

Q2 | 2018  
New York City  
Market Update

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**Sotheby's**  
INTERNATIONAL REALTY



# All New York City

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Luxury Market



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# New York City

## *Market Overview*

Sales volume declined across most segments in the second quarter of 2018. After years of the market being in favor of the seller, there has been a clear shift to a buyer's market. Volume has slowed as buyers wait for sellers to adjust pricing. In addition, unknown impacts of broader economic and political issues such as tax reform have given some buyers additional reasons to hesitate. According to Vanderbilt Appraisal Services, the 2,979 closed sales this quarter were a 14% decline from prior year, in part due to a slowdown in new construction closings. Year over year there was a modest 2% decline in the average sale price coupled with a more significant 8% decline in the median sale price. The average sales price was \$2,160,000 which was slightly higher than the prior 2 quarters and only 2% lower than the prior year. The median sale price of \$1,200,000 was an 8% decline over the prior year. The under \$3mil market made up 83% of all sales activity and posted 12% fewer sales than the prior year. This segment posted a 3% decrease in the average sale price and 5% decrease in the median sale price. The average sales price was down 1% and median sale price was down 4% in the \$3mil to \$10mil category. The \$10mil+ category reflected a 17% drop in the number of closed sales with a 5% reduction in the average price and 10% drop in the median price.

Inventory is at 7,350 listings which is 18% higher than the 6,204 listings in the prior year.

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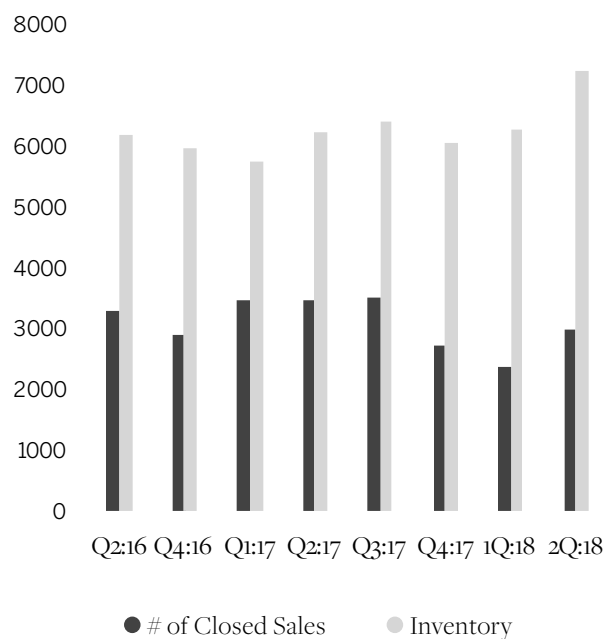
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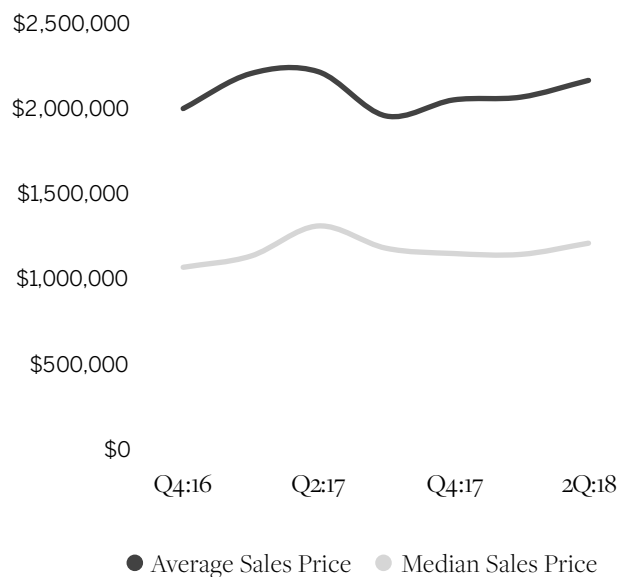
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## Number of Closed Sales vs. Inventory



