



New York City Market Update Fourth Quarter 2016

MANHATTAN BROKERAGES

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MANHATTAN MARKET | OVERVIEW

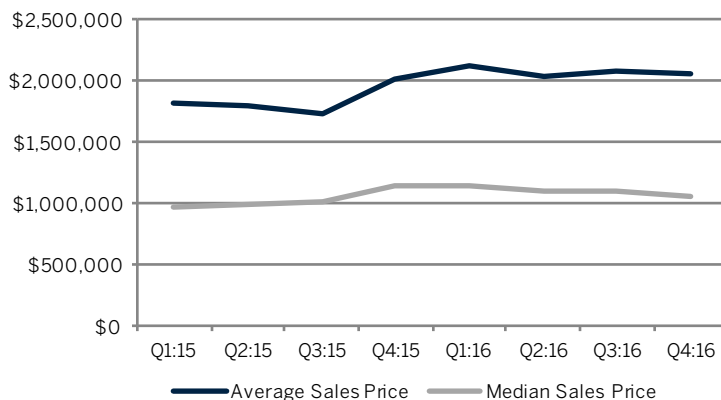
CONDOS & CO-OPS OVERVIEW

A jittery and apprehensive market characterized the final quarter of 2016, resulting from election anxiety; record-high prices that led to apprehension on the part of buyers; and a low supply of inventory at the lower price points. Closed sales declined 12%, the average sales price increased 2% and the median sales price dropped 9%. Closed sales for the fourth quarter of 2016 totaled 3,173 compared to 3,606 during the same quarter of the prior year. The overall average sales price was \$2,049,000, which represented just a 2% gain after exhibiting several periods of double-digit increases. There have been some indications that the declining trends we began to see at the very top end of market prices have spread into other price segments. The under \$3mil market made up 83% of all sales activity and this segment had 13% fewer sales, a 2% drop in the average sale price, and a 3% decline in the median sale price. This is a sign of soft market conditions in the final quarter of the year as prior periods posted gains in this price segment. Overall condo sale prices fared best despite having 22% fewer closed sales. New construction closings helped keep statistical measures rising with a 13% increase in the average price and a 6% increase in the average price per square foot. In the \$3mil to \$10mil price bracket, prices were also down with an average sale price of \$4,967,000, 2% lower than prior year. The top price tier segment, units sold over \$10mil, had mixed results with 41% more closings, an 8% increase in the average sale price and an 11% drop in the median sale price.

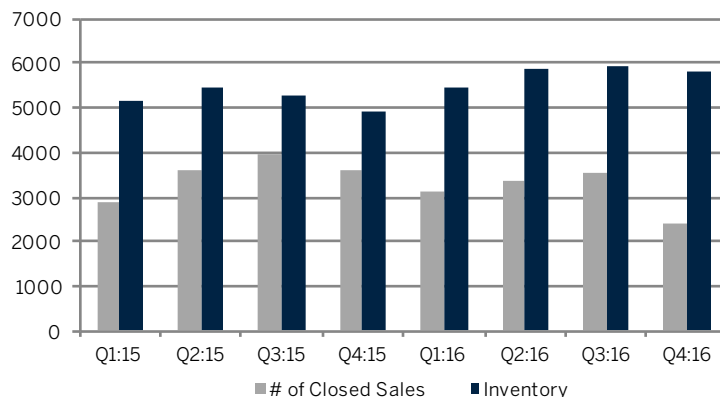
MANHATTAN OVERVIEW	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE
Number of Closed Sales	2,648	3,028	-13%	452	526	-14%	73	52	41%	3,173	3,606	-12%
Average Days on Market										91	77	18.2%
Listing Discount										7%	6%	16.7%
Average Sales Price	\$1,101,000	\$1,126,000	-2%	\$4,967,000	\$5,053,000	-2%	\$18,719,000	\$17,358,000	8%	\$2,049,000	\$2,014,000	2%
Median Sales Price	\$890,000	\$915,000	-3%	\$4,500,000	\$4,600,000	-2%	\$15,054,000	\$17,008,000	-11%	\$1,050,000	\$1,150,000	-9%
Listing Inventory										Further detail on page 3		
Months of Supply										5.5	4.2	28%

The average sale price of all recorded Manhattan unit sales was \$2,049,000, a minor 2% gain over prior year and 1% lower than prior quarter. The median sale price of \$1,050,000 was a decline of 5% from prior quarter and 9% less than prior year. However, the median sale price of all Manhattan sales has registered over \$1mil for 6 consecutive quarters.

