

TOWN

**THE AGGREGATE  
2ND QUARTER 2013**

A Quarterly Residential  
Market Report of Manhattan

Welcome to *The Aggregate*, the quarterly residential market report published by TOWN Residential. As New York's only fully-integrated residential real estate services firm, TOWN is a sought-after source of Manhattan neighborhood expertise across its four divisions of luxury product: sales, rentals and the marketing of new development sales and rentals.

With *The Aggregate*, TOWN brings you a comprehensive report on sales behavior across three distinct asset classes—condominiums, cooperatives and townhouses—from April through June 2013, and compares those transaction values with quarter-over and year-over values. Additional analysis is provided on the luxury market, TOWN's expertise.

This edition of *The Aggregate* is the culmination of figures drawn from the rolling sales data of the Manhattan market along with the live ACRIS feed provided by the New York City Department of Finance.

The second quarter of 2013 has seen a climb in asset prices as measured by the long-term rise in stock prices, as well as recent data releases in the real estate industry by Case-Shiller Real Estate Indices. This trend is seen amidst continued mixed economic indicators, concern over the high debt loads of southern European nations, and currency fluctuations in many emerging market economies. In this climate, Manhattan real estate remained a source of relative stability for investors and those with disposable income, despite fears of the Federal Reserve scaling back its monthly bond-buying stimulus.

The statistics presented in this edition of *The Aggregate* represent a sample of 2,380 transactions market-wide in the second quarter of 2013. This quarter, we saw market-wide quarter-over-quarter increases in both median and average apartment sales prices, with approximately 4-6% increases for each. This increase in market prices was buoyed by quarter-over-quarter increases in both condominiums and co-ops. The decreased inventory in Manhattan enabled more sellers to reap desirable prices and/or accept such purchasing arrangements as cash offers. While apartments spent less time on the market, more of them garnered increased offer prices from buyers who were willing to spend more for desirable properties.

Our chief objective in delivering the data you will find on the following pages is to present an authentic, transparent and credible information resource with a clear-cut methodology and simple presentation that TOWN's 450 neighborhood experts could share confidently. With *The Aggregate*, TOWN is proud to present a trusted compendium of data that will continue to diversify in its content with future issues of the report. *The Aggregate* will have an expanded presence on our website, [townrealestate.com](http://townrealestate.com), with regular market updates and hyperlocal statistics specific to what is happening in each neighborhood.

At TOWN, we define our neighborhoods as much as they define us. There are TOWN offices located throughout Manhattan with informative and welcoming staff who are able to guide you through any real estate transaction or need. For further information, visit the TOWN Square on [townrealestate.com](http://townrealestate.com) to view every sales and rental listing in New York City; save your favorites and message in real time with your preferred TOWN Representative. We look

# MANHATTAN MARKET-WIDE

The second quarter of 2013 saw generally positive economic price movement among market-wide Manhattan Sales compared to last quarter. The average sales price of a Manhattan apartment market-wide experienced a quarter-over-quarter increase of 5.84%, from \$1,303,155 to \$1,379,255, while the median sales price drew a quarter-over-quarter increase of 4.37%, from \$800,000 to \$834,965, but remained relatively flat year-over-year, decreasing slightly 0.60% from \$840,000 to \$834,965. The increases in average and median sales prices quarter-over-quarter suggest a lower supply of inventory and a concurrent increase in competition. This is evidenced by more apartments being bid up in price while spending a lower median number of days on the market.

