

ELLI MAN

REPORT

2Q 2015
MANHATTAN
SALES

Quarterly Survey of Co-op & Condo Sales

CO-OPS & CONDOS DASHBOARD

year-over-year

PRICES

Median Sales Price

↑ 7.7%

PACE

Absorption Rate

↑ 1.3 mos

SALES

Closed Sales

↓ 20%

INVENTORY

Total Inventory

↑ 1.3%

MARKETING TIME

Days on Market

↓ 2 days

NEGOTIABILITY

Listing Discount

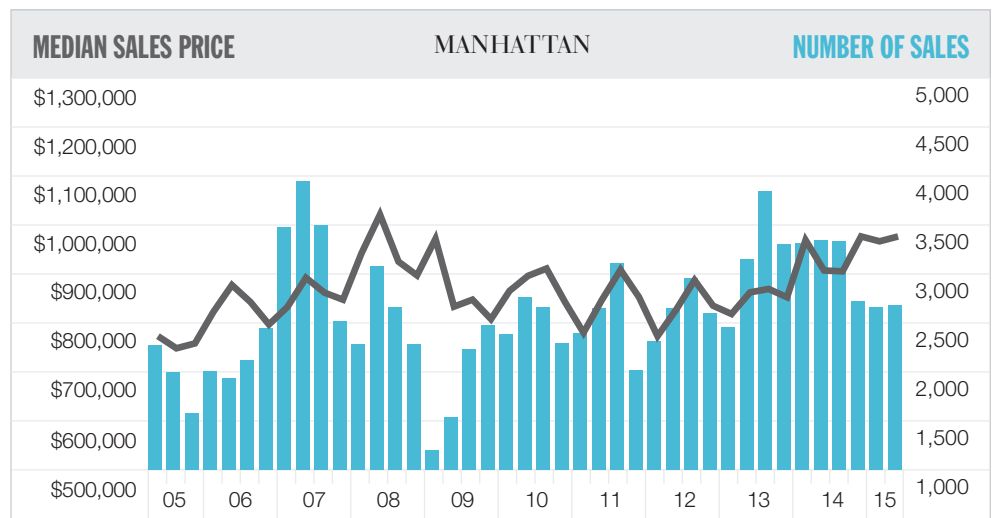
↑ 3.3%

- Median sales price at highest level since financial crisis began, while average sales price set record
- Inventory growth stalled and marketing time declined
- Number of sales reset to lower level as pent-up demand has been absorbed

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	2Q-2015	%Chg (qtr)	1Q-2015	%Chg (yr)	2Q-2014
Average Sales Price	\$1,872,367	8.0%	\$1,732,989	11.4%	\$1,680,185
Average Price per Sq Ft	\$1,340	6.1%	\$1,263	5.7%	\$1,268
Median Sales Price	\$980,000	1.0%	\$970,000	7.7%	\$910,000
New Development	\$1,868,489	15.0%	\$1,625,000	18.3%	\$1,580,000
Re-sale	\$945,000	6.8%	\$885,000	6.2%	\$890,000
Number of Sales (Closed)	2,674	0.5%	2,661	-20.0%	3,342
Days on Market (From Last List Date)	94	-6.0%	100	-2.1%	96
Listing Discount (From Last List Price)	6.1%		4.7%		2.8%
Listing Inventory (Active)	5,730	9.3%	5,243	1.3%	5,659
Absorption Rate (Months)	6.4	8.5%	5.9	25.5%	5.1
Pending Price Index (1Q 08 = 100)	133.61	18.2%	113.05	8.4%	123.23
Pending Sales Index (1Q 08 = 100)	160.18	43.2%	111.88	42.5%	112.39
Year-to-Date	2Q-2015	%Chg (qtr)	1Q-2015	%Chg (yr)	2Q-2014
Average Sales Price (YTD)	\$1,802,848	N/A	N/A	4.4%	\$1,726,608
Average Price per Sq Ft (YTD)	\$1,302	N/A	N/A	-1.0%	\$1,315
Median Sales Price (YTD)	\$975,000	N/A	N/A	4.2%	\$935,750
Number of Sales (YTD)	5,335	N/A	N/A	-19.8%	6,649