AVERAGE and MEDIAN SALES PRICE



NUMBER OF CLOSED SALES and INVENTORY



Buyers are beginning to see more supply as listing inventory has steadied at just under 6,000 units for the last 3 quarters. However, there is continued resistance to record high prices given a frazzled market environment. These factors have sidelined buyers resulting in the number of closed sales falling year-over-year by 12%. The estimated 3,173 closed sales this quarter was also 11% lower than prior quarter. Inventory stands at 5,826 listings, which is in stark contrast to prior year final quarter when there were 4,925 listings. This level of inventory is still well below normalized supply levels of 8,000-9000+/- listings. The rise in overall inventory joined with diminishing buyer confidence over the last quarter of 2016 resulted in weakening sales volume and a halt to the steady, sustained price increases witnessed in 2014 and through 2015.

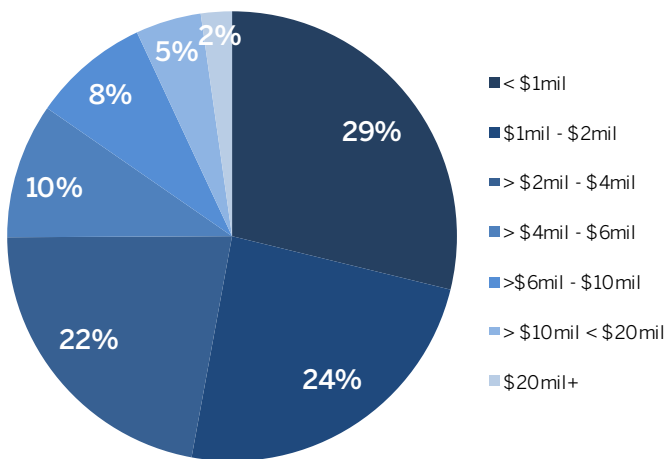
MANHATTAN MARKET | ABSORPTION RATE

CONDOS & CO-OPS (based on 6 months of closed sales 6/1/2016 - 11/30/2016)

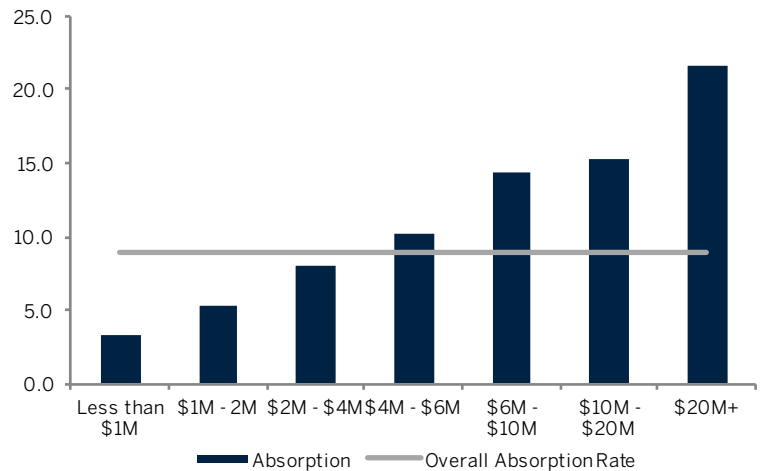
The overall Manhattan absorption rate stands at nearly 6 months which in a general sense signifies a market in "equilibrium". The historic range of equilibrium for the market area is 6-9 months. The absorption rate is calculated by taking the total number of currently active listings and dividing by the average number of closed sales over the 6-month period. The lower price segments continue to experience shortages of inventory with units under \$1mil at 3.3 months of supply and units under \$2mil at 5.2 months of supply. The top 2 price tiers have absorption rates well over 1 year, signifying an oversupply that has resulted in discounts and longer marketing time for the highest valued properties. As the oversupply continues in the highest price brackets it is increasingly more difficult for sellers in the top price segments to remain inflexible in their price expectations.