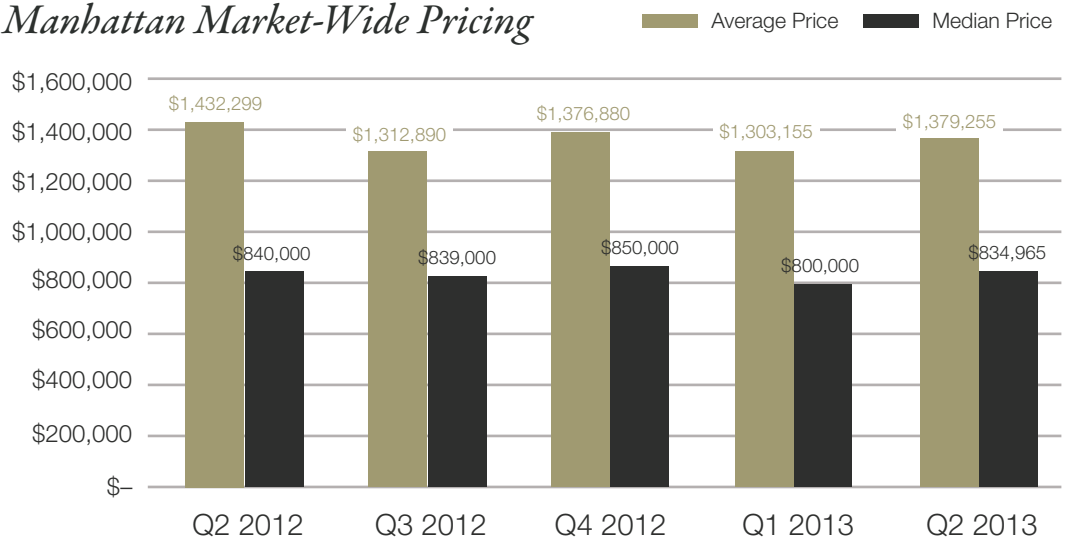
Manhattan Market-Wide Metrics	Q2 2013	% Change (Qrt)	Q1 2013	% Change (YOY)	Q2 2012
Average Sales Price	\$1,379,255	5.84%	\$1,303,155	-3.70%	\$1,432,299
Average Price per SF	\$1,135	4.61%	\$1,085	-	N/A
Median Sales Price	\$834,965	4.37%	\$800,000	-0.60%	\$840,000
Median Price per SF	\$1,047	6.29%	\$985	-	N/A
Median Days on Market	99	-10.00%	110	-	N/A
Median Sales Discount	-7.10%	-	-5.75%	-	N/A
Median Sales Premium	11.25%	-	2.60%	-	N/A

\*Market-wide sales figures refer to all condo, co-op, & cond-op sales

Source: TOWN Residential

The following chart displays both market-wide average and median pricing for Manhattan apartment sales for the past year, from Q2 2012 through Q2 2013.

## Manhattan Market-Wide Pricing



Source: TOWN Residential

The following matrix displays a breakdown of median Manhattan apartment prices by apartment category:

Market-Wide	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2013	\$430,000	\$680,000	\$1,400,000	\$2,650,000
Q1 2013	\$410,000	\$625,000	\$1,240,000	\$2,562,810
Q4 2012	\$390,000	\$665,000	\$1,350,000	\$2,700,000