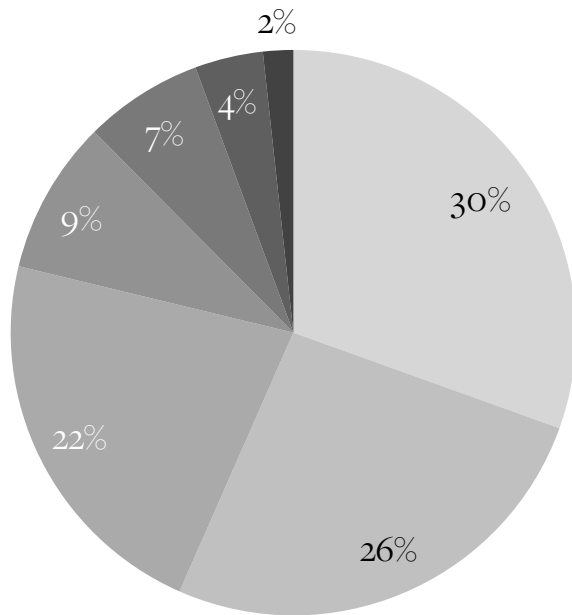
## Average / Median Sales Price



		Number of Closed Sales	Average Sales Price	Median Sales Price
UNDER \$3 Million	{2018 v 2017}	-12%	-3%	-5%
	2Q:18	2496	\$1,137,000	\$925,000
	2Q:17	2826	\$1,174,000	\$978,000
BETWEEN \$3 - 10 Million	{2018 v 2017}	-27%	-1%	-4%
	2Q:18	411	\$4,977,000	\$4,450,000
	2Q:17	561	\$5,028,000	\$4,620,000
OVER \$10 Million	{2018 v 2017}	-17%	5%	10%
	2Q:18	72	\$19,178,000	\$15,000,000
	2Q:17	87	\$18,230,000	\$13,600,000
ALL Price Points	{2018 v 2017}	-14%	-2%	-8%
	2Q:18	2979	\$2,160,000	\$1,200,000
	2Q:17	3474	\$2,200,000	\$1,300,000

# Inventory

All New York City

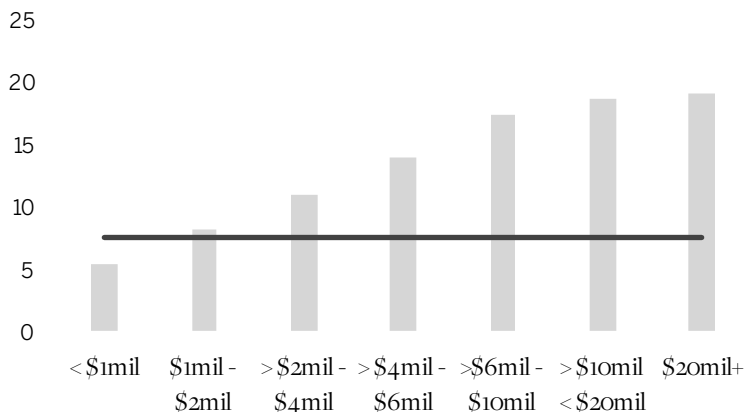


## Number of Active Listings

2241	Under \$1 Million
1919	\$1 - 2 Million
1630	\$2 - 4 Million
646	\$4 - 6 Million
500	\$6 - 10 Million
287	\$10 - 20 Million
127	\$20 Million and Above

CONDOS & CO-OPS (based on 6 months of closed sales 01/01/2018-06/30/2018)

The overall Manhattan absorption is 8.2 months (up from 5.8 months in prior year). This level of inventory is consistent with conditions that favor buyers and weaken pricing. Certain pockets and price segments in the market remain in significant oversupply with conditions heavily favoring buyers. 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 lowest price segment is at equilibrium after many periods of supply shortage. The top two price tiers above \$10mil have more than 1.5 year supply. This sustained oversupply condition at the top end of the market will likely lead to continued discounts and longer marketing time for the highest valued properties. As inventory has risen substantially in most price categories, it is increasingly more difficult for sellers to remain inflexible in their price expectations.



