Closed)	2,629	20.6%	2,180	-16.6%	3,153
Days on Market (From Last List Date)	103	-3.7%	107	-4.6%	108
Listing Discount (From Last List Price)	4.1%		5.5%		6.1%
Listing Inventory (Active)	6,985	14.0%	6,125	10.7%	6,311
Absorption Rate (Months)	8.0	-4.8%	8.4	33.3%	6.0
Year-to-Date	Q2-2018	%Δ (qtr)	Q1-2018	%Δ (yr)	Q2-2017
Average Sales Price (YTD)	\$2,019,229	N/A	N/A	-6.0%	\$2,148,521
Average Price per Sq Ft (YTD)	\$1,717	N/A	N/A	-9.9%	\$1,906
Median Sales Price (YTD)	\$1,090,000	N/A	N/A	-5.2%	\$1,150,000
Number of Sales (YTD)	4,809	N/A	N/A	-20.4%	6,045



Uncertainty continued to play an important role in the current housing market as the market reset continued. External influences outside of the vibrant city economy such as rising mortgage rates, the potential impact of the new federal tax law and an unclear direction of the national economy have continued to remain a concern of market participants. The number of sales declined year over for the third consecutive quarter but fell short of the prior quarter record. There were 2,629 sales, down 16.6% from the same period a year ago as well as the lowest second-

quarter sales total in nine years, 3.6% below the 2,726 second quarter decade average. As a result of three consecutive year over year sales declines, listing inventory has been able to rise. Listing inventory rose 10.7% to 6,985 and the highest total since 2012. New development inventory edged up 0.8% as developers held back units in shadow inventory. New development closings represented a 13.4% market share, down from 17.6% from the year-ago quarter. Resale supply expanded 12.6% over the same period. With lower sales levels and more

supply, the market share of bidding wars, defined as sales that occurred above the most recent asking price, fell to 9%, the lowest share observed in six years. A record share of 31% was reached three years ago. The market remains tighter in the starter market with a bidding war studio market share of 14.3% and remains softer at the high end of the market with a bidding war 4+ bedroom share of 6.5%. The absorption rate, the number of months to sell all inventory at the current rate of sales, slowed to 8 months from 6 months in the prior year quarter, the slowest second quarter spring market pace in seven years. Despite the slower pace, market time and negotiability tightened from the prior year as sellers grew more in sync with market conditions. Days on market, the average number of days to sell all apartments that closed during the quarter slid by five days to 103 days. Listing discount, the percentage difference between the list price at the time of sale and the sales price, fell to 4.1% from 6.1% in the prior-year quarter. The market share of “all cash” purchases rose 4.9% to 54% 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 47.8% of the time, while sales above \$5 million were purchased by cash buyers 78.9% of the time. With the slower paced market, overall price trend indicators declined but most was due to the shift towards smaller new development units. The average square footage of a new development closed sale fell 5.3% to 1,742 square feet on a year over year basis. The median sales price for new development fell 19.2% to \$2,673,182 while average sales price rose 3.9% to \$4,885,097 respectively over the same period. The resale market showed slight gains for both indicators. The market share of re-sales rose 4.2% to 86.6%, and both median



sales price of \$980,000 and average sales price of \$1,658,563 rose 0.5% respectively from the prior-year quarter. As a result of the decline in the number of sales, sales size and market share of new development, the overall price trend indicators skewed lower. Manhattan median sales price declined 7.5% to \$1,100,000, and average sales price fell 4.5% to \$2,090,567 respectively from the prior-year quarter. The luxury market, representing the top 10% of all sales, showed

a similar pattern to the overall market. With less new development activity, the market share of new development luxury sales declined to less than half of all luxury sales over the past year. The entry threshold fell 12.4% to \$4,271,558 over the same period as the new development luxury contracts pipeline draws to a close. The luxury median sales price declined 4.1% to \$6,559,312 from the same period last year.

RE-SALES

- Median sales price edged higher year over year for fifth consecutive quarter
- Most inventory in six years as declining sales has allowed supply to expand
- The second quarter days on market rose to highest level in five years

Re-Sales Market Matrix	Q2-2018	%Δ (QTR)	Q1-2018	%Δ (YR)	Q2-2017
Average Sales Price	\$1,658,563	0.6%	\$1,649,407	0.5%	\$1,650,698
Average Price per Sq Ft	\$1,476	-4.5%	\$1,546	-1.2%	\$1,494
Median Sales Price	\$980,000	1.6%	\$965,000	0.5%	\$975,000
Number of Sales (Closed)	2,277	18.5%	1,921	-12.3%	2,597
Days on Market (From Last List Date)	94	-2.1%	96	10.6%	85
Listing Discount (From Last List Price)	4.5%		6.2%		5.5%
Listing Inventory (Active)	5,956	17.6%	5,066	12.6%	5,290
Absorption Rate (Months)	7.8	-1.3%	7.9	27.9%	6.1
Sales Share of Overall Market	86.6%		88.1%		82.4%

