



New York City Market Update First Quarter 2017

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MANHATTAN MARKET | OVERVIEW

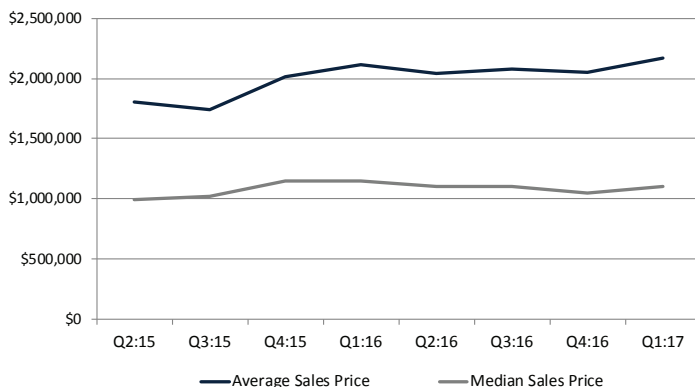
CONDOS & CO-OPS OVERVIEW

Coming off an election season filled with anxiety and buyers ending 2016 seemingly unreceptive to unrealistic pricing, the First Quarter of 2017 appeared to unleash pent-up demand with a re-emergence of buyer confidence in the market. Buyers this quarter were encouraged by a rising stock market, hopes for strong economic growth, and more rational pricing on the part of sellers, as evidenced by a 4% decline in the overall median sales price. The First Quarter of 2017 saw the average sale price in Manhattan overall trend upward to \$2,167,000, a 3% gain over the prior year. The number of sales jumped 9% in the First Quarter of the year to 2,945 from 2,711 in the last quarter of 2016 but the number of closed sales declined 5% from the prior year. The recent period of double-digit gains in sale prices has abated, making way for relative stability in the market place. The under \$3mil market made up 83% of all sales activity and this segment had 4% fewer sales, a 3% drop in the average sale price and 4% decline in the median sale price. However, both the \$3mil to \$10mil category and the over \$10mil category posted gains in the average and median sale prices.

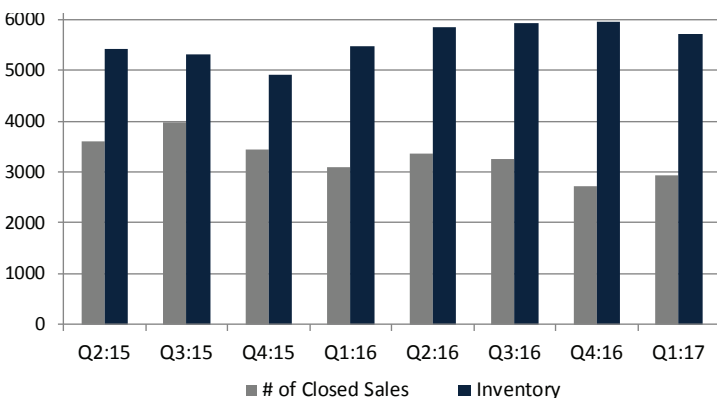
MANHATTAN OVERVIEW	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE
Number of Closed Sales	2,440	2,534	-4%	425	493	-14%	80	74	8%	2,945	3,101	-5%
Average Days on Market										96	82	17.1%
Listing Discount										3%	5%	-40%
Average Sales Price	\$1,123,000	\$1,154,000	-3%	\$5,088,000	\$4,918,000	3%	\$18,237,000	\$16,673,000	9%	\$2,167,000	\$2,113,000	3%
Median Sales Price	\$900,000	\$935,000	-4%	\$4,500,000	\$4,298,000	5%	\$15,020,000	\$14,458,000	4%	\$1,100,000	\$1,150,000	-4%
Listing Inventory Further detail on page 3										5,725	5,465	5%
Months of Supply										5.5	4.4	25%

AVERAGE and MEDIAN SALES PRICE

The average sale price of all recorded Manhattan unit sales was \$2,167,000, a 3% gain over prior year and 6% higher than the prior quarter. The median sale price of \$1,100,000 was a 5% gain over the prior quarter but 4% less than the prior year. The median sale price for all of Manhattan has registered over \$1mil for the seventh consecutive quarter.