## Absorption Rate

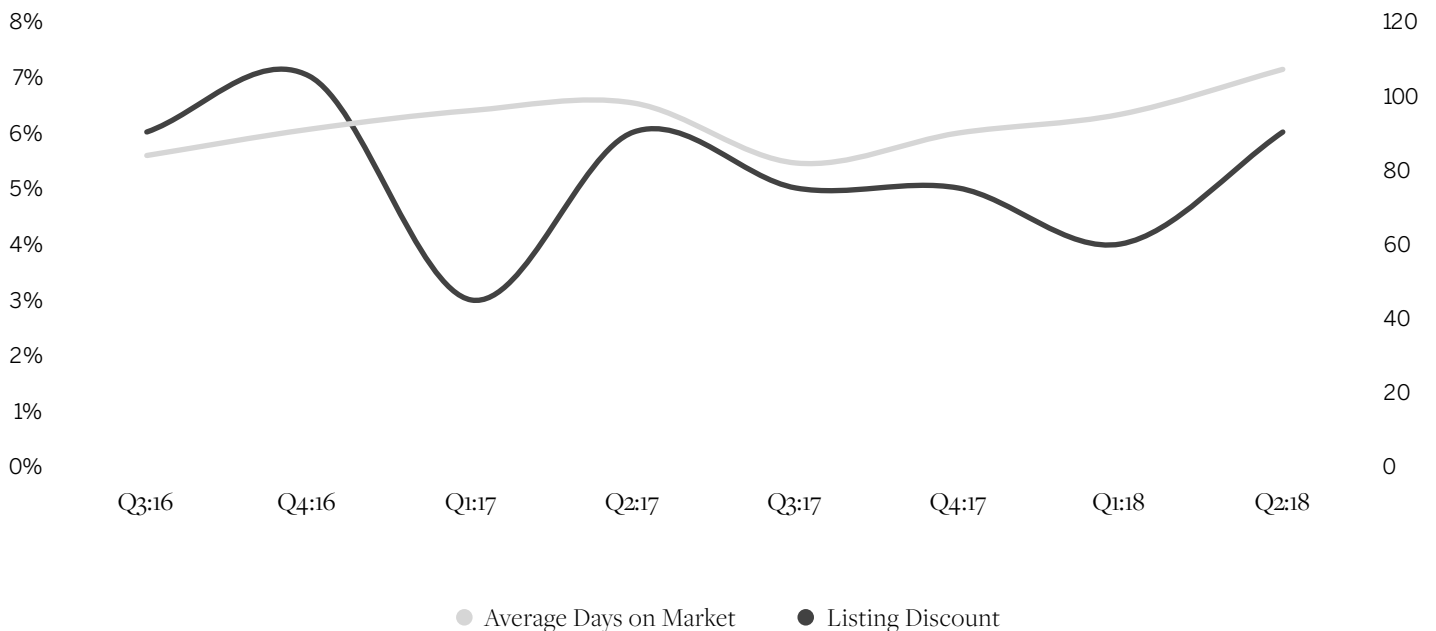
- Line of Equilibrium
- Absorbtion

# Average Days on Market Listing Discount

All New York City

	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Average Days on Market	84	91	96	98	82	90	95	107
Listing Discount	6%	7%	3%	6%	5%	5%	4%	6%

## Average Days on Market vs. Listing Discount





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## UPCOMING AUCTIONS

**MONTEREY** 24-25 AUGUST

**AUBURN FALL** 30 AUGUST-2 SEPTEMBER

**HERSHEY** 11-12 OCTOBER

**THE PORSCHE 70TH ANNIVERSARY SALE** 27 OCTOBER

**LOS ANGELES** 8 DECEMBER



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Coachwork by Zagato  
Chassis no. 2124