	Less than \$1M	\$1M - \$2M	\$2M - \$4M	\$4M - \$6M	\$6M - \$10M	\$10M - \$20M	\$20M+	TOTAL
Active Listing Inventory	1679	1402	1284	566	490	275	130	5,826
Average Closed Sales / Month	510	268	161	56	34	18	6	1,056
Months of Supply per Price Category	3.3	5.2	8.0	10.1	14.4	15.3	21.7	5.5

NUMBER OF ACTIVE LISTINGS

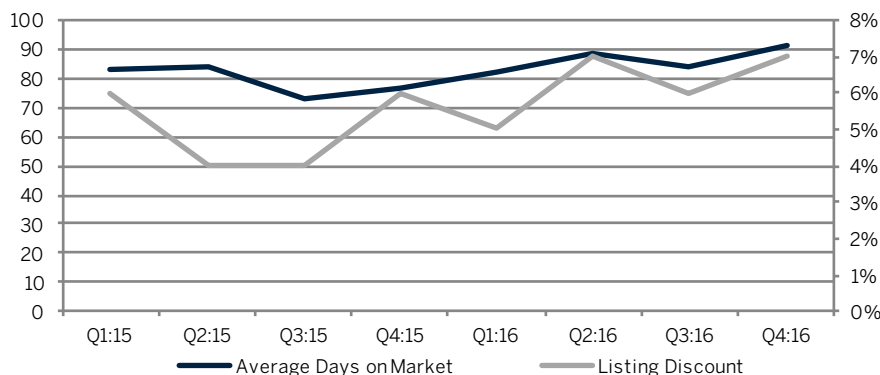


ABSORPTION RATE



AVERAGE DAYS ON MARKET & LISTING DISCOUNT

	Q1:15	Q2:15	Q3:15	Q4:15	Q1:16	Q2:16	Q3:16	Q4:16
Average Days on Market	83	84	73	77	82	88	84	91
Listing Discount	6%	4%	4%	6%	5%	7%	6%	7%



AVERAGE DAYS ON MARKET

The total number of days a listing is on the active market before an offer is accepted. It is calculated by totaling the total days on market for every closed sale, and dividing the total days by the total number of closed sales.

LISTING DISCOUNT

The percent change between the original asking (listing) price of a home, and the final sales price of the home. It is calculated by subtracting the sales price from the original listing price, and dividing the result by the original listing price.