NUMBER OF CLOSED SALES and INVENTORY



Buyers are seeing tighter inventory this quarter. After a period of resisting record-high prices, buyers have returned to the market as sellers have adjusted their expectations and sale prices. The number of sales jumped 9% in the first quarter of the year to 2,945 from 2,711 in the last quarter of 2016. However, the number of closed sales in the first quarter of 2017 has declined 5% from the prior year. Inventory is at 5,725 listings which is higher than the 5,465 listings in the first quarter of 2016 but lower than the 5,963 listings in the last quarter of 2016. This level of inventory is still below normalized supply levels of 8,000-9,000+/- listings.

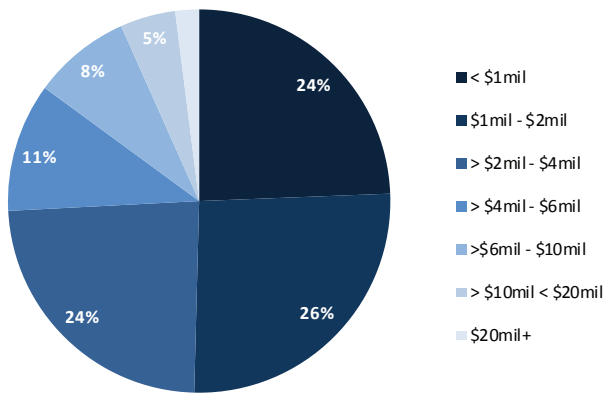
MANHATTAN MARKET | ABSORPTION RATE

CONDOS & CO-OPS (based on 6 months of closed sales: 07/01/2016-12/31/2016)

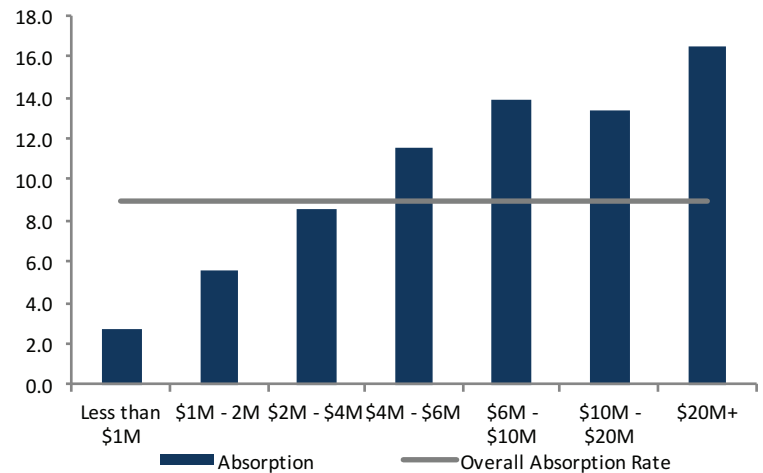
The overall Manhattan absorption rate stands at nearly 6 months, signifying a market in "equilibrium." The historic range of equilibrium for the market area is 6-9 months. The absorption rate is calculated by taking the total number of currently active listings and dividing by the average number of closed sales over the 6-month period. The lower price segments continue to experience shortages of inventory with \$1mil at 2.7 months of supply and units under \$2mil at 5.6 months of supply. The top two price tiers have absorption rates near one 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	1,396	1,490	1,361	622	473	268	115	5,725
Average Closed Sales / Month	508	267	160	54	34	20	7	1,050
Months of Supply per Price Category	2.7	5.6	8.5	11.5	13.9	13.4	16.4	5.5

NUMBER OF ACTIVE LISTINGS

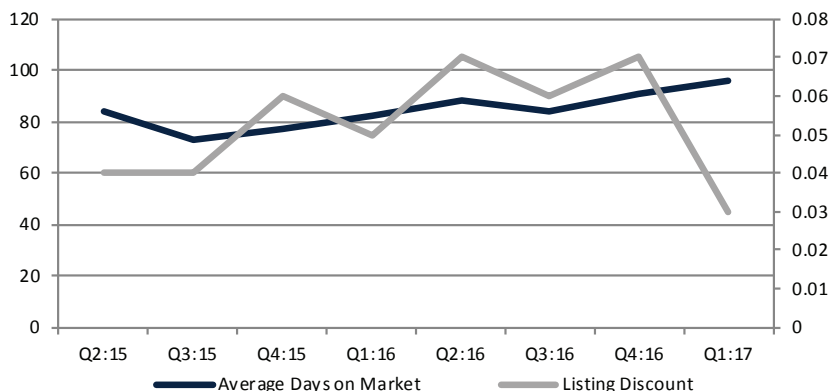


ABSORPTION RATE



AVERAGE DAYS ON MARKET & LISTING DISCOUNT

	Q2:15	Q3:15	Q4:15	Q1:16	Q2:16	Q3:16	Q4:16	Q1:17
Average Days on Market	84	73	77	82	88	84	91	96
Listing Discount	4%	4%	6%	5%	7%	6%	7%	3%



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 days on market for every closed sale and dividing the total days by the number of closed sales.