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# The Luxury Market

All New York City  
Co-Ops, Condos & Townhouses Over \$10m

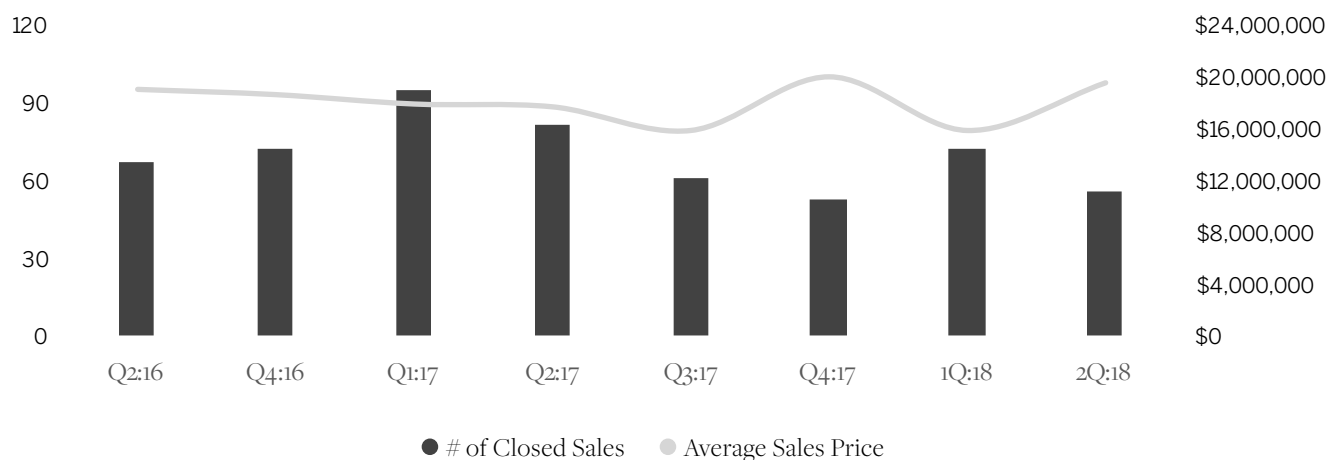
## Total Volume by Price Point

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
# of Closed Sales	72	95	82	61	53	72	56
Average Sales Price	\$18,527,000	\$17,800,000	\$17,582,000	\$15,749,000	\$19,909,000	\$15,747,000	\$19,446,000
Highest Sales Price	\$60,894,000	\$65,662,000	\$55,000,000	\$44,000,000	\$91,000,000	\$35,000,000	\$58,000,000

Over the 2nd quarter of 2018 there were 56 ultra-luxury sales, which is a 32% decline from the prior year. The average sale price in this market sector was \$19,446,000 which was higher than prior year which had an average of \$17,582,000. The highest posted sale price this quarter was \$58mil for a Chelsea Penthouse condominium at 503 West 24th.

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## Average Selling Price vs. # of Closed Sales





# {Q2 | 2018} Condos

## MANHATTAN

Condominium sales volume was substantially lower with 17% fewer sales overall. The 1,356 closed condo sales this quarter was the highest number of sales since the third quarter of 2017. This comes as sellers are pricing more realistically and buyers are returning to the table.

The average sale price declined slightly at 2% to \$3,080,000 year over year while the median sale price fell 9% to \$1,650,000. The average price per square foot was also lower as the measure fell 5% to \$1,624.

In the under \$3mil segment, the average sale price of \$1,400,000 was 3% lower than prior year while the median sale price remained relatively unchanged at \$1,295,000.

For condo units over \$10mil, there were 22% less sales with an increase in the average sale price 11% to \$20,145,000. Sales volume over \$10mil was down 17% year over year.

The average price per square foot for units valued over \$10mil was 5% lower than prior year, ending at \$3,629 per SF.