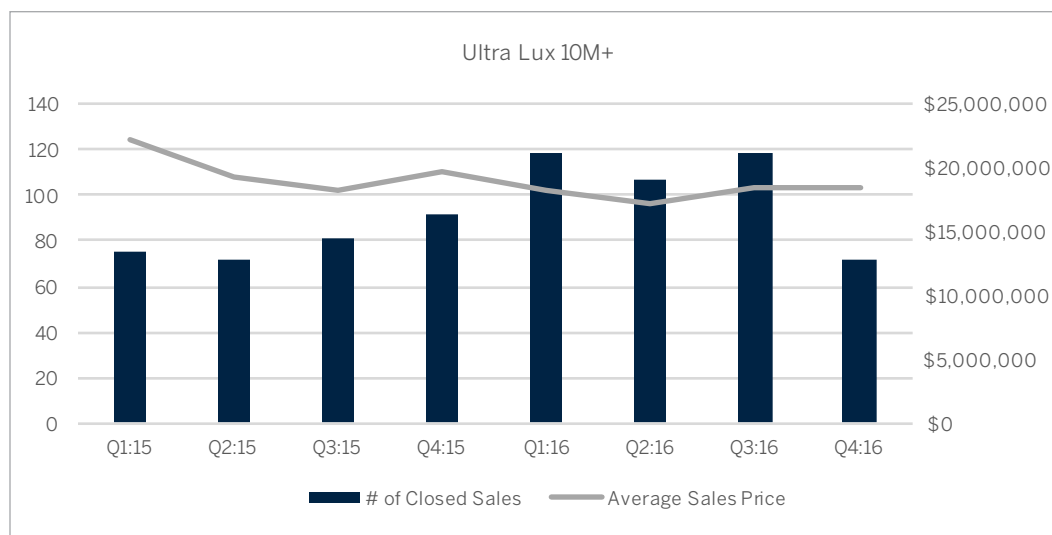
THE ULTRA LUXURY MARKET

CO-OPS, CONDOS & TOWNHOUSES OVER \$10M

Over the fourth quarter of 2016 there were 72 ultra-luxury sales, 22% fewer than prior year and 39% less than prior quarter. The average sale price in this market sector was \$18,527,000, posting a slight gain of 1% over prior quarter but a loss of 5% from prior year. The highest posted sale price this quarter was \$60.894mil for the 88th floor unit at 432 Park Avenue.

	Q1:15	Q2:15	Q3:15	Q4:15	Q1:16	Q2:16	Q3:16	Q4:16
Number of Closed Sales	75	72	81	92	118	107	119	72
Average Sales Price	\$22,138,000	\$19,367,000	\$18,145,000	\$19,600,000	\$18,200,000	\$17,200,000	\$18,424,000	\$18,527,000
Highest Sales Price	\$91,500,000	\$47,800,000	\$37,940,000	\$45,000,000	\$44,833,000	\$59,144,000	\$86,090,000	\$60,894,000

NUMBER OF CLOSED SALES and AVERAGE SALES PRICE



SOTHEBY'S INTERNATIONAL REALTY - ON THE MARKET, AROUND THE WORLD



TEL AVIV, ISRAEL | \$16,000,000 USD
WEB: X8NKV8
Israel Sotheby's International Realty



SAO PAULO, BRAZIL | \$7,822,278 USD
WEB: 6YT85Y
Bossa Nova Sotheby's International Realty



BRUSSELS, BELGIUM | \$5,012,664 USD
WEB: D73VN9
Brussels Sotheby's International Realty

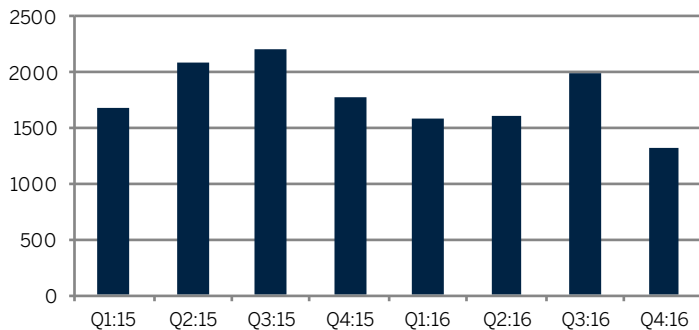
MANHATTAN MARKET | CO-OPS & CONDOS

CO-OPS

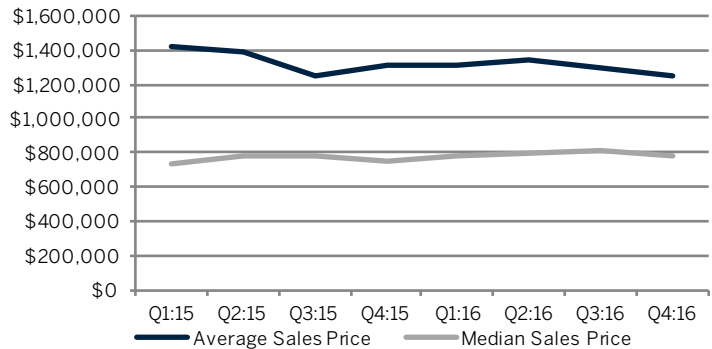
Fourth quarter 2016 co-op closed sales fell 2% The average overall co-op price posted a slight decline of 5% to end at \$1,254,000. In the under \$3mil segment, both average sales and median sales prices posted 2% and 7% gains respectively while closed sales remained relatively flat compared to fourth quarter 2015. For co-op units in the price tier ranging from \$3mil to \$10mil, the measures posted losses of 10% off the average sale price and 12% off the median sale price. The top tier co-op price bracket, \$10mil and higher, there were 13 closed sales in contrast to just 10 sales in the prior year.

