

Q3 | 2018
New York City

Market Update

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All New York City

Luxury Market

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New York City

Market Overview

According to Vanderbilt Appraisal Company, the third quarter of 2018 was characterized by lower sales volume, rising inventory, longer marketing time and falling price measures – all signs that the market recessionary period has lingered. While sellers are slow to abide by new market conditions, buyers remain cautious and are worried that prices have not sufficiently adjusted. Wrestling with the meaning of new tax laws and rising interest rates on the cost of ownership in New York City has given buyers additional reason to pause. However, as more listings enter the market at lower price levels, the best buying opportunity in the last three years may be materializing.

The 3,194 closed sales this quarter were an 11% decline from the 3,587 closed sales in the prior year. Year over year, there was a modest 3% decrease in average sales price (\$1.93M vs. \$1.99M) coupled with a 4% decrease in median sale price (\$1.1M vs. \$1.15M). The average sales price of \$1.93M was the second lowest average sales price revealed in the past eight quarters. For a longer-term perspective, five years ago the average sale price was \$1.4M and the median was \$850K.

The under \$3M market made up 85% of all sales activity in the third quarter of 2018 and posted 11% fewer sales than the prior year, 3,029 in 2017 compared to 2,704 in 2018. This segment posted a minimal 1% increase in the average sales price and a 1% decrease in median sales price. In the \$3M-\$10M segment, sales declined 13% from 499 in 2017 to 433 in 2018, the average sales price was down 2% and median sales price was down 4%. The \$10M+ category reflected a 3% drop in the number of closed sales, 57 sold in 2018 compared to 59 sold in 2017, with an 8% rise in the average price and a 6% increase in the median price. However, this should not be signaled as strength in the top tier price segment as supply levels in this bracket continue to favor buyers. Inventory is up to 7,133 listings which is 10% higher than the 6,397 listings on the market at the same time last year.