LISTING DISCOUNT

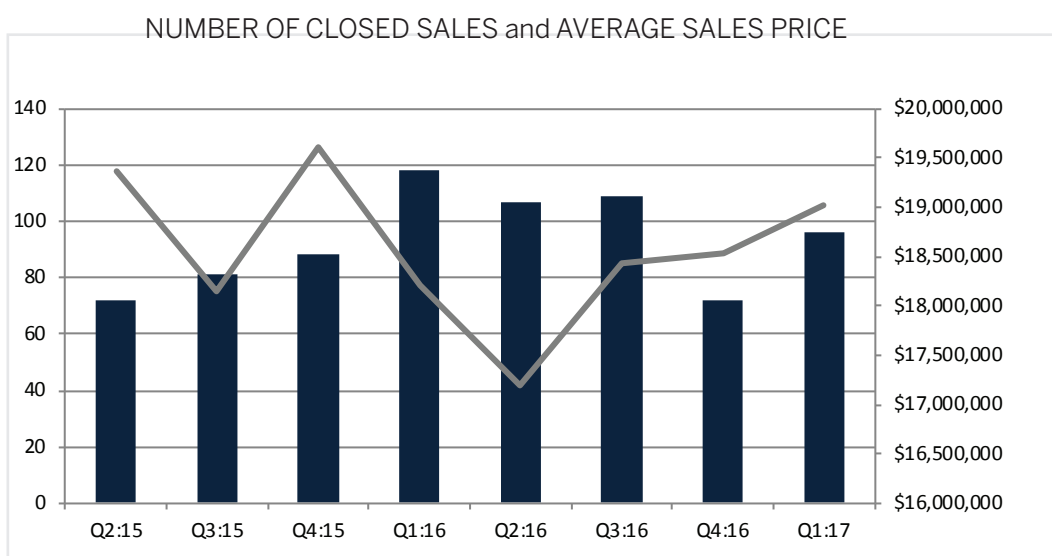
The percent change between the original asking (listing) price of a home, and the final sales price of the home. It is calculated by subtracting the sales price from the original listing price and dividing the result by the original listing price.

THE ULTRA LUXURY MARKET

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

Over the first quarter of 2017 there were 96 ultra-luxury sales, 19% less than the prior year. However, this was a gain of 33% from the prior quarter. The average sale price in this market sector was \$19,018,000, posting a 3% gain over the prior quarter and a 5% gain over the prior year. The highest posted sale price this quarter was \$65.662mil for the 85th floor unit at 432 Park Avenue.

	Q2:15	Q3:15	Q4:15	Q1:16	Q2:16	Q3:16	Q4:16	Q1:17
Number of Closed Sales	72	81	88	118	107	109	72	96
Average Sales Price	\$19,367,000	\$18,145,000	\$19,600,000	\$18,200,000	\$17,200,000	\$18,424,000	\$18,527,000	\$19,018,000
Highest Sales Price	\$47,800,000	\$37,940,000	\$45,000,000	\$44,833,000	\$59,144,000	\$86,090,000	\$60,894,000	\$65,662,000



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



BURGESS POINT, BERMUDA | \$5,950,000 USD
 SOTHEBYSREALTY.COM | Property ID: 8CX55H
 Rego Sotheby's International Realty



SYDNEY, AUSTRALIA | PRICE UPON REQUEST
 SOTHEBYSREALTY.COM | Property ID: N6EJ85
 Sydney Sotheby's International Realty