-2%

Change in Average Selling Price  
{2018 v 2017}

-17%

Change in Units Sold  
{2018 v 2017}

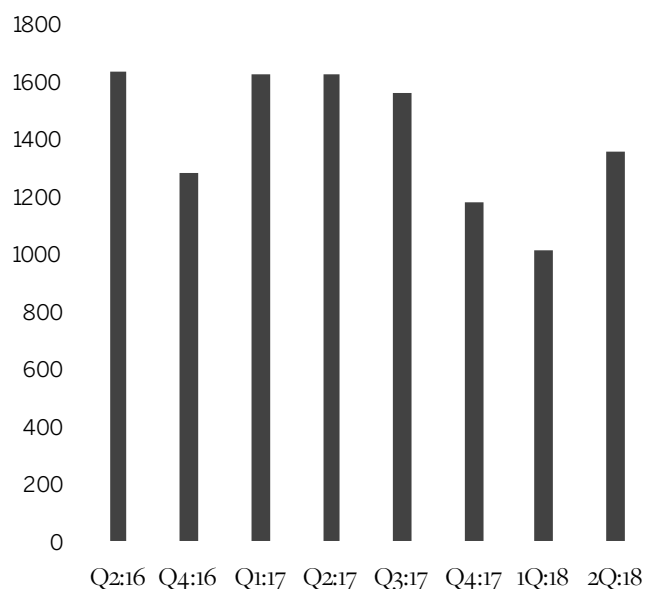
1,356

Units Sold

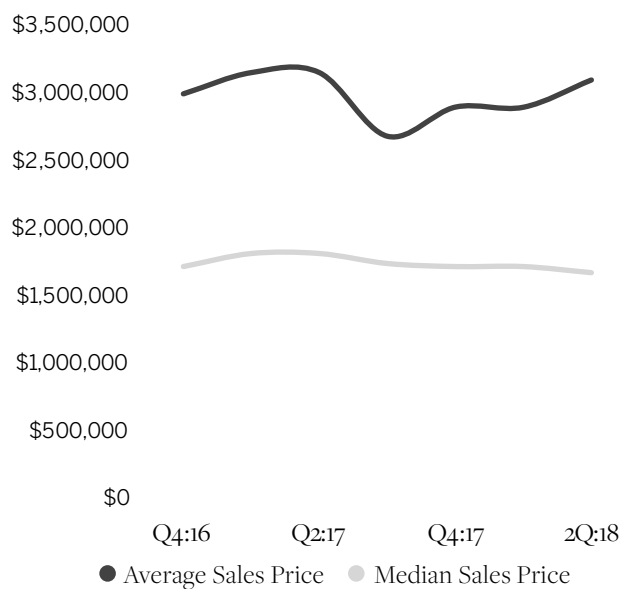
\$3.08m

Average Selling Price

## Number of Closed Sales



## Average / Median Sales Price



		Number of Closed Sales	Average Sales Price	Median Sales Price	Median Price/Sq.Ft.
UNDER \$3 Million	{2018 v 2017}	-11%	-3%	0%	-2%
	2Q:18	1009	\$1,400,000	\$1,295,000	\$1,468
	2Q:17	1135	\$1,440,000	\$1,300,000	\$1,491
BETWEEN \$3 - 10 Million	{2018 v 2017}	-31%	-1%	-3%	-5%
	2Q:18	292	\$5,151,000	\$4,793,000	\$2,207
	2Q:17	422	\$5,188,000	\$4,920,000	\$2,325
ABOVE \$10 Million	{2018 v 2017}	-22%	11%	10%	-17%
	2Q:18	55	\$20,145,000	\$14,872,000	\$3,629
	2Q:17	71	\$18,071,000	\$13,500,000	\$4,369
ALL Price Points	{2018 v 2017}	-17%	-2%	-9%	-5%
	2Q:18	1356	\$3,080,000	\$1,650,000	\$1,624
	2Q:17	1628	\$3,135,000	\$1,807,000	\$1,714



{Q2 | 2018}

# Co-Ops

MANHATTAN

Second quarter 2018 co-op sales volume was down by 12% from the prior year but 19% higher compared to prior quarter. The average overall

co-op price was relatively stable year over year with a 0.5% increase at \$1,387,000. In the under \$3mil

segment, the average sale price decreased 3% and the median sale price also decreased 2% year over year. There were 12% fewer sales

in the under \$3mil segment. For co-op units in the price tier ranging from \$3mil to \$10mil, the measures posted a nominal loss of 1% in the average sales price while the median sales price gained 4% year over year.

There were only 17 recorded sales in the top tier co-op price bracket \$10mil and higher, posting an average price of \$15,921,000 which was 16% lower than prior year.