CO-OPS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE
Number of Closed Sales	1,636	1,649	-1%	101	121	-16%	13	10	28%	1,750	1,780	-2%
Average Sales Price	\$920,000	\$898,000	2%	\$4,573,000	\$5,070,000	-10%	\$15,641,000	\$16,343,000	-4%	\$1,254,000	\$1,315,000	-5%
Median Sales Price	\$750,000	\$700,000	7%	\$4,100,000	\$4,650,000	-12%	\$14,500,000	\$15,000,000	-3%	\$783,000	\$750,000	4%

NUMBER OF CLOSED SALES



AVERAGE and MEDIAN SALES PRICE

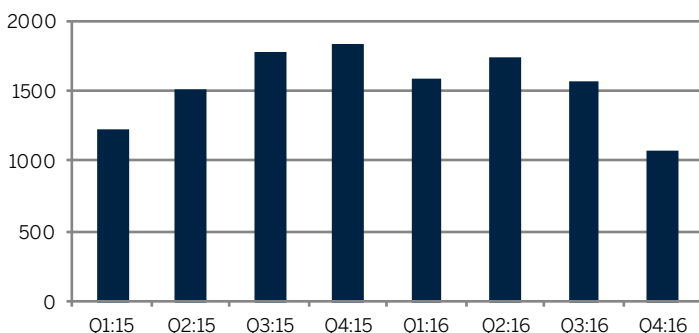


CONDOS

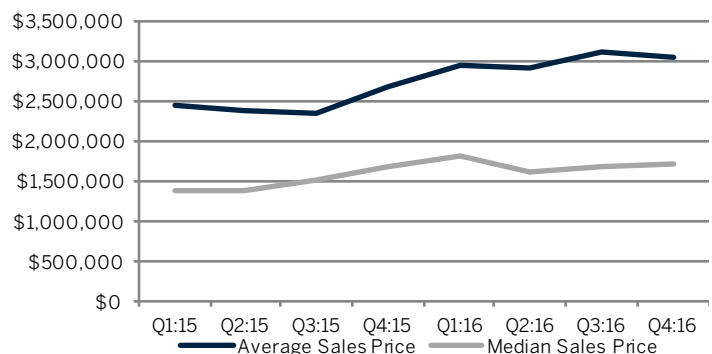
Overall condo closed sales decreased by 22%. Both average and median sales prices gains as a result of progressing new construction activity. The average condo sale price rose 13% to \$3,032,000; the average price per square foot reached 6% higher to \$1,815; and the median sale price was just 1% higher to end at \$1,695,000. For condo units in under \$3mil segment, prices were essentially flat with no change in the average sale price; a minimal 2% gain in the average price per square foot; and, a 4% fall in the median sale price. Condo apartment sales from \$3mil to \$10mil were also weak with virtually no change in the average sale price and minimal gains in the other metrics. For condo units over \$10mil, market measures were higher this quarter led by a 17% rise in the average sale price per square foot. However, most of these high-end deals were procured in pre-construction phases from 2014-2015 and are not representative of present weakness in the top tier of the market.

CONDOS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE	4Q:16	4Q:15	% CHANGE
Number of Closed Sales	1012	1,379	-27%	351	405	-13%	60	42	44%	1,423	1,826	-22%
Average Sales Price	\$1,395,000	\$1,397,000	0%	\$5,081,000	\$5,048,000	1%	\$19,471,000	\$17,600,000	11%	\$3,032,000	\$2,686,000	13%
Average PPSF	\$1,480	\$1,453	2%	\$2,389	\$2,344	2%	\$4,534	\$3,873	17%	\$1,815	\$1,708	6%
Median Sales Price	\$1,245,000	\$1,300,000	-4%	\$4,650,000	\$4,503,000	3%	\$16,200,000	\$17,200,000	-6%	\$1,695,000	\$1,675,000	1%