DOWNTOWN MANHATTAN BROKERAGE

Diane Levine, Brokerage Manager

149 Fifth Avenue, 4th Floor | New York, NY 10010 | 212.431.2440

EAST SIDE MANHATTAN BROKERAGE

Marissa Ghesquiere, Brokerage Manager

38 E. 61st Street | New York, NY 10065 | 212.606.7784

WEST SIDE MANHATTAN BROKERAGE

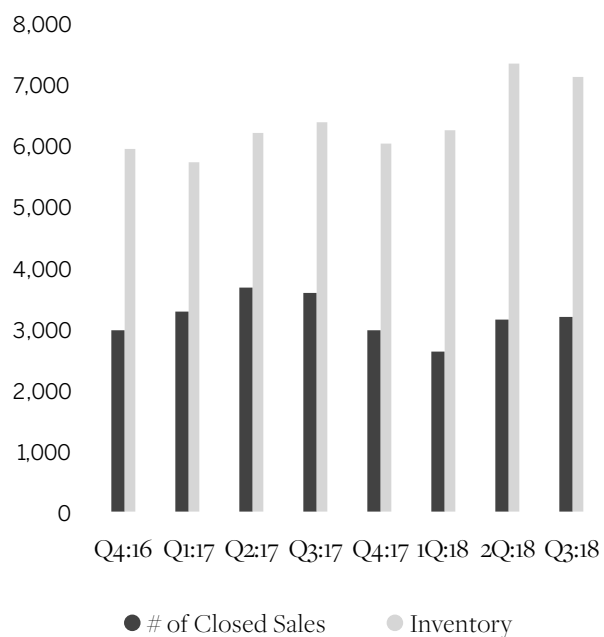
Diane Levine, Brokerage Manager

2244 Broadway | New York, NY 10024 | 212.579.9300

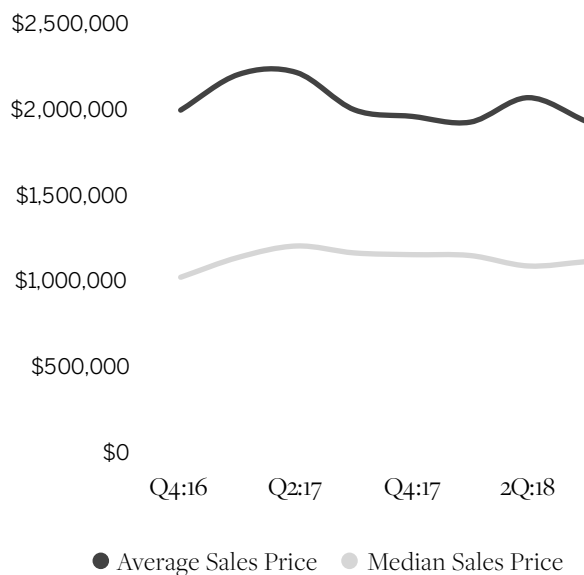
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Number of Closed Sales vs. Inventory



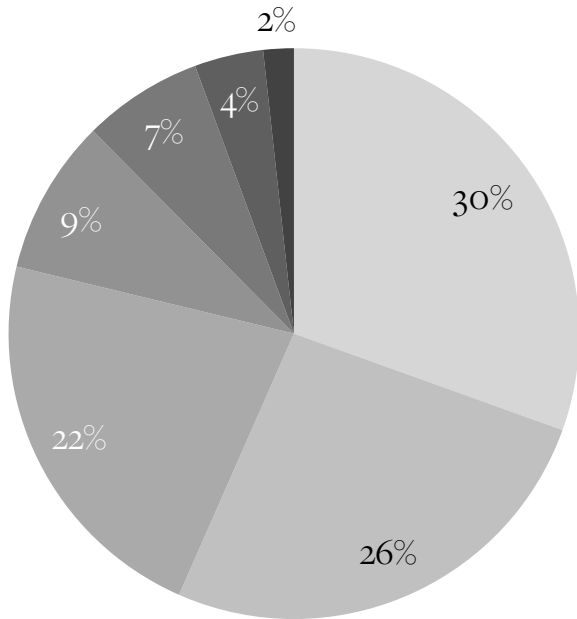
Average / Median Sales Price



		Number of Closed Sales	Average Sales Price	Median Sales Price
UNDER \$3 Million	{2018 v 2017}	-11%	1%	-1%
	3Q:18	2704	\$1,160,000	\$945,000
	3Q:17	3029	\$1,152,000	\$955,000
BETWEEN \$3 - 10 Million	{2018 v 2017}	-13%	-2%	-4%
	3Q:18	433	\$4,900,000	\$4,300,000
	3Q:17	499	\$5,020,000	\$4,480,000
OVER \$10 Million	{2018 v 2017}	-3%	8%	6%
	3Q:18	57	\$19,000,000	\$15,500,000
	3Q:17	59	\$17,600,000	\$14,600,000
ALL Price Points	{2018 v 2017}	-11%	-3%	-4%
	3Q:18	3194	\$1,930,000	\$1,100,000
	3Q:17	3587	\$1,996,000	\$1,150,000

Inventory

All New York City

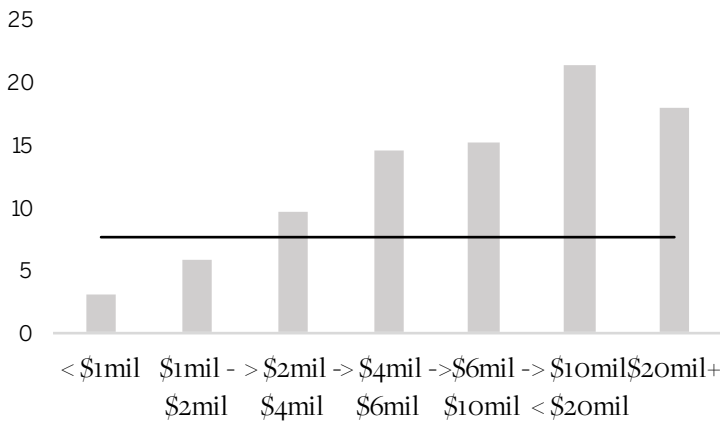


Number of Active Listings

● 2,302	Under \$1 Million
● 1,592	\$1 - 2 Million
● 1,638	\$2 - 4 Million
● 678	\$4 - 6 Million
● 500	\$6 - 10 Million
● 298	\$10 - 20 Million
● 125	\$20 Million and Above

CONDOS & CO-OPS (based on 6 months of closed sales 04/01/2018-09/30/2018)

While the overall Manhattan absorption rate is 5.4 months, properties priced more than \$2mil have supply levels of 10 months or greater. This level of inventory is consistent with conditions that favor buyers and weaken pricing in all segments except for the two lowest price tiers (<\$1mil and \$1mil-\$2mil). 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 top two price tiers above \$10mil have more than a 1.5-year supply. This sustained oversupply condition at the top end signifies that this market segment continues to necessitate price discounts from sellers.