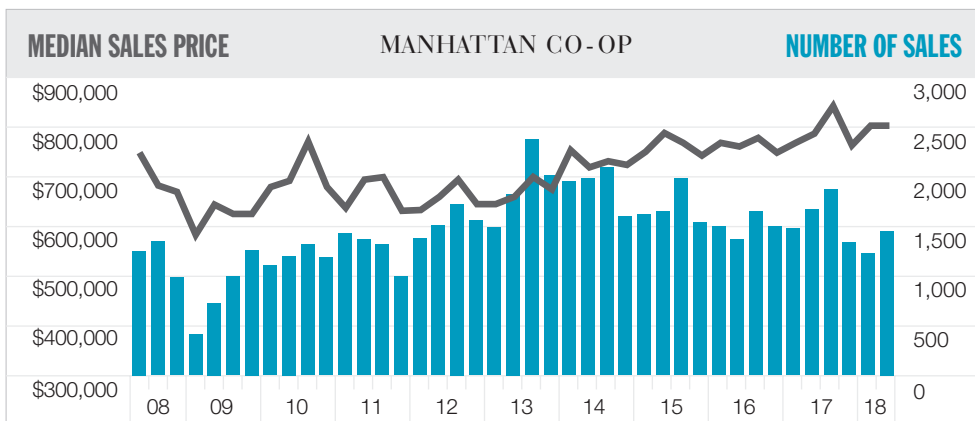
Note: This sub-category analyzes all co-op & condo re-sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Eighth consecutive quarter without an annual decline in median sales price
- Sales fell year over year for third consecutive quarter to be consistent with decade average
- Listing inventory expanded to highest second quarter level in five years

Co-op Mix	Sales Share	Median Sales Price
Studio	16.8%	\$415,670
1 bedroom	41.4%	\$707,000
2 bedroom	27.2%	\$1,335,000
3 bedroom	11.2%	\$2,470,000
4+ bedroom	3.4%	\$4,575,000

Co-op Market Matrix	Q2-2018	%Δ (QTR)	Q1-2018	%Δ (YR)	Q2-2017
Average Sales Price	\$1,380,512	1.4%	\$1,361,409	1.2%	\$1,363,916
Average Price Per Sq Ft	\$1,319	-5.0%	\$1,389	-2.2%	\$1,348
Median Sales Price	\$810,000	0.0%	\$810,000	2.0%	\$793,750
Number of Sales	1,455	18.1%	1,232	-13.1%	1,674
Days on Market (From Last List Date)	90	4.7%	86	4.7%	86
Listing Discount (From Last List Price)	4.6%		7.2%		6.4%
Listing Inventory (Active)	3,251	18.4%	2,746	17.2%	2,775
Absorption Rate (Monthly, Active)	6.7	0.0%	6.7	34.0%	5.0

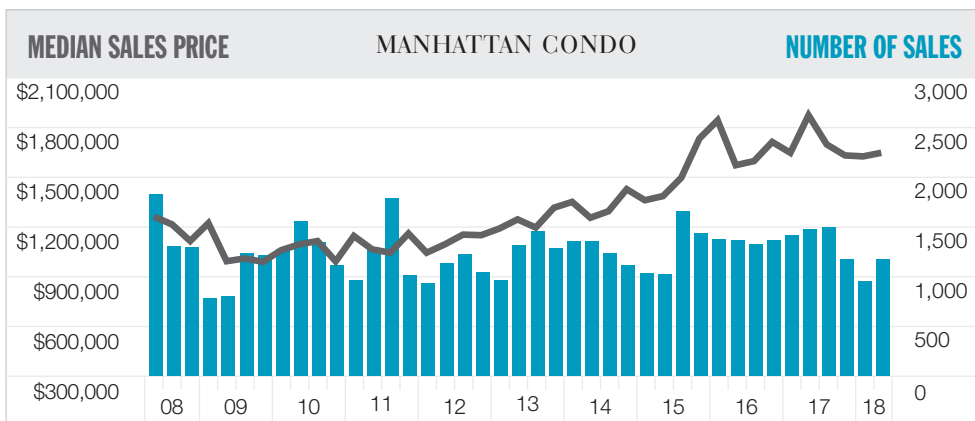


CONDOS

- Sales declined year over year for third consecutive quarter just short of ten-year average
- Median sales price for new development slipped as re-sales increased
- Largest share of bidding wars within the studio market but fell by half from prior year

Condo Mix	Sales Share	Median Sales Price
Studio	7.1%	\$680,000
1 bedroom	36.3%	\$1,019,000
2 bedroom	31.9%	\$1,999,500
3 bedroom	17.3%	\$4,025,087
4+ bedroom	7.4%	\$7,350,000

Condo Market Matrix	Q2-2018	%Δ (QTR)	Q1-2018	%Δ (YR)	Q2-2017
Average Sales Price	\$2,970,576	11.0%	\$2,676,281	-4.9%	\$3,122,946
Average Price Per Sq Ft	\$2,115	6.3%	\$1,989	0.7%	\$2,100
Median Sales Price	\$1,650,000	1.3%	\$1,628,279	-12.0%	\$1,875,000
Number of Sales	1,174	23.8%	948	-20.6%	1,479
Days on Market (From Last List Date)	121	-7.6%	131	-10.4%	135
Listing Discount (From Last List Price)	3.7%		4.3%		5.9%
Listing Inventory (Active)	3,734	10.5%	3,379	5.6%	3,536
Absorption Rate (Monthly, Active)	9.5	-11.2%	10.7	31.9%	7.2