NUMBER OF CLOSED SALES



AVERAGE and MEDIAN SALES PRICE



NEIGHBORHOOD BREAKDOWN

UPPER EAST SIDE *north of 58th Street and south of 96th Street, Fifth Avenue to East End Avenue*

This market area exhibited mixed results with the average co-op price posting a 4% decline from prior year while the median co-op price increased 10%. There were 9% fewer co-op sales while the condo sector had a 48% decrease in sales activity. The average condo price was essentially equal with prior year while the median condo price posted a 17% increase to \$1,775,000.

CO-OPS	4Q:16	4Q:15	% CHANGE
# Closed Sales	447	492	-9%
Average Sales Price	\$1,719,000	\$1,795,000	-4%
Median Sales Price	\$913,000	\$832,000	10%

CONDOS	4Q:16	4Q:15	% CHANGE
# Closed Sales	150	287	-48%
Average Sales Price	\$2,225,000	\$2,254,000	-1%
Median Sales Price	\$1,775,000	\$1,515,000	17%

UPPER WEST SIDE *north of 58th Street and south of 110th Street, Central Park West to Riverside Drive*

The total number of co-op sales on the Upper West Side was 343, a decrease of 3% from prior year. Co-ops in this market area posted an average sale price of \$1,415,000, a minor 3% increase over prior year. The average condo price was \$3,030,000, a 13% increase from prior year. The median condo sale price also posted a gain with a 3% increase to \$2,000,000.

CO-OPS	4Q:16	4Q:15	% CHANGE
# Closed Sales	343	351	-3%
Average Sales Price	\$1,415,000	\$1,371,000	3%
Median Sales Price	\$925,000	\$860,000	8%

CONDOS	4Q:16	4Q:15	% CHANGE
# Closed Sales	213	357	-40%
Average Sales Price	\$3,030,000	\$2,680,000	13%
Median Sales Price	\$2,000,000	\$1,945,000	3%

MIDTOWN *north of 34th Street and south of 57th Street*

The average co-op sale price in this market area increased 7% to \$939,000 while the median co-op price rose to \$670,000, a 6% increase over prior year. Continued closings at 432 Park Avenue drove the average condo price in the market to a 44% gain reaching \$3,218,000. However, the median condo sale price was lower by 17%, falling to \$1,305,000.

CO-OPS	4Q:16	4Q:15	% CHANGE
# Closed Sales	259	285	-9%
Average Sales Price	\$939,000	\$877,000	7%
Median Sales Price	\$670,000	\$630,000	6%

CONDOS	4Q:16	4Q:15	% CHANGE
# Closed Sales	359	510	-30%
Average Sales Price	\$3,218,000	\$2,239,000	44%
Median Sales Price	\$1,305,000	\$1,565,000	-17%

UPTOWN *north of 96th Street on the East Side and north of 110th Street on the West Side*

The average price of co-op sales was higher by 11%, reaching \$570,000. The median sale price increase was also impressive with an 12% rise to \$490,000. Market measures were significantly higher in the condo unit sector with a 14% gain in the average condo sale price and a 17% increase in the median condo sale price. The average condo unit price reached \$864,000 while the median condo price elevated to \$760,000. Both the co-op and condo sectors had marginally fewer sales closed this period.

CO-OPS	4Q:16	4Q:15	% CHANGE
# Closed Sales	155	156	-1%
Average Sales Price	\$570,000	\$515,000	11%
Median Sales Price	\$490,000	\$439,000	12%

CONDOS	4Q:16	4Q:15	% CHANGE
# Closed Sales	117	125	-6%
Average Sales Price	\$864,000	\$755,000	14%
Median Sales Price	\$760,000	\$650,000	17%

NEIGHBORHOOD BREAKDOWN

DOWNTOWN *south of 34th Street through Tribeca*

The 522 co-op sales in the fourth quarter of 2016 was an increase of 9% as compared to prior year. However, the co-op average sale price measure ended down 12%, falling to \$1,091,000 from \$1,243,000. The median co-op sale price was essentially equal year over year ending this quarter at \$820,000. In the condo sector Downtown, after several quarters of posting large gains because of new construction activity, the softening trend was evident as the average and median sale prices posted virtually no gains.