0.5%

Change in Average Selling Price  
{2018 v 2017}

-12%

Change in Units Sold  
{2018 v 2017}

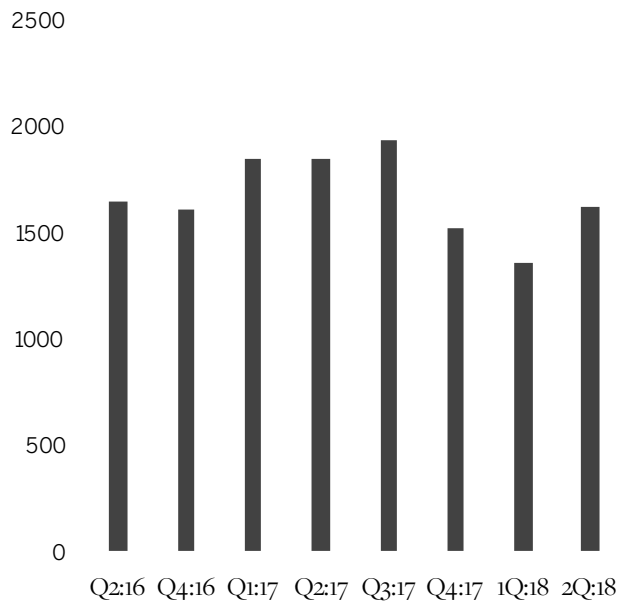
1,623

Units Sold

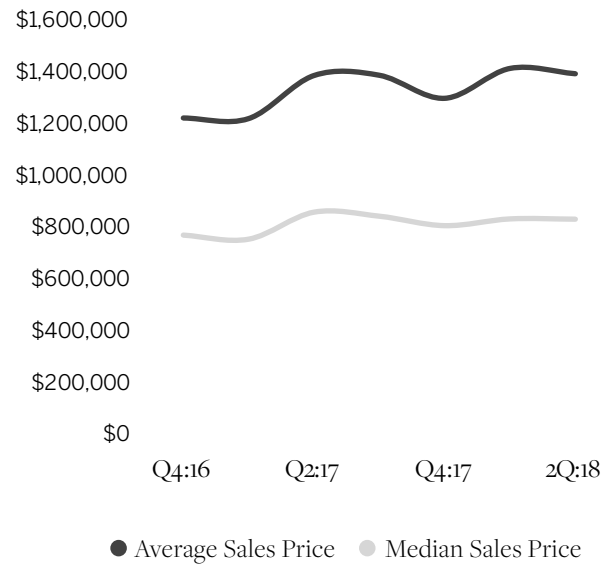
\$1.39m

Average Selling Price

## Number of Closed Sales



## Average / Median Sales Price



		Number of Closed Sales	Average Sales Price	Median Sales Price
UNDER \$3 Million	{2018 v 2017}	-12%	-3%	-2%
	2Q:18	1487	\$969,000	\$777,000
	2Q:17	1691	\$1,001,000	\$790,000
BETWEEN \$3 - 10 Million	{2018 v 2017}	-15%	-1%	4%
	2Q:18	119	\$4,524,000	\$4,038,000
	2Q:17	139	\$4,555,000	\$3,871,000
ABOVE \$10 Million	{2018 v 2017}	7%	-16%	-1%
	2Q:18	17	\$15,921,000	\$14,750,000
	2Q:17	16	\$18,935,000	\$14,888,000
ALL Price Points	{2018 v 2017}	-12%	0.5%	-3%
	2Q:18	1623	\$1,387,000	\$824,000
	2Q:17	1846	\$1,380,000	\$850,000

# Neighborhood Highlights

## Upper East Side

{# of Closed Sales | Average Sales Price | Median Sale Price - Year over Year}

CONDOS	Q2 2018	Q2 2017	% Change
Closed Sales	194	234	-17%
Average Sales Price	\$2,991,000	\$3,050,000	-2%
Median Sales Price	\$1,960,000	\$1,800,000	9%
COOPS	Q2 2018	Q2 2017	% Change
Closed Sales	428	511	-16%
Average Sales Price	\$1,832,000	\$1,859,000	-1%
Median Sales Price	\$900,000	\$960,000	15%

The Upper East market area exhibited 16% lower sales volume in the coop sector. However, the average co-op sale price remained relatively unchanged. This condo sector posted 17% fewer sales and an average price of \$2,991,000, 2% lower than 2017. The median price figures were \$900,000 for co-op units, an 15% increase. Condo sales had a median of \$1,800,000, 9% higher than prior year.

## Upper West Side

{# of Closed Sales | Average Sales Price | Median Sale Price - Year over Year}

CONDOS	Q2 2018	Q2 2017	% Change
Closed Sales	222	186	20%
Average Sales Price	\$3,350,000	\$3,093,000	8%
Median Sales Price	\$2,000,000	\$1,579,000	27%
COOPS	Q2 2018	Q2 2017	% Change
Closed Sales	337	309	9%
Average Sales Price	\$1,629,000	\$1,734,000	-6%
Median Sales Price	\$1,080,000	\$1,100,000	-2%

The total number of co-op sales on the Upper West Side was 337, an increase of 9% from the prior year. However, co-ops in this market area posted an average sale price of \$1,629,000, a 6% decrease from the prior year. The condo sector had a 20% increase in sales volume with 222 closings. This was in part due to a high number of closings at the new development located at 1 West End Avenue. These sales had an average sale price of \$3,350,000, an 8% increase from prior year. The median price was significantly higher with a 27% gain to \$2,000,000.