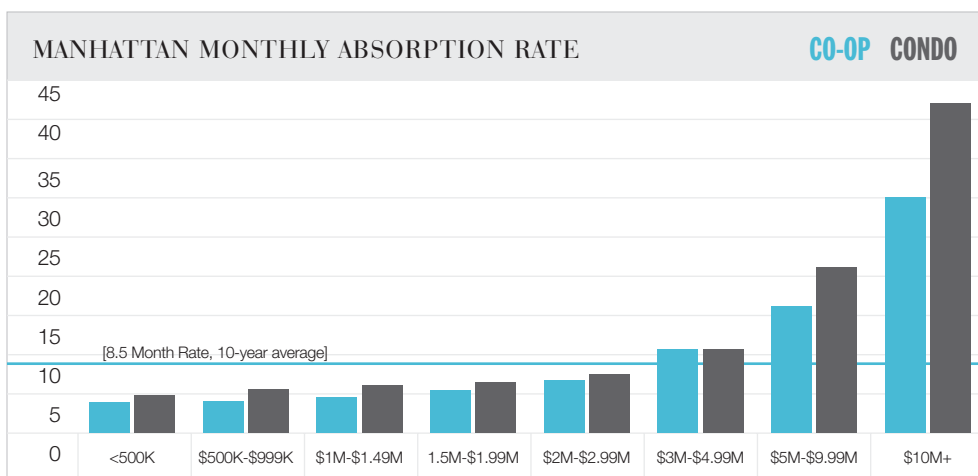
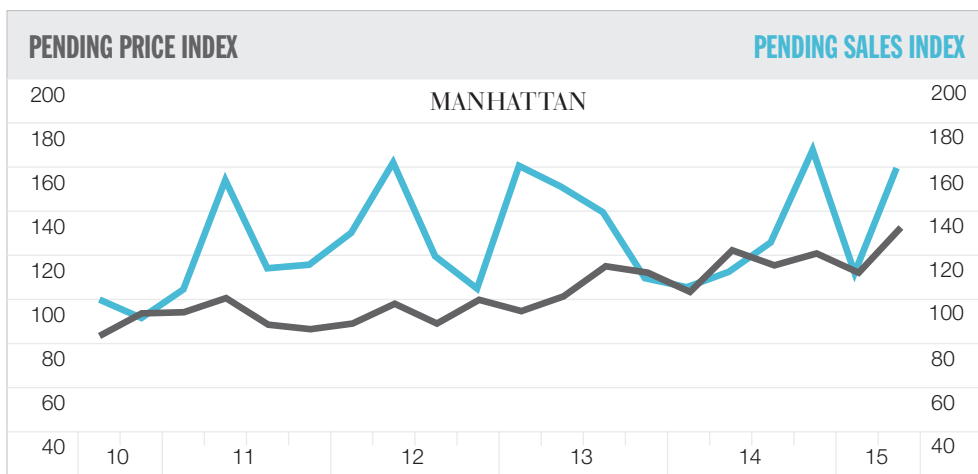
*The pending sale and pending price indices are based on contract data collected during the normal course of business by Miller Samuel and Douglas Elliman.



After leveling off in the prior quarter, Manhattan housing prices resumed their upward ways as inventory growth stalled. For the fourth consecutive quarter, the number of sales fell from prior year levels indicating that the pent-up demand unleashed on the market in 2013-2014 has been fully absorbed. Key market drivers this quarter continued to be a strong local economy

led by employment gains, the highest average Wall Street bonus per person since 2007, a booming tech sector, tight credit conditions, low inventory and low mortgage rates. Buyers brought into the market over the concern about higher mortgage rates within the next year were met with stalling inventory growth, consistent with the trends observed in the U.S. market. The