CO-OPS	4Q:16	4Q:15	% CHANGE
# Closed Sales	522	480	9%
Average Sales Price	\$1,091,000	\$1,243,000	-12%
Median Sales Price	\$820,000	\$810,000	1%

CONDOS	4Q:16	4Q:15	% CHANGE
# Closed Sales	472	387	22%
Average Sales Price	\$4,297,000	\$4,297,000	0%
Median Sales Price	\$3,165,000	\$3,150,000	0%

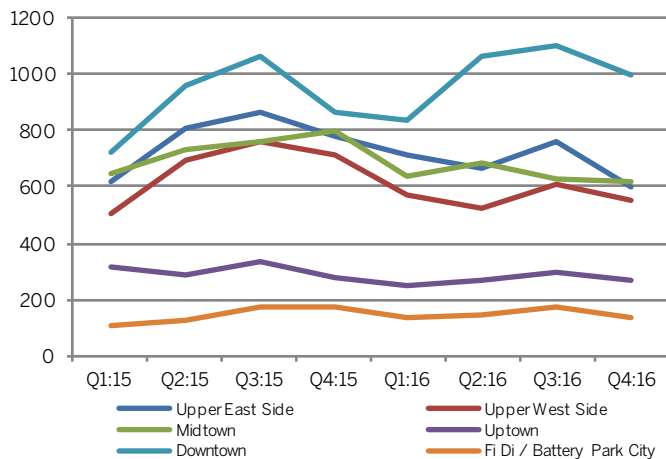
FINANCIAL DISTRICT | BATTERY PARK CITY

There were 112 condo units closed in the fourth quarter of 2016, a 30% decline over the prior year. The large decline in sales volume was also met by substantially lower prices because of fewer new construction sales. This market area had an average condo sale price of just \$1,217,000 compared with \$1,838,000 at the end of 2015. Lower average and median price statistics this period were almost entirely caused by fewer closing at The River & Warren Condominium (212 Warren Street).

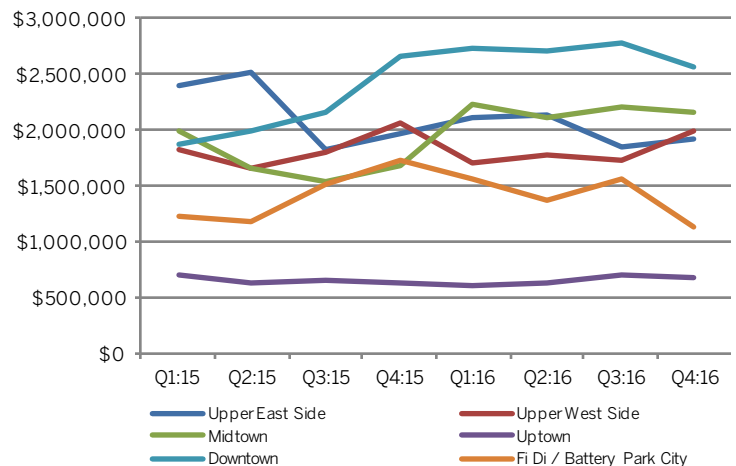
CO-OPS	4Q:16	4Q:15	% CHANGE
# Closed Sales	24	16	53%
Average Sales Price	\$825,000	\$881,000	-6%
Median Sales Price	\$748,000	\$800,000	-7%

CONDOS	4Q:16	4Q:15	% CHANGE
# Closed Sales	112	160	-30%
Average Sales Price	\$1,217,000	\$1,838,000	-34%
Median Sales Price	\$900,000	\$1,520,000	-41%