Absorption Rate

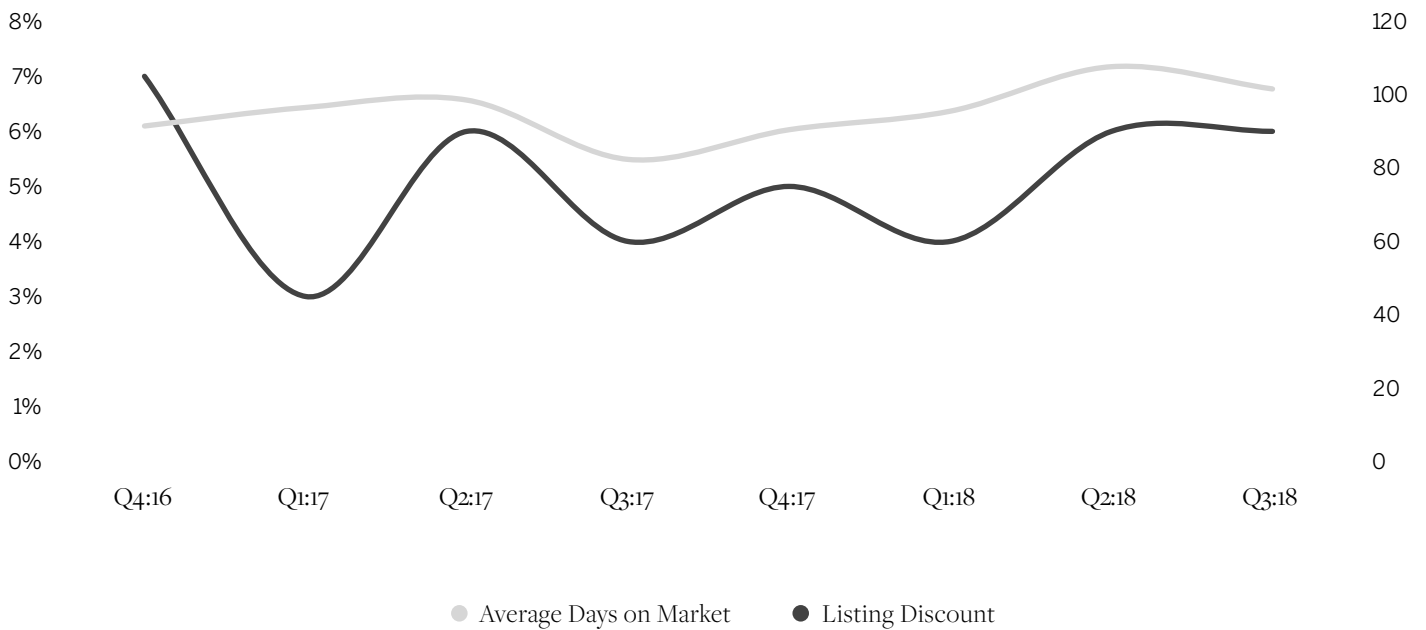
- Line of Equilibrium
- Absorbtion

Average Days on Market Listing Discount

All New York City

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Average Days on Market	91	96	98	82	90	95	107	101
Listing Discount	7%	3%	6%	4%	5%	4%	6%	6%