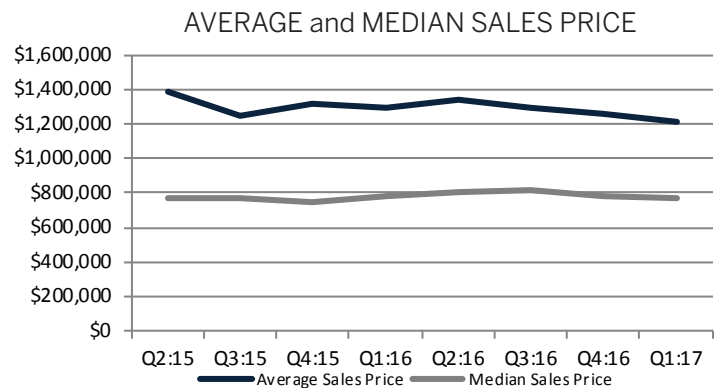
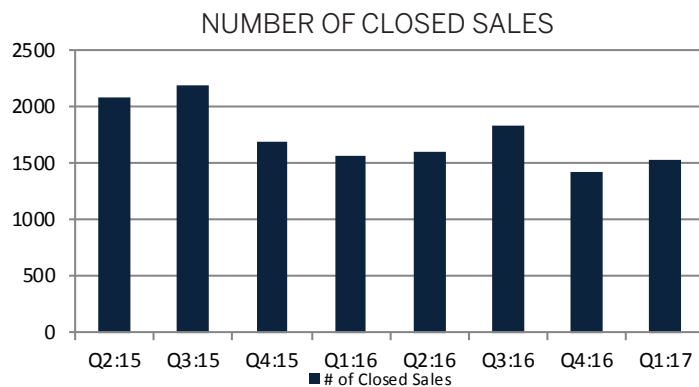
UZÈS, FRANCE | PRICE UPON REQUEST
 SOTHEBYSREALTY.COM | Property ID: 9XY5ZZ
 Uzès Sotheby's International Realty

MANHATTAN MARKET | CO-OPS & CONDOS

CO-OPS

First quarter 2017 co-op sales were down nominally by 2%. The average overall co-op price posted a decline of 6% to start at \$1,216,000. In the under \$3mil segment, the average sales price dropped 2% while the median sales price remained relatively unchanged with a 1% decline from the prior year. Closed sales remained relatively unchanged with a 1% decline compared to first quarter 2016. For co-op units in the price tier ranging from \$3mil to \$10 mil, the measures posted losses of 4% off the average sales price while the median sales price was nearly unchanged with 1% off the median sale price. In the top tier co-op price bracket \$10mil and higher, there were 7 closed sales in both the first quarter of 2016 and the first quarter of 2017, leaving the number of closed sales flat.

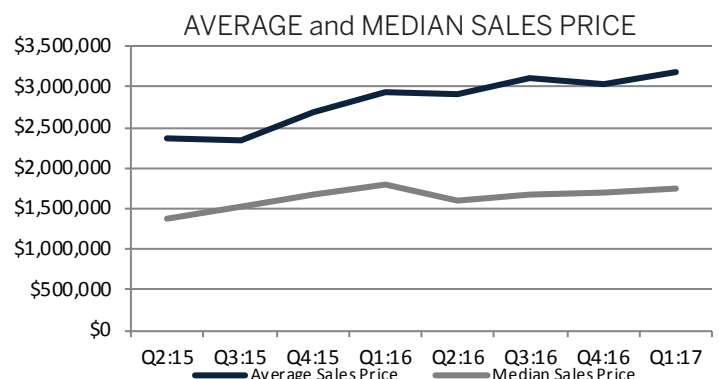
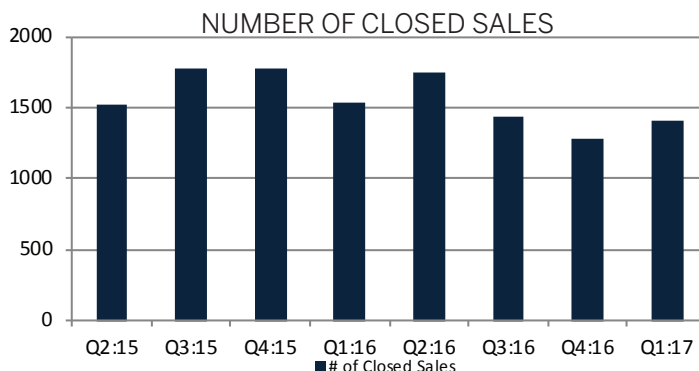
CO-OPS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE
Number of Closed Sales	1,431	1,439	-1%	94	116	-19%	7	7	0%	1,532	1,562	-2%
Average Sales Price	\$922,000	\$937,000	-2%	\$4,585,000	\$4,768,000	-4%	\$16,292,000	\$16,966,000	-4%	\$1,216,000	\$1,294,000	-6%
Median Sales Price	\$734,000	\$741,000	-1%	\$3,975,000	\$4,000,000	-1%	\$15,200,000	\$14,000,000	9%	\$765,000	\$780,000	-2%