stronger U.S. dollar continued to take the edge off of international demand, but was partially offset by rising domestic demand, a function of an improving economy and gains from the robust performance of the financial markets. All Manhattan housing price indicators moved higher than prior year levels. Median sales price rose 7.7% to \$980,000, tied with the fourth quarter of 2014 and the highest level reached since the market peak of \$1,025,000 in the second quarter of 2008. Average price per square foot rose 5.7% to \$1,340 from the prior year quarter, the second highest level ever reached. Average sales price increased 11.4% from the prior year quarter, reaching a new Manhattan record of \$1,872,367. The new record reflected stronger price gains seen in larger units, especially 3-bedroom and 4-bedroom apartments. Luxury median sales price, defined as the top 10% of all sales during the quarter, grew at 20.6%, outpacing the 7.7% growth observed in the overall market. The number of sales fell 20% to 2,674 from the prior year period, but remained 2.1% above the 2,619 ten-year quarterly average. It also marked the fourth consecutive year-over-year decline in quarterly sales reflecting a market reset from record sales activity. From 2013 to 2014 there was record sales volume from the release of pent-up demand that accumulated from the beginning of the financial crisis to the fiscal cliff. After bottoming in the fourth quarter of 2013, listing inventory growth also slowed considerably over the past four quarters. There were 5,730 listings at the end of the second quarter, up 1.3% from the prior year quarter. After year-over-year inventory growth peaked at 27.6% in the third quarter of 2014, it declined 20%, 5.5% and 1.3% respectively in subsequent quarters despite the lower level of sales activity. As a result of declining sales and stabilizing



inventory, the absorption rate, the number of months to sell all inventory at the current pace of sales, increased to 6.4 months from 5.1 months in the prior year quarter. That made the second quarter market pace 28.9% faster than the ten-year quarter average pace of 9 months. Approximately 35% of co-op sales and 58% of condo sales in the second quarter were paid for with cash for a weighted average of 44%, down from 52% in the prior year quarter. The monthly

carrying charges for co-ops and condos that closed during the second quarter declined 1.7% to \$1.70 per square foot over the same period. Listing discount, the percentage difference between the listing price at time of sale and the sales price, increased to 6.1% from 2.8% in the prior year quarter. Days on market, the average number of days to sell all apartments that closed during the quarter, fell by 2 days to 94 days from the prior year quarter.

LOFTS

- All price indicators moved higher
- Inventory declined but was outpaced by the decline in sales
- Marketing time and negotiability expanded

Loft Market Matrix	2Q-2015	%Chg (QTR)	1Q-2015	%Chg (YR)	2Q-2014
Average Sales Price	\$2,872,147	-3.9%	\$2,989,033	9.4%	\$2,626,156
Average Price per Sq Ft	\$1,563	2.3%	\$1,528	8.9%	\$1,435
Median Sales Price	\$2,105,000	-13.2%	\$2,425,000	13.8%	\$1,850,000
Number of Sales (Closed)	153	-20.3%	192	-29.2%	216
Days on Market (From Last List Date)	84	-1.2%	85	64.7%	51
Listing Discount (From Last List Price)	9.3%		2.2%		3.0%
Listing Inventory (Active)	369	15.0%	321	-12.8%	423
Absorption Rate (Months)	7.2	44.0%	5.0	22.0%	5.9

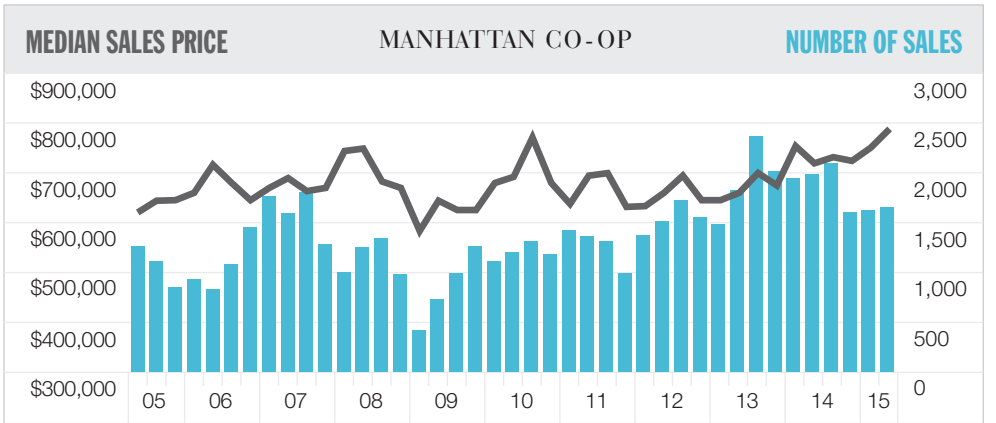
Note: This sub-category analyzes all co-op & condo loft sales available. The data is also contained within the co-op & condo markets presented.