Average Days on Market vs. Listing Discount





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The Luxury Market

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

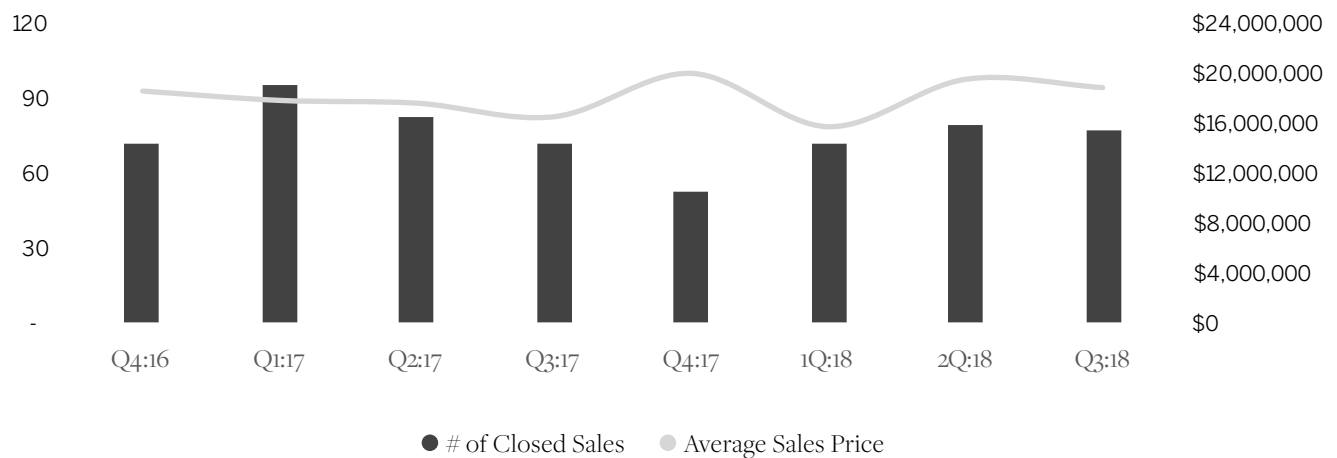
Total Volume by Price Point

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
# of Closed Sales	95	82	72	53	72	79	77
Average Sales Price	\$17,800,000	\$17,582,000	\$16,525,000	\$19,909,000	\$15,747,000	\$19,446,000	\$18,800,000
Highest Sales Price	\$65,662,000	\$55,000,000	\$44,000,000	\$91,000,000	\$35,000,000	\$58,000,000	\$43,500,000

Over the 3rd quarter of 2018 there were 77 ultra-luxury sales, which is a 7% rise from the prior year. The average sale price in this market sector was \$18,800,000 which was higher by 14% than prior year which had an average of \$16,525,000. The highest posted sale price this quarter was \$43.5mil for the Penthouse North condominium unit at 160 Leroy Street.

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Average Selling Price vs. # of Closed Sales





{Q3 | 2018}

Condos

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Condominium sales count was substantially lower with 11% fewer sales overall. The 1,391 closed condo sales this quarter were also lower than prior quarter as buyers remain cautious and expect sellers to reach more realistic pricing. The average sale price increased slightly at 2% to \$2,670,000 year over year while the median sale price fell 7% to \$1,572,000. The average price per square was also lower as the measure fell 3% to \$1,695. In the under \$3mil segment, the average sale price of \$1,370,000 was 4% lower than prior year while the average and median sale prices fell 4% and 7%, respectively. This is additional evidence that the market correction has reached lower-priced tiers after being initially confined to the high end. For condo units over \$10mil, there were an equal number of sales this period as last year with 47 closed sales. These sales revealed an increase in the average sale price of 17% to \$19,619,000. The average price per square foot for units priced over \$10mil was 6% higher than prior year, ending at \$4,069 per SF.

+2%

Change in Average Selling Price
{2018 v 2017}

-11%

Change in Units Sold
{2018 v 2017}

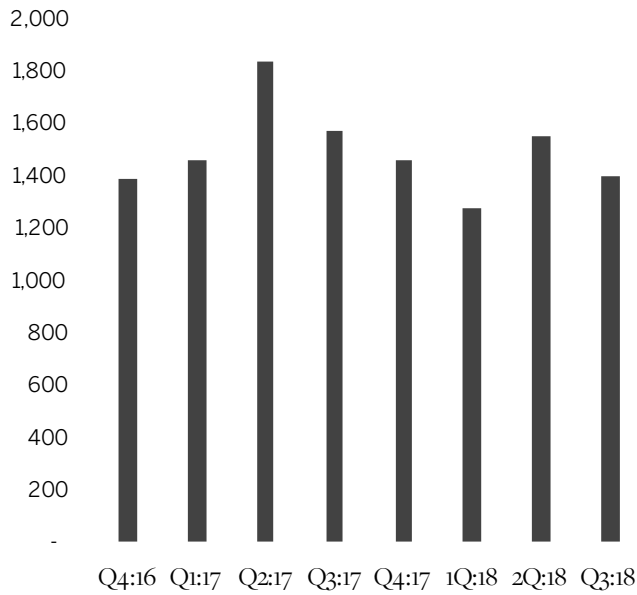
1,391

Units Sold

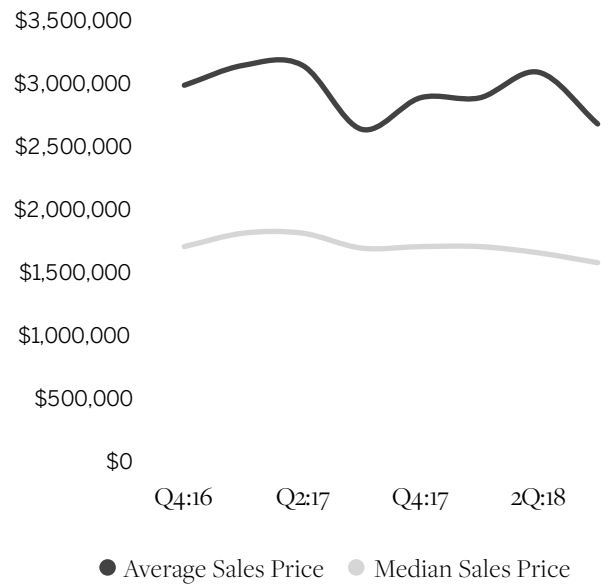
\$2.67m

Average Selling Price

Number of Closed Sales



Average / Median Sales Price



		Number of Closed Sales	Average Sales Price	Median Sales Price	Average Price/Sq.Ft.
UNDER \$3 Million	{2018 v 2017}	-12%	-4%	-7%	-4%
	3Q:18	1027	\$1,370,000	\$1,215,000	\$1,440
	3Q:17	1168	\$1,423,000	\$1,300,000	\$1,493
BETWEEN \$3 - 10 Million	{2018 v 2017}	-9%	-4%	-7%	-4%
	3Q:18	317	\$4,991,000	\$4,430,000	\$2,267
	3Q:17	349	\$5,192,000	\$4,760,000	\$2,372
ABOVE \$10 Million	{2018 v 2017}	0%	17%	23%	6%
	3Q:18	47	\$19,619,000	\$15,573,000	\$4,069
	3Q:17	47	\$16,817,000	\$12,632,000	\$3,821
ALL Price Points	{2018 v 2017}	-11%	2%	-7%	-3%
	3Q:18	1391	\$2,670,000	\$1,572,000	\$1,695
	3Q:17	1564	\$2,628,000	\$1,688,000	\$1,745



{Q3 | 2018}

Co-Ops

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Third quarter 2018 co-op sales count was down by 11% from the prior year but only marginally lower compared to prior quarter. The average overall co-op price was relatively stable with a 1% increase year over year at \$1,387,000. In the under \$3mil segment, the average sale price decreased 3% and the median sale price decreased 2% year over year. There were 10% fewer sales in the under \$3mil segment. For co-op units in the price tier ranging from \$3mil to \$10 mil, the measures posted a nominal loss of 1% in the average sales price while the median sales price gained 4% year over year. However, there were 23% fewer sales in the \$3-\$10mil bracket. There were only 10 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.

+1%

Change in Average Selling Price
{2018 v 2017}

-11%

Change in Units Sold
{2018 v 2017}

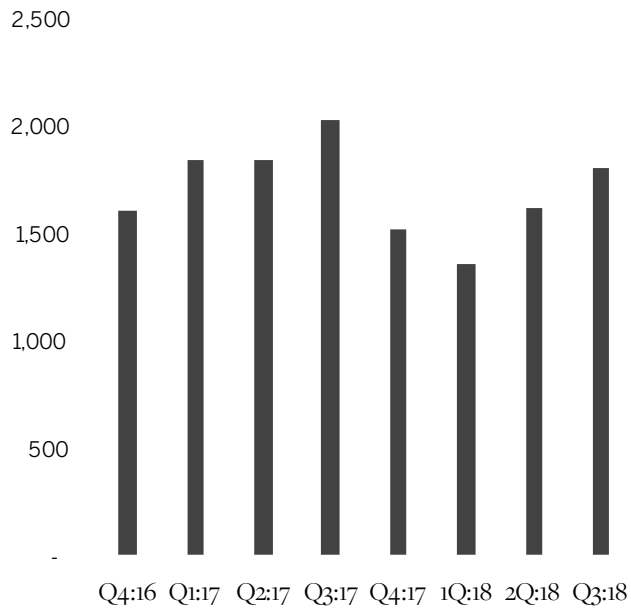
1,803

Units Sold

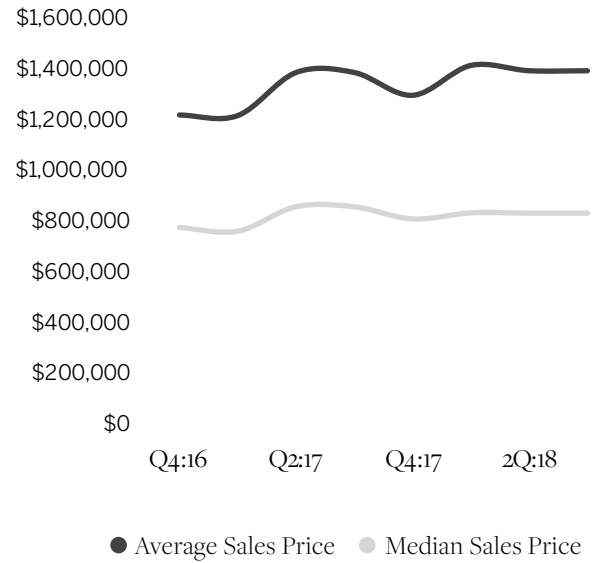
\$1.39m

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}	-10%	-3%	-2%
	3Q:18	1677	\$969,000	\$777,000
	3Q:17	1861	\$1,001,000	\$790,000
BETWEEN \$3 - 10 Million	{2018 v 2017}	-23%	-1%	4%
	3Q:18	116	\$4,524,000	\$4,038,000
	3Q:17	150	\$4,555,000	\$3,871,000
ABOVE \$10 Million	{2018 v 2017}	-17%	-16%	-3%
	3Q:18	10	\$15,921,000	\$14,750,000
	3Q:17	12	\$18,935,000	\$14,888,000
ALL Price Points	{2018 v 2017}	-11%	1%	-3%
	3Q:18	1803	\$1,387,000	\$824,000
	3Q:17	2023	\$1,380,000	\$850,000

Neighborhood Highlights

Upper East Side

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

CONDOS	Q3 2018	Q3 2017	% Change
Closed Sales	206	245	-16%
Average Sales Price	\$2,710,000	\$2,410,000	12%
Median Sales Price	\$1,675,000	\$1,750,000	-4%
COOPS	Q3 2018	Q3 2017	% Change
Closed Sales	488	551	-11%
Average Sales Price	\$1,690,000	\$1,810,000	-7%
Median Sales Price	\$980,000	\$915,000	7%

The Upper East market area exhibited 11% lower sales volume in the co-op sector with an average sale price falling 7% to end at \$1,690,000. This condo sector posted 16% fewer sales and an average price of \$2,710,000, 12% higher than 2017. The median price figures were \$980,000 for co-op units, a 7% increase. Condo sales had a median of \$1,675,000 just 4% lower than prior year.

Upper West Side

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

CONDOS	Q3 2018	Q3 2017	% Change
Closed Sales	204	256	-20%
Average Sales Price	\$2,600,000	\$2,420,000	7%
Median Sales Price	\$1,690,000	\$1,760,000	-4%
COOPS	Q3 2018	Q3 2017	% Change
Closed Sales	342	390	-12%
Average Sales Price	\$1,520,000	\$1,425,000	7%
Median Sales Price	\$999,000	\$980,000	2%

The total number of co-op sales on the Upper West Side was 342, a decline of 12% from the prior year. However, co-ops in this market area posted an average sale price of \$1,520,000, a 7% increase from the prior year. The condo sector had a 20% decline in sales volume with 204 closings. This was in part due to fewer closings at the new developments. These sales had an average sale price of \$2,600,000, a 7% increase from prior year. The median price was slightly lower with a 4% drop to \$1,690,000.

Midtown

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

CONDOS	Q3 2018	Q3 2017	% Change
Closed Sales	300	352	-15%
Average Sales Price	\$2,290,000	\$2,465,000	-7%
Median Sales Price	\$1,160,000	\$1,500,000	-23%

COOPS	Q3 2018	Q3 2017	% Change
Closed Sales	334	358	-7%
Average Sales Price	\$870,000	\$930,000	-6%
Median Sales Price	\$700,000	\$670,000	4%

The average co-op sale price in this market area was lower by 6% ending at \$870,000 while the median co-op price was up 4% to \$700,000. This market area had an average condo sale price of \$2,290,000 which was 7% lower than last year. The median sale price was down 23% ending at \$1,160,000.

Uptown

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

CONDOS	Q3 2018	Q3 2017	% Change
Closed Sales	119	133	-11%
Average Sales Price	\$830,000	\$940,000	-12%
Median Sales Price	\$740,000	\$732,000	1%

COOPS	Q3 2018	Q3 2017	% Change
Closed Sales	130	145	-10%
Average Sales Price	\$630,000	\$555,000	14%
Median Sales Price	\$563,000	\$500,000	13%

The average price of co-ops was \$630,000 which was 14% higher compared to prior year. The median sale price of a co-op unit increased 13% to \$563,000. The number of co-ops sold decreased 10% while the average price of \$630,000 was a 14% gain.

There were 11% fewer sales in the condo segment. Although the average sale price was down 12% to \$830,000, the median remained relatively unchanged.

Neighborhood Highlights

Downtown

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

CONDOS	Q3 2018	Q3 2017	% Change
Closed Sales	462	440	5%
Average Sales Price	\$3,750,000	\$3,830,000	-2%
Median Sales Price	\$2,450,000	\$2,610,000	-6%
COOPS	Q3 2018	Q3 2017	% Change
Closed Sales	487	554	-12%
Average Sales Price	\$1,330,000	\$1,360,000	-2%
Median Sales Price	\$915,000	\$920,000	-1%

The 487 co-op sales in the 3rd quarter of 2018 marked a 12% decline year over year. The co-op average sale price measure was down just 2%, falling to \$1,330,000 versus \$1,360,000 exhibited prior year. The median co-op sale price was also lower ending this quarter at \$915,000. In the condo sector, the 462 sales were a slight gain of 5% over prior year. The average sales price of \$3,750,000 was just 2% lower while the median sales price decreased 6% to \$2,450,000.

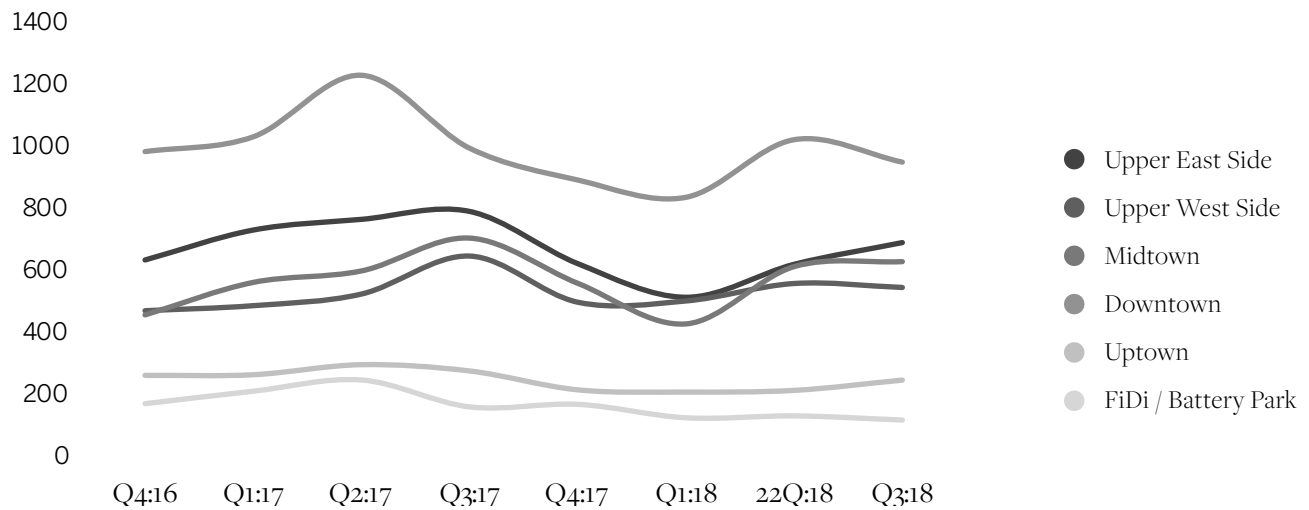
Financial District / Battery Park

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

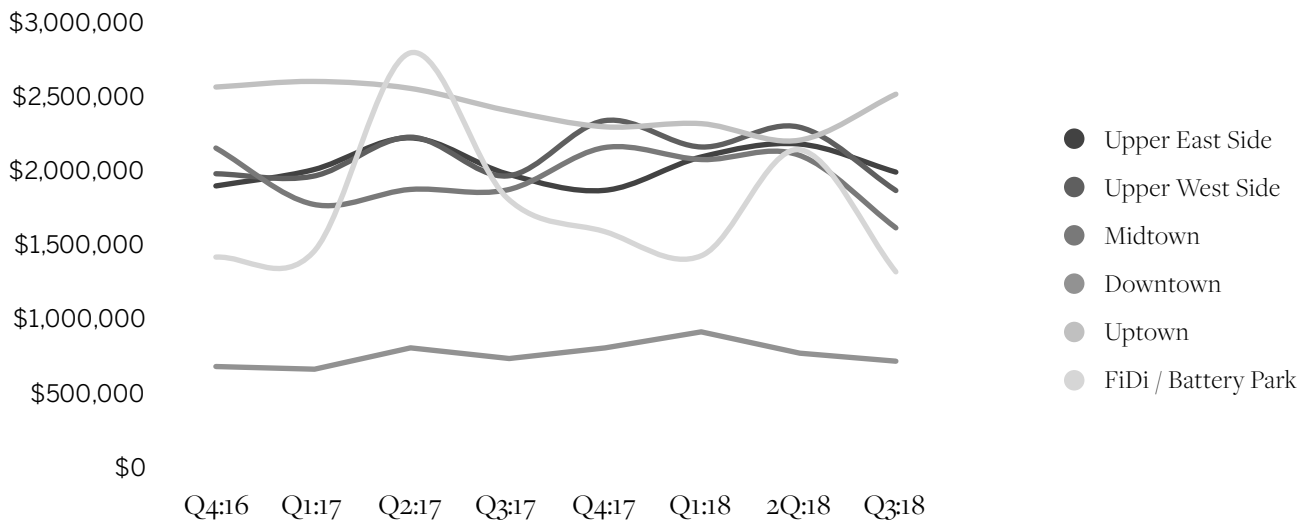
CONDOS	Q3 2018	Q3 2017	% Change
Closed Sales	100	138	-28%
Average Sales Price	\$1,310,000	\$1,970,000	-34%
Median Sales Price	\$955,000	\$1,260,000	-24%
COOPS	Q3 2018	Q3 2017	% Change
Closed Sales	22	25	-12%
Average Sales Price	\$925,000	\$941,000	-2%
Median Sales Price	\$740,000	\$763,000	-3%

There were only 100 condo units closed in the third quarter of 2018, a decline of 28% 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 \$925,000 while the median sale price was \$740,000.

Total Number of Sales by Neighborhood



Average Sales Price by Neighborhood



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