CONDOS

Overall condo closed sales decreased 8%. However, the average sale price and price per square foot continued to post gains. The average condo sale price rose 9% to \$3,185,000; the average price per square foot gained 2% to \$1,823; while the median sale price decreased 3% to \$1,740,000. The under \$3mil segment fell slightly in all measures with a 2% drop in average sale price; a nominal 1% drop in price per square foot and a 3% decrease in median sale price. For condo units over \$10mil, the market measures were higher this quarter led by 13% rise in the average sale price. However, the driving factor for the higher prices continues to be due to high end deals procured in pre-construction phases from 2015 and are not representative of present weakness in the top tier of the market.

CONDOS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE	1Q:17	1Q:16	% CHANGE
Number of Closed Sales	1,009	1,095	-8%	331	377	-12%	73	67	9%	1,413	1,539	-8%
Average Sales Price	\$1,400,000	\$1,430,000	-2%	\$5,225,000	\$4,965,000	5%	\$18,838,000	\$16,643,000	13%	\$3,185,000	\$2,924,000	9%
Average PPSF	\$1,449	\$1,463	-1%	\$5,159	\$5,065	2%	\$4,359	\$4,134	5%	\$1,823	\$1,792	2%
Median Sales Price	\$1,233,000	\$1,277,000	-3%	\$4,635,000	\$4,425,000	5%	\$14,978,000	\$14,500,000	3%	\$1,740,000	\$1,795,000	-3%



NEIGHBORHOOD BREAKDOWN

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

This market area showed a decline in the number of closed sales for the condo and co-op sector. The average co-op sale price posted a 6% decline to \$1,582,000 while the median sale price declined 9% from the prior year to \$849,000. Condo average sale prices were up 5% to \$2,730,000 from \$2,604,000. The condo median sale price was virtually unchanged from the prior year.

CO-OPS	1Q:17	1Q:16	% CHANGE
# Closed Sales	397	416	-5%
Average Sales Price	\$1,582,000	\$1,679,000	-6%
Median Sales Price	\$849,000	\$929,000	-9%

CONDOS	1Q:17	1Q:16	% CHANGE
# Closed Sales	207	289	-28%
Average Sales Price	\$2,730,000	\$2,604,000	5%
Median Sales Price	\$1,675,000	\$1,700,000	-1%

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 317, an increase of 2% from prior year. Co-ops in this market area posted an average sale price of \$1,321,000, a 10% decline from the prior year. The condo sector posted gains in both the average sale price and the median sale price. The average condo sale price was \$3,248,000 and the median sale price was \$1,800,000.

CO-OPS	1Q:17	1Q:16	% CHANGE
# Closed Sales	317	311	2%
Average Sales Price	\$1,321,000	\$1,465,000	-10%
Median Sales Price	\$860,000	\$866,000	-1%

CONDOS	1Q:17	1Q:16	% CHANGE
# Closed Sales	163	174	-6%
Average Sales Price	\$3,248,000	\$2,368,000	37%
Median Sales Price	\$1,800,000	\$1,545,000	17%

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

The average co-op sale price in this market area increased 7% to \$1,083,000 while the median co-op price remained relatively unchanged from the prior year. This market area had an average condo sale price of just \$2,636,000 compared with \$3,215,000 at the start of 2016. Lower average and median price statistics this period were due mostly in part to fewer closings at 432 Park Avenue.

CO-OPS	1Q:17	1Q:16	% CHANGE
# Closed Sales	229	236	-3%
Average Sales Price	\$1,083,000	\$1,013,000	7%
Median Sales Price	\$685,000	\$690,000	-1%

CONDOS	1Q:17	1Q:16	% CHANGE
# Closed Sales	322	365	-12%
Average Sales Price	\$2,636,000	\$3,215,000	-18%
Median Sales Price	\$1,398,000	\$1,840,000	-24%

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

The average sales price of co-ops was higher by 3%, reaching \$533,000. The median sale price increase was impressive with a 26% rise to \$525,000. Market measures were significantly higher in the condo unit sector with a 13% gain in the average condo sales price and a 22% gain in the median condo sales price. The average condo unit price reached \$805,000 with the median condo sale price reaching \$698,000. Both the condo and co-op sectors saw a decrease in sales volume from the prior year.