CO-OPS

- Price indicators rose above prior year levels
- Listing inventory slipped as number of sales declined
- Absorption rate remained unusually fast

Co-op Market Matrix	2Q-2015	%Chg (QTR)	1Q-2015	%Chg (YR)	2Q-2014
Average Sales Price	\$1,537,880	5.1%	\$1,463,011	5.8%	\$1,454,193
Average Price Per Sq Ft	\$1,186	8.5%	\$1,093	5.8%	\$1,121
Median Sales Price	\$795,000	5.0%	\$756,843	9.7%	\$725,000
Number of Sales	1,654	1.7%	1,626	-16.9%	1,990
Days on Market (From Last List Date)	98	8.9%	90	38.0%	71
Listing Discount (From Last List Price)	5.9%		1.5%		3.1%
Listing Inventory (Active)	2,696	7.5%	2,509	-0.8%	2,718
Absorption Rate (Monthly, Active)	4.9	6.5%	4.6	19.5%	4.1

Co-op Mix	Sales Share	Median Sales Price
Studio	16.5%	\$380,000
1 bedroom	45.7%	\$674,813
2 bedroom	25.9%	\$1,575,000
3 bedroom	9.2%	\$2,995,000
4+ bedroom	2.7%	\$7,229,575

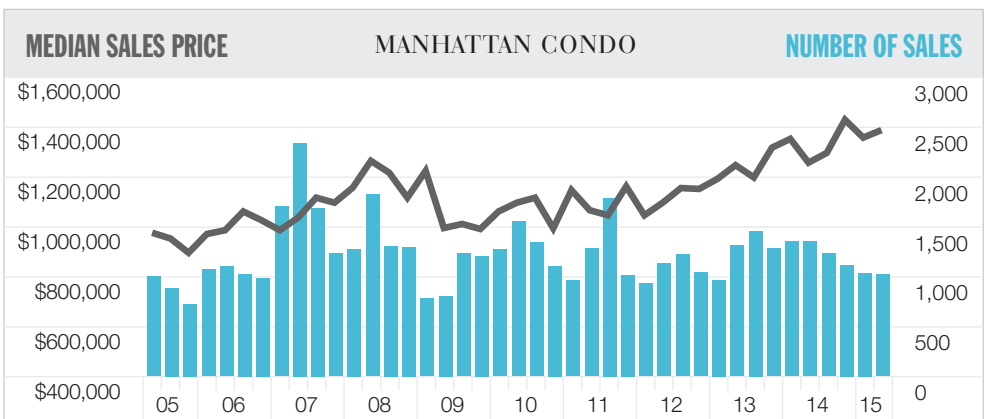


CONDOS

- All price indicators moved higher
- Number of sales fell and inventory edged higher
- Marketing time dropped yet negotiability expanded

Condo Market Matrix	2Q-2015	%Chg (QTR)	1Q-2015	%Chg (YR)	2Q-2014
Average Sales Price	\$2,414,761	11.9%	\$2,157,129	20.0%	\$2,012,820
Average Price Per Sq Ft	\$1,589	3.9%	\$1,530	7.1%	\$1,484
Median Sales Price	\$1,390,000	1.8%	\$1,365,000	10.3%	\$1,260,000
Number of Sales	1,020	-1.4%	1,035	-24.6%	1,352
Days on Market (From Last List Date)	88	-23.5%	115	-33.8%	133
Listing Discount (From Last List Price)	6.4%		9.7%		2.4%
Listing Inventory (Active)	3,034	11.0%	2,734	3.2%	2,941
Absorption Rate (Monthly, Active)	8.9	12.7%	7.9	36.9%	6.5