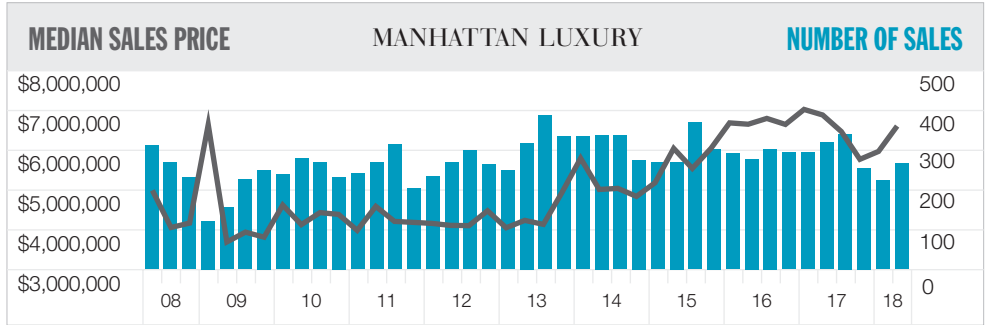


LUXURY

- Price trends were mixed as listing inventory expanded
- Marketing time shortened and listing discount tightened despite expanded supply
- Threshold slipped as high-end sales shifted to a lower priced mix

Luxury Market Matrix	Q2-2018	%Δ (QTR)	Q1-2018	%Δ (YR)	Q2-2017
Average Sales Price	\$9,299,635	17.1%	\$7,944,440	0.2%	\$9,280,290
Average Price per Sq Ft	\$2,899	9.3%	\$2,653	-4.5%	\$3,037
Median Sales Price	\$6,559,312	10.7%	\$5,925,000	-4.1%	\$6,836,269
Number of Sales (Closed)	263	19.5%	220	-16.8%	316
Days on Market (From Last List Date)	184	23.5%	149	-20.3%	231
Listing Discount (From Last List Price)	5.3%		4.4%		10.4%
Listing Inventory (Active)	1,363	-8.8%	1,494	10.4%	1,235
Absorption Rate (Months)	15.5	-24.0%	20.4	32.5%	11.7
Entry Threshold	\$4,271,558	8.1%	\$3,950,000	-12.4%	\$4,875,000

Luxury Mix	Sales Share	Median Sales Price
Co-ops	55.5%	\$3,922,500
Condos	44.5%	\$12,652,343
New Dev.	45.2%	\$6,822,275
Re-sales	54.8%	\$6,146,250

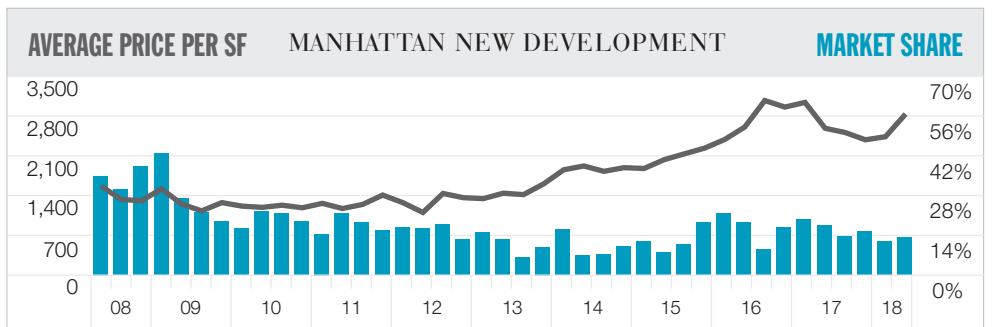


NEW DEVELOPMENT

- Price trend indicators remained mixed as average sales square footage declined
- Number of closed sales continued to fall as legacy contract pipeline draws to a close
- Closings for less than \$1 million saw largest market share in over two years

New Development Market Matrix	Q2-2018	%Δ (QTR)	Q1-2018	%Δ (YR)	Q2-2017
Average Sales Price	\$4,885,097	21.0%	\$4,038,067	3.9%	\$4,703,544
Average Price per Sq Ft	\$2,804	16.4%	\$2,409	9.7%	\$2,556
Median Sales Price	\$2,673,182	-4.6%	\$2,802,937	-19.2%	\$3,306,656
Number of Sales (Closed)	352	35.9%	259	-36.7%	556
Days on Market (From Last List Date)	194	-8.9%	213	-20.8%	245
Listing Discount (From Last List Price)	2.1%		2.1%		7.5%
Listing Inventory (Active)	1,029	-2.8%	1,059	0.8%	1,021
Absorption Rate (Months)	8.8	-28.5%	12.3	60.0%	5.5
Sales Share of Overall Market	13.4%		11.9%		17.6%

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	16.8%	\$743,833
\$1M - \$3M	38.6%	\$1,757,036
> \$3M	44.6%	\$5,845,009



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Report Methodology:

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