CO-OPS	1Q:17	1Q:16	% CHANGE
# Closed Sales	118	124	-5%
Average Sales Price	\$533,000	\$518,000	3%
Median Sales Price	\$525,000	\$418,000	26%

CONDOS	1Q:17	1Q:16	% CHANGE
# Closed Sales	95	123	-23%
Average Sales Price	\$805,000	\$711,000	13%
Median Sales Price	\$698,000	\$570,000	22%

NEIGHBORHOOD BREAKDOWN

DOWNTOWN *south of 34th Street through Tribeca*

The 447 co-op sales in the first quarter of 2017 left sales volume unchanged compared to the prior year. The co-op average sale price measure was down 10%, falling to \$1,098,000 from \$1,214,000. The median co-op sale price declined 7% ending this quarter at \$783,000. In the condo sector, the number of closed sales went down 3% compared to the prior year. However, the average sales price was up 18% and the median sales price increased 7%.

CO-OPS	1Q:17	1Q:16	% CHANGE
# Closed Sales	447	447	0%
Average Sales Price	\$1,098,000	\$1,214,000	-10%
Median Sales Price	\$783,000	\$838,000	-7%

CONDOS	1Q:17	1Q:16	% CHANGE
# Closed Sales	471	487	-3%
Average Sales Price	\$4,678,000	\$3,969,000	18%
Median Sales Price	\$2,982,000	\$2,775,000	7%

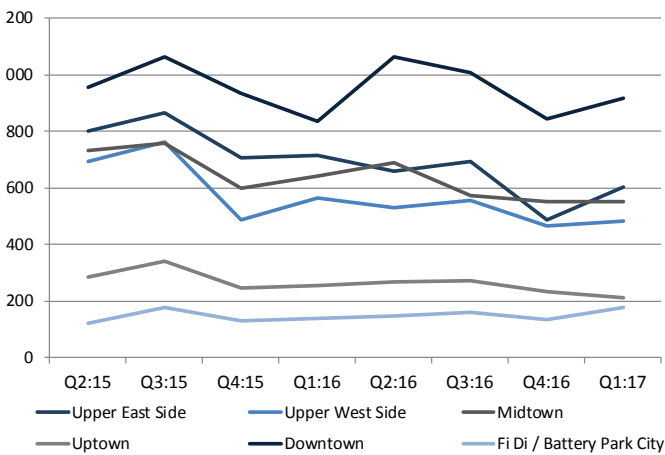
FINANCIAL DISTRICT | BATTERY PARK CITY

There were 154 condo units closed in the first quarter of 2017, a 52% increase over the prior year. This was caused in part by a high volume of closings at 50 West Street. However, the average condominium price declined 19% to \$1,543,000 from \$1,907,000 in the first quarter of 2016. Co-op average sale price and median sale price both posted 26% gains.

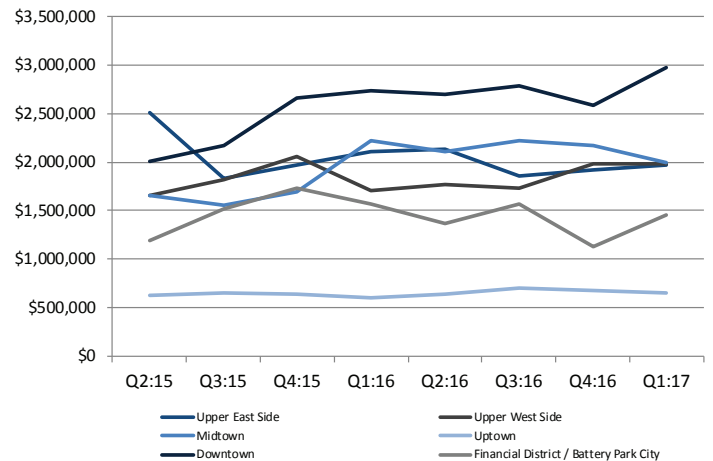
CO-OPS	1Q:17	1Q:16	% CHANGE
# Closed Sales	24	28	-13%
Average Sales Price	\$902,000	\$717,000	26%
Median Sales Price	\$817,000	\$650,000	26%