## Midtown

{# of Closed Sales | Average Sales Price | Median Sale Price - Year over Year}

CONDOS	Q2 2018	Q2 2017	% Change
Closed Sales	245	269	-9%
Average Sales Price	\$2,879,000	\$2,623,000	10%
Median Sales Price	\$1,328,000	\$1,660,000	-20%
COOPS	Q2 2018	Q2 2017	% Change
Closed Sales	180	235	-23%
Average Sales Price	\$1,094,000	\$1,046,000	5%
Median Sales Price	\$735,000	\$695,000	6%

The average co-op sale price in this market area was higher ending at \$1,094,000 while the median co-op price was up 6% to \$735,000. This market area had an average condo sale price of \$2,879,000 which was 10% higher than last year. The median sale price was down 20%.

## Uptown

{# of Closed Sales | Average Sales Price | Median Sale Price - Year over Year}

CONDOS	Q2 2018	Q2 2017	% Change
Closed Sales	88	140	-37%
Average Sales Price	\$1,082,000	\$1,015,000	7%
Median Sales Price	\$825,000	\$830,000	-1%
COOPS	Q2 2018	Q2 2017	% Change
Closed Sales	129	138	-7%
Average Sales Price	\$568,000	\$612,000	-7%
Median Sales Price	\$515,000	\$487,000	6%

The average price of co-ops was \$568,000 which was 7% lower compared to prior year. The median sale price of a co-op unit increased 6% to \$515,000. The number of co-ops sold decreased 7% as well. There were 37% lower sales in the condo segment. Although sales volume was down the average sales price was up 7% while the median remained relatively unchanged.

# Neighborhood Highlights

## Downtown

{# of Closed Sales | Average Sales Price | Median Sale Price - Year over Year}

CONDOS	Q2 2018	Q2 2017	% Change
Closed Sales	494	624	-21%
Average Sales Price	\$3,315,000	\$3,867,000	-14%
Median Sales Price	\$1,900,000	\$2,390,000	-21%
COOPS	Q2 2018	Q2 2017	% Change
Closed Sales	528	606	-13%
Average Sales Price	\$1,185,000	\$1,230,000	-4%
Median Sales Price	\$795,000	\$850,000	-6%

The 528 co-op sales in the second quarter of 2018 marked a 13% decline year over year. The co-op average sale price measure was down 4%, falling to \$1,185,000 versus \$1,230,000 exhibited prior year. The median co-op sale price was also lower ending this quarter at \$795,000. In the condo sector, fewer new construction sales caused price measures to decline. The average sales price of \$3,315,000 was 14% lower while the median sales price decreased 21%.