Condo Mix	Sales Share	Median Sales Price
Studio	6.7%	\$651,680
1 bedroom	38.1%	\$920,000
2 bedroom	36.9%	\$1,980,000
3 bedroom	12.9%	\$4,650,000
4+ bedroom	5.4%	\$8,250,000



LUXURY

- Median sales price and the entry threshold increased
- Days on market and listing discount fell
- Listing inventory rose sharply as absorption slowed

Luxury Market Matrix	2Q-2015	%Chg (QTR)	1Q-2015	%Chg (YR)	2Q-2014
Average Sales Price	\$8,182,735	12.5%	\$7,270,961	12.8%	\$7,254,472
Average Price per Sq Ft	\$2,551	-1.4%	\$2,587	-6.7%	\$2,735
Median Sales Price	\$6,000,000	16.7%	\$5,142,162	20.6%	\$4,973,306
Number of Sales (Closed)	267	0.4%	266	-20.1%	334
Days on Market (From Last List Date)	129	43.3%	90	-5.8%	137
Listing Discount (From Last List Price)	3.4%		3.2%		3.7%
Listing Inventory (Active)	1,754	11.4%	1,575	25.9%	1,393
Absorption Rate (Months)	19.7	10.7%	17.8	57.6%	12.5
Entry Threshold	\$3,850,000	14.1%	\$3,375,000	18.5%	\$3,250,000

Luxury Mix	Sales Share	Median Sales Price
Co-ops	32.6%	\$5,500,000
Condos	67.4%	\$6,414,975
New Dev.	7.9%	\$13,916,931
Re-sales	92.1%	\$5,100,000

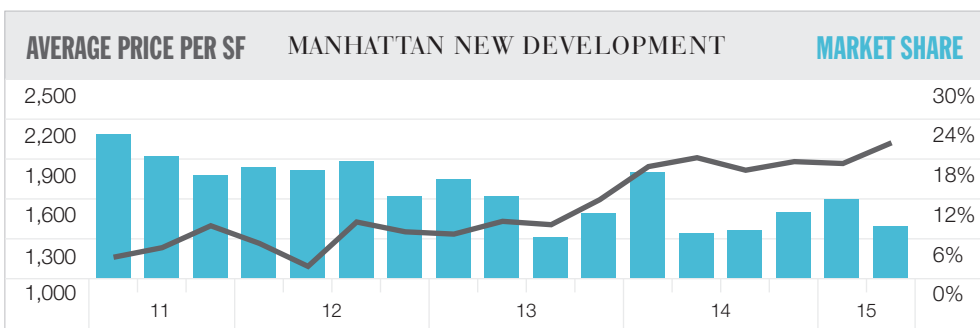


NEW DEVELOPMENT

- All price indicators moved higher
- Market share moved higher from prior year level
- Days on market and listing discount expanded

New Development Market Matrix	2Q-2015	%Chg (QTR)	1Q-2015	%Chg (YR)	2Q-2014
Average Sales Price	\$4,177,856	38.4%	\$3,018,596	18.7%	\$3,520,735
Average Price per Sq Ft	\$2,011	8.3%	\$1,857	5.8%	\$1,900
Median Sales Price	\$1,868,489	15.0%	\$1,625,000	18.3%	\$1,580,000
Number of Sales (Closed)	212	-33.8%	320	-8.2%	231
Days on Market (From Last List Date)	130	-11.0%	146	11.1%	117
Listing Discount (From Last List Price)	3.4%		1.0%		3.2%
Listing Inventory (Active)	1,342	-0.2%	1,345	-3.9%	1,396
Absorption Rate (Months)	19.0	50.8%	12.6	5.0%	18.1
Sales Share of Overall Market	7.9%		12.0%		6.9%

New Dev. Mix	Sales Share	Median Sales Price
< \$1M	26.4%	\$751,753
\$1M - \$3M	36.3%	\$1,664,839
> \$3M	37.3%	\$6,414,975



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