TOTAL NUMBER OF SALES



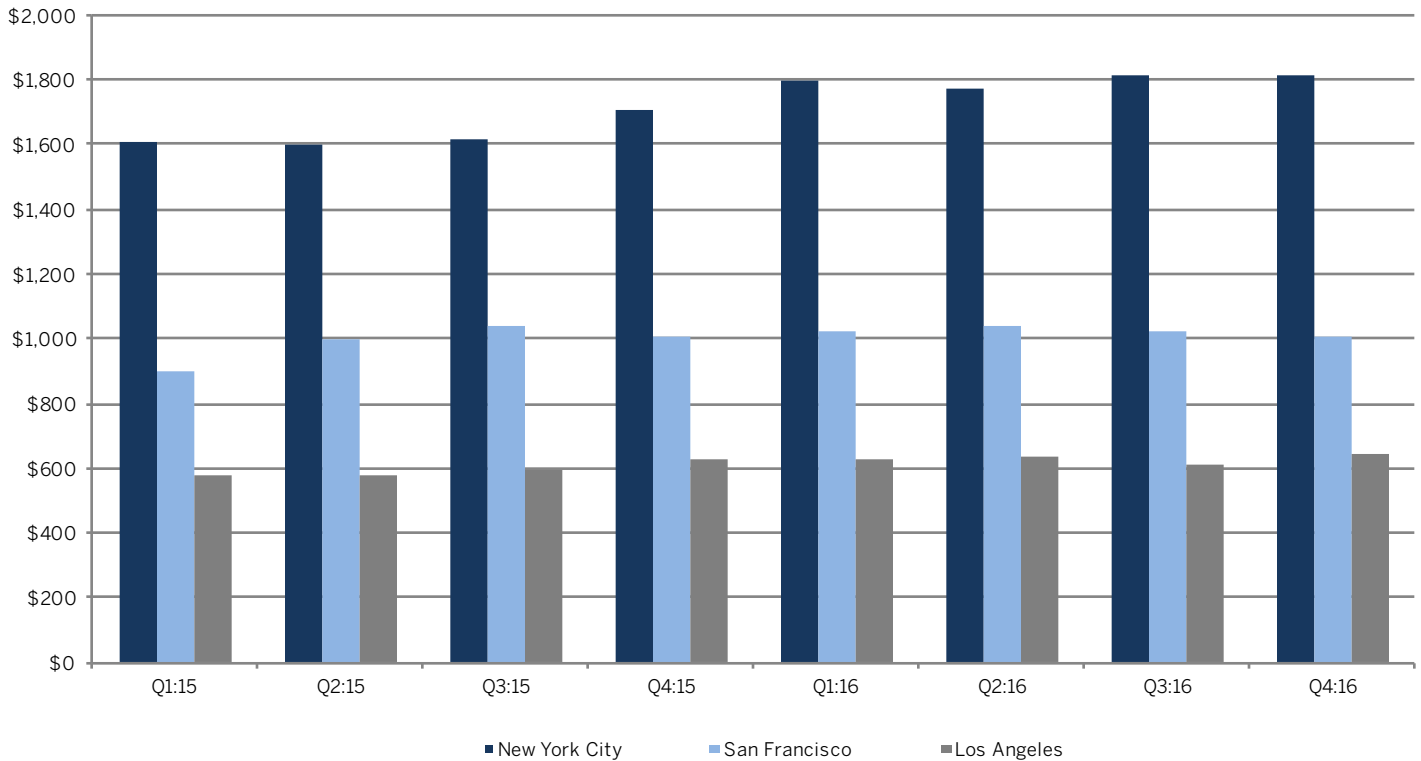
AVERAGE SALES PRICE



MARKET COMPARISONS

Comparing the fourth quarter of 2015 and the fourth quarter of 2016, New York City led with a 6.3% gain in price per sq. ft. and Los Angeles with 2.5% increase. San Francisco price per sq. ft. remained flat. Comparing fourth quarter of 2016 and third quarter of 2016 price per sq. ft. for New York City remained flat while San Francisco declined by 1.4%. Los Angeles price per sq. ft. increased by 4.2%.

AVERAGE PRICE PER SQ. FT. | CONDOS ONLY



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