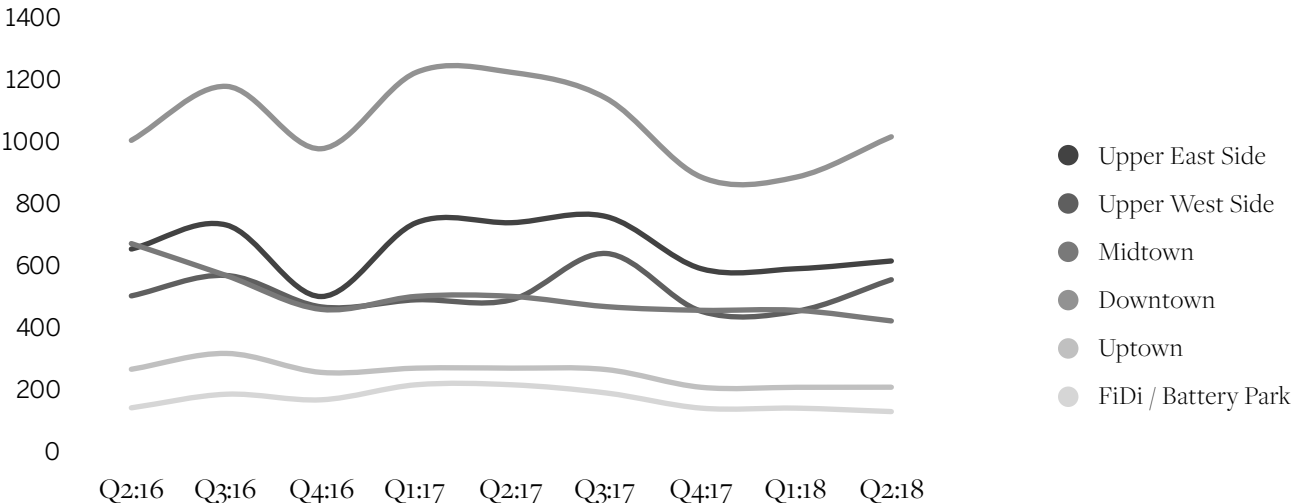
## Financial District / Battery Park

{# of Closed Sales | Average Sales Price | Median Sale Price - Year over Year}

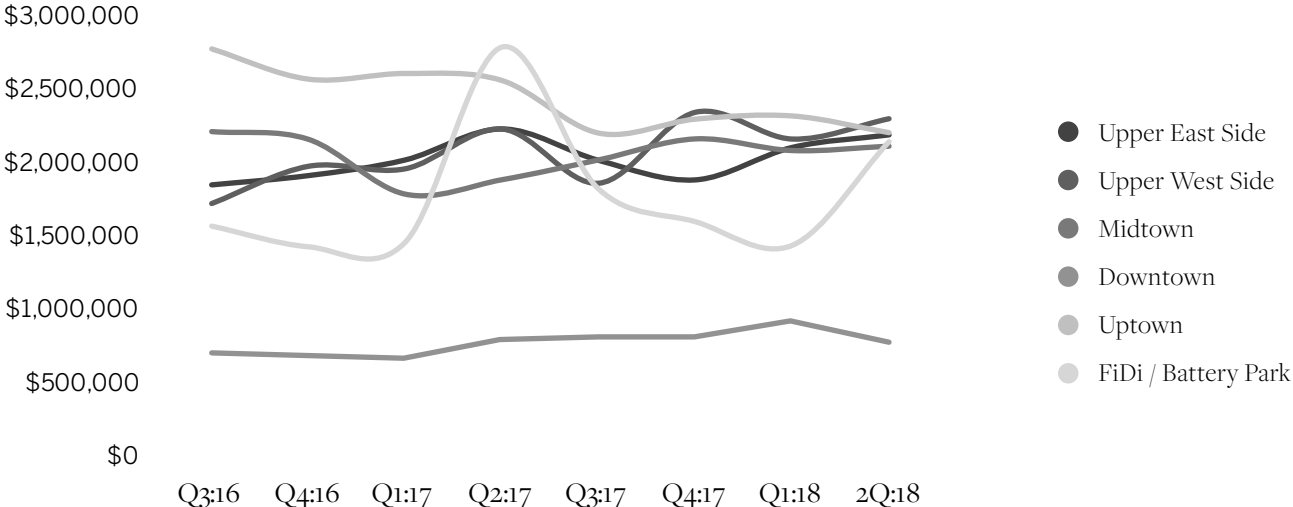
CONDOS	Q2 2018	Q2 2017	% Change
Closed Sales	113	175	-35%
Average Sales Price	\$2,369,000	\$3,167,000	-25%
Median Sales Price	\$1,068,000	\$1,945,000	-45%
COOPS	Q2 2018	Q2 2017	% Change
Closed Sales	22	47	-53%
Average Sales Price	\$1,045,000	\$1,417,000	-26%
Median Sales Price	\$820,000	\$1,195,000	-31%

There were only 113 condo units closed in the second quarter of 2018, a decline of 35% over the prior year. Condominium price measures were substantially lower because of far fewer new construction sales. This market area has the fewest co-ops of any market with just 22 closed co-op sales. These sales displayed an average sale price of \$1,045,000 while the median sale price was \$820,000.

# Total Number of Sales by Neighborhood



# Average Sales Price by Neighborhood



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