Source: TOWN Residential

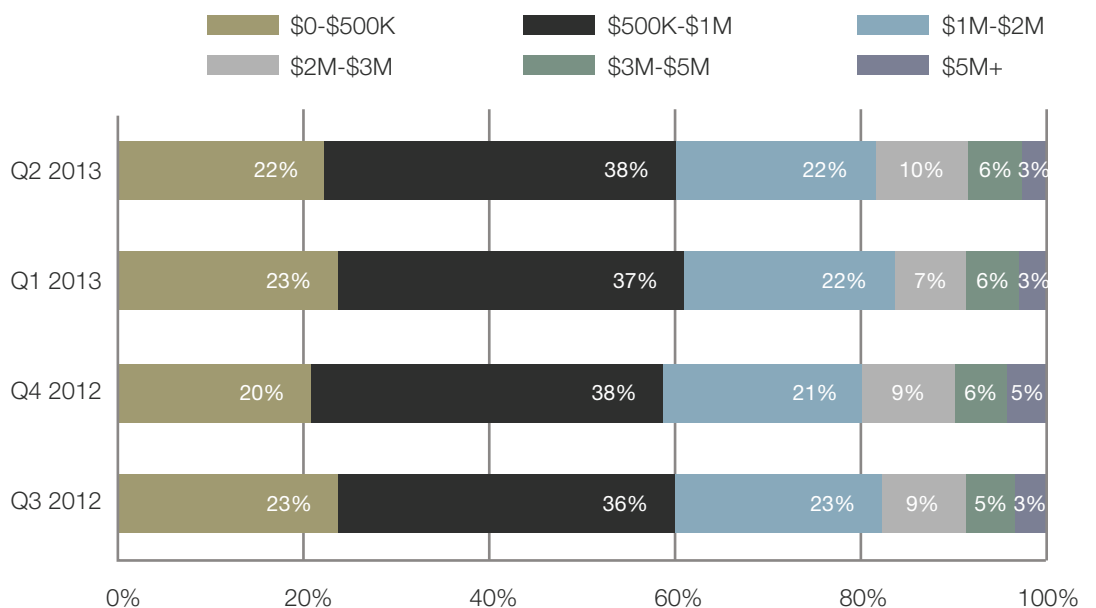
# MANHATTAN MARKET-WIDE

A breakdown of sales transactions between April and June 2013 by pricing category reveals Manhattan apartment sales between \$500,000–\$1 million represented the largest category of sales activity market-wide. The same can be said for the past four consecutive quarters, stretching back to Q3 2012.

Quarter-over-quarter increases in the number of sales priced at \$2 million to \$3 million reflect an increased desire to bring apartments to market; however, limited inventory was subject to significant buyer competition and moved quickly if priced appropriately. A slight decrease in the number of transactions \$500,000 and below, along with an increase in the number of entry-luxury market sales likely account for the increases seen in market prices for both condos and co-ops brought to market in the most recent period.

The following chart displays the breakdown of Manhattan apartment sales market-wide by pricing category for the past four consecutive quarters, between Q3 2012 and Q2 2013.

## Percentage of Sales by Price Range



\*Percentages may not sum to 100 due to rounding

Source: TOWN Residential

# MANHATTAN CONDOS

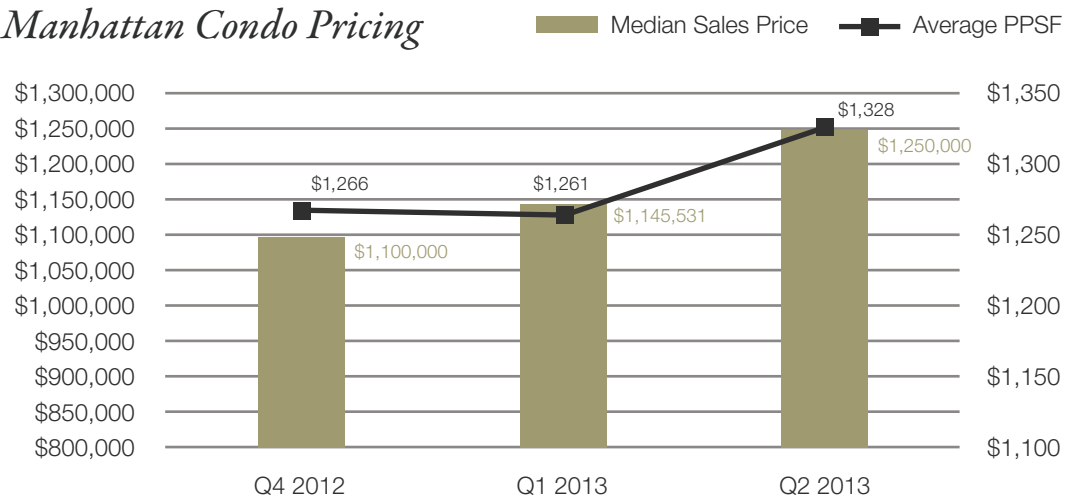
Condominium sales represented the strongest and best-performing of Manhattan submarket sales activity in the second quarter of 2013. The average price of a Manhattan condo increased 2.91% quarter-over-quarter, from \$1,788,511 to \$1,840,535. Significant quarter-over-quarter and year-over-year increases in the median sales price for this category of 9.12% and 11.23%, respectively, echo the second quarter's market-wide increase in higher end sales between \$2 million and above, and hint at an increased demand for new development product. Many new development projects brought to market in Manhattan in the last couple of years continued to have sponsored sales (by the development corporation) in 2013. In the past year, the median sales price of a Manhattan condo has risen from \$1,123,750 to \$1,250,000.

Manhattan Condo Sales	Q2 2013	% Change (Qrt)	Q1 2013	% Change (YOY)	Q2 2012
Average Sales Price	\$1,840,535	2.91%	\$1,788,511	4.71%	\$1,757,692
Average Price per SF	\$1,328	5.31%	\$1,261	–	N/A
Median Sales Price	\$1,250,000	9.12%	\$1,145,531	11.23%	\$1,123,750
Median Price per SF	\$1,232	5.93%	\$1,163	–	N/A
Median Days on Market	105	-4.55%	110	–	N/A
Median Sales Discount	-6.30%	–	-5.90%	–	N/A
Median Sales Premium	11.10%	–	1.80%	–	N/A

Source: TOWN Residential

The following chart displays both condo median price and average price per square foot from Q4 2012 through Q2 2013.

## Manhattan Condo Pricing



Source: TOWN Residential

The following matrix displays a breakdown of median Manhattan condo prices by apartment category:

Condos	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2013	\$580,000	\$887,500	\$1,760,000	\$3,064,647
Q1 2013	\$590,000	\$816,000	\$1,613,000	\$3,100,000
Q4 2012	\$545,000	\$834,983	\$1,650,000	\$2,858,000

Source: TOWN Residential

# MANHATTAN CO-OPS

In the second quarter of 2013, more high-value Manhattan cooperatives were sold than in the previous quarter. While the average sale price of a Manhattan co-op increased by approximately 8.49% quarter-over-quarter, from \$952,570 to \$1,033,468, the median sale price remained relatively flat for both year-over-year and quarter-over-quarter, fluctuating around approximately the price of \$635,000. Quarterly increases in Manhattan co-op prices were evidenced by increases in sales premiums as well as decreases in the days that properties spent on the market.

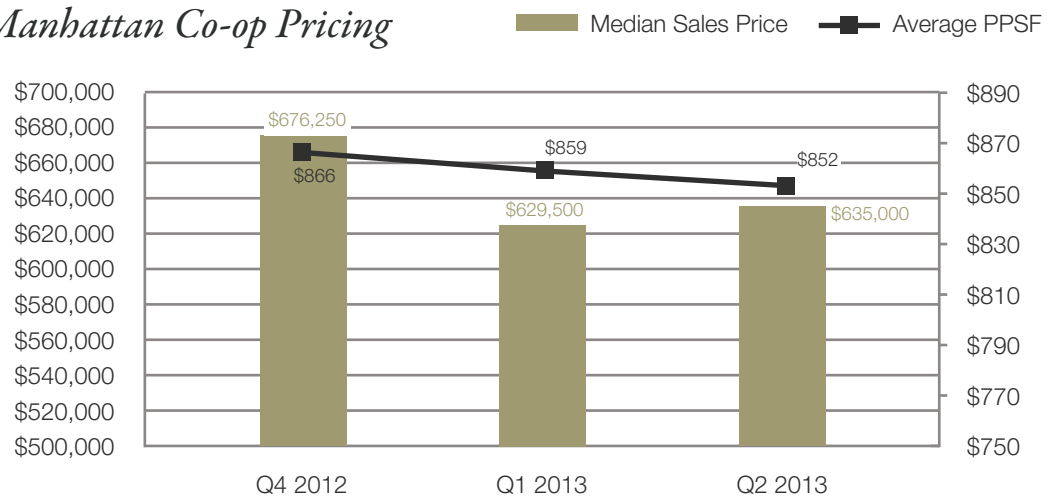
Manhattan Co-op Sales	Q2 2013	% Change (Qrt)	Q1 2013	% Change (YOY)	Q2 2012
Average Sales Price	\$1,033,468	8.49%	\$952,570	-9.91%	\$1,147,174
Average Price per SF	\$852	-0.81%	\$859	-	N/A
Median Sales Price	\$635,000	0.87%	\$629,500	-0.78%	\$640,000
Median Price per SF	\$807	1.51%	\$795	-	N/A
Median Days on Market	94	-15.3%	111	-	N/A
Median Sales Discount	-7.70%	-	-5.70%	-	N/A
Median Sales Premium	11.40%	-	3.70%	-	N/A

\*Co-op sales include all cond-op sales due to structural similarities

Source: TOWN Residential

The following chart displays both co-op median price along with average price per square foot from Q4 2012 through to Q2 2013.

## Manhattan Co-op Pricing



Source: TOWN Residential

The following matrix displays a breakdown of median Manhattan co-op prices by apartment category:

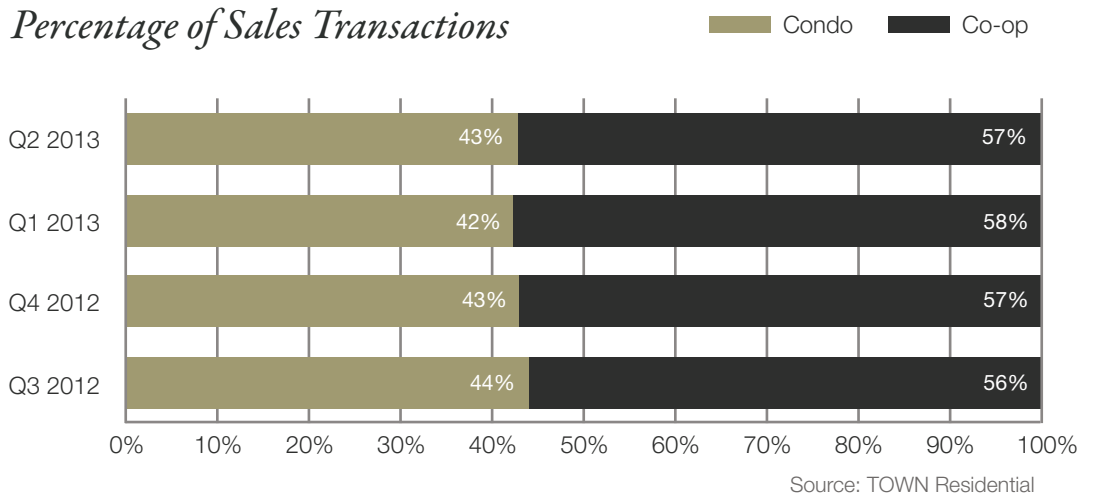
Co-ops	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2013	\$360,000	\$575,000	\$1,110,000	\$2,275,000
Q1 2013	\$325,000	\$531,000	\$996,000	\$1,685,000
Q4 2012	\$340,500	\$562,000	\$1,100,000	\$2,600,000

Source: TOWN Residential

# MANHATTAN CONDO/CO-OP DIFFERENTIALS

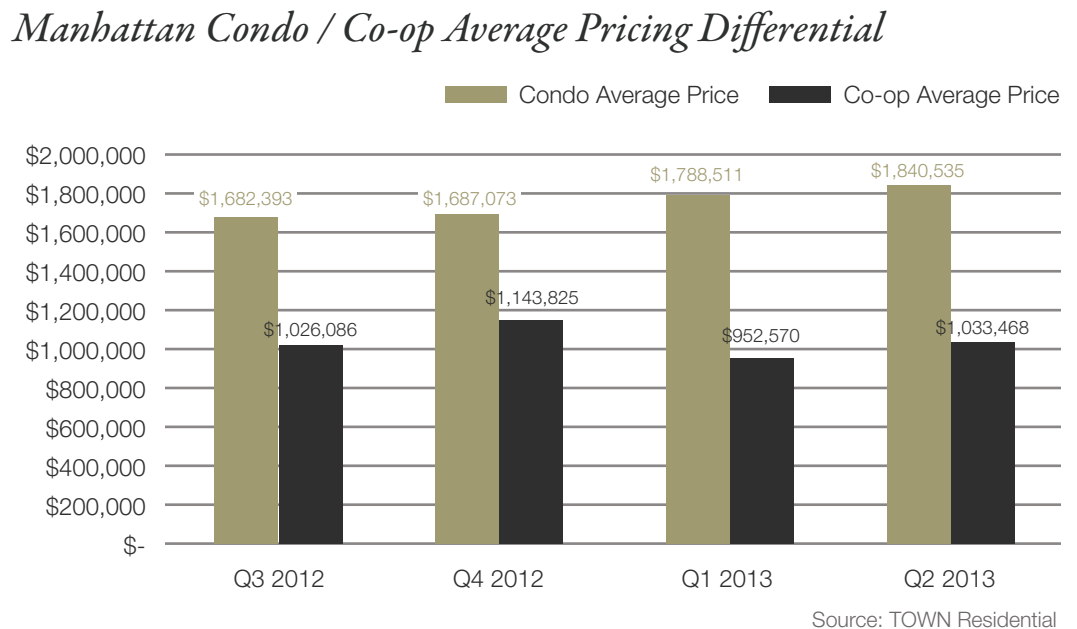
In the second quarter of 2013, co-ops accounted for approximately 57% of Manhattan apartment sales transactions, while condos accounted for approximately 43% of sales.

The following chart displays the breakdown of Manhattan apartment sales market-wide by category for the past four consecutive quarters, between Q3 2012 and Q2 2013.



While Manhattan cooperatives, which are historically in greater abundance, generally account for the majority of market sales, condos typically sell at a premium to co-ops, at higher average and median sales prices, due to lesser financial constraints on sales transactions. In the second quarter of 2013, the average sale price of a Manhattan condo was \$1,840,535; the average co-op sale price was significantly less at \$1,033,468.

The following chart displays average pricing differentials between Manhattan condo and co-op sales transactions on a quarterly basis for the past four consecutive quarters, between Q3 2012 and Q2 2013.

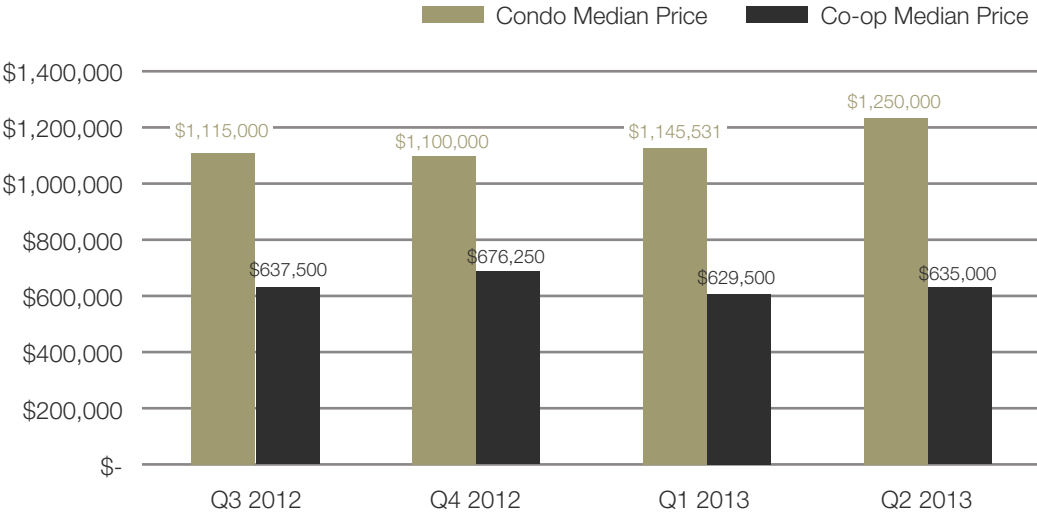


# MANHATTAN CONDO/CO-OP DIFFERENTIALS

The median sale price of a Manhattan condo for Q2 2013 was \$1,250,000; for co-ops, the median price was \$635,000.

The following chart displays median pricing differentials between condo and co-op sales transactions on a quarterly basis for the past four consecutive quarters, between Q3 2012 and Q2 2013.

## *Manhattan Condo / Co-op Median Pricing Differential*



Source: TOWN Residential



# LUXURY MARKET

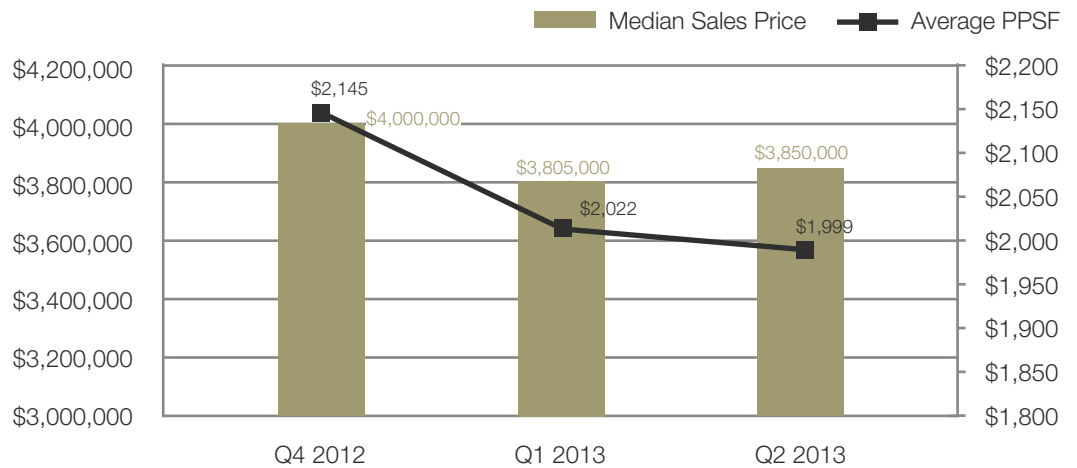
Luxury apartment sales are a unique subset of the Manhattan residential market consisting of the top ten percent of all sales (excluding townhouses) by price. These sales include high-end properties that typically have two- and three- or more bedrooms. In the second quarter of 2013, average price increased from \$4,793,095 to \$5,064,503. Simultaneously median price increased 1.18% from \$3,805,000 to \$3,850,000 quarter-over-quarter while decreasing 4.94% year-over-year from \$4,050,000 to \$3,850,000. Meanwhile the median pricing discount decreased to -4.00% and the median days on market increased to 136 suggesting wealthy sellers are taking the time to receive their desired prices.

Manhattan Luxury Market	Q2 2013	% Change (Qrt)	Q1 2013	% Change (YOY)	Q2 2012
Average Sales Price	\$5,064,503	5.66%	\$4,793,095	-13.36%	\$5,845,473
Average Price per SF	\$1,999	-1.14%	\$2,022	-	N/A
Median Sales Price	\$3,850,000	1.18%	\$3,805,000	-4.94%	\$4,050,000
Median Price per SF	\$1,775	4.60%	\$1,697	-	N/A
Median Days on Market	136