CONDOS	1Q:17	1Q:16	% CHANGE
# Closed Sales	154	101	52%
Average Sales Price	\$1,543,000	\$1,907,000	-19%
Median Sales Price	\$1,250,000	\$1,525,000	-18%

TOTAL NUMBER OF SALES



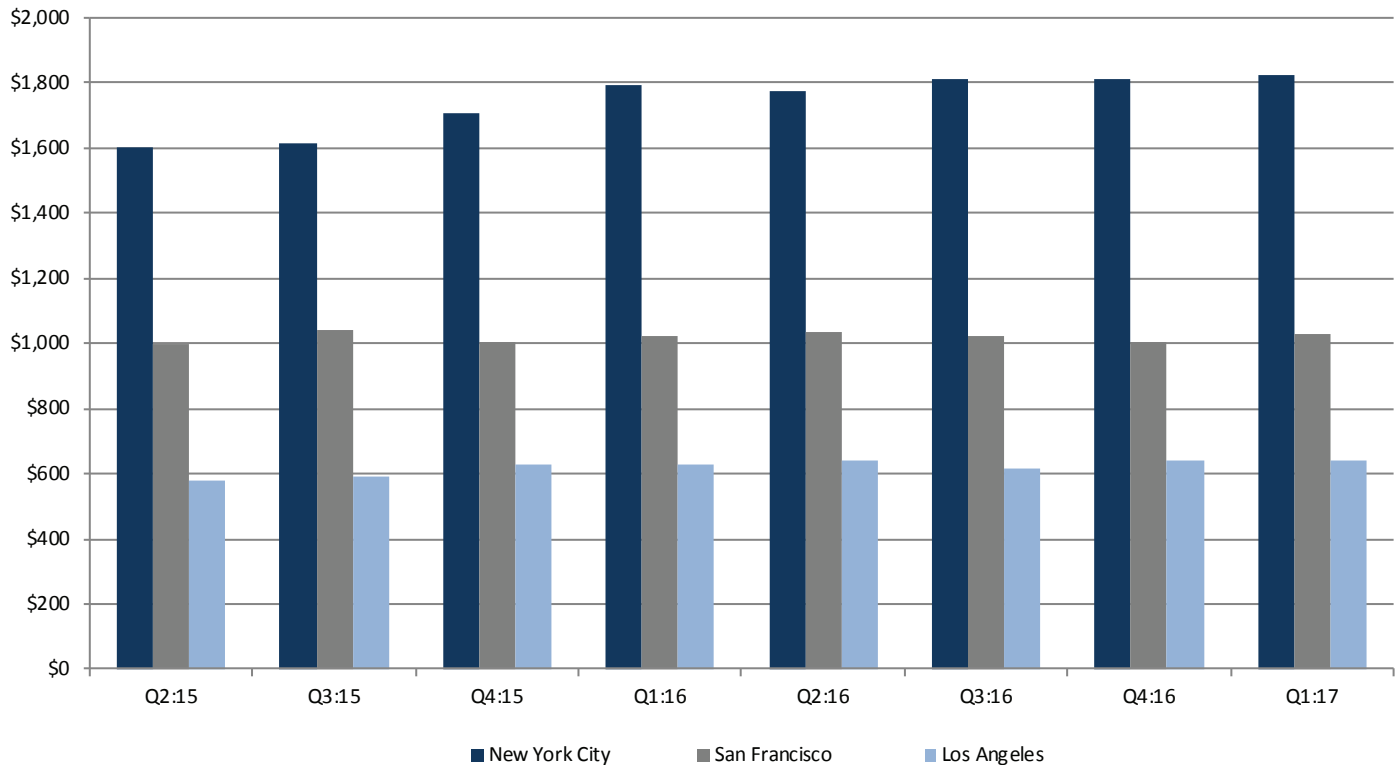
AVERAGE SALES PRICE



MARKET COMPARISONS

Comparing the first quarter of 2016 and the first quarter of 2017, both New York City and Los Angeles price per sq. ft. and increased 1.6% and 2.4% respectively year of year. San Francisco price per sq. ft. remained flat. Comparing first quarter of 2017 and fourth quarter of 2016 price per sq. ft. remained flat in New York City and Los Angeles while San Francisco saw a 2.2% gain.

AVERAGE PRICE PER SQ. FT. | CONDOS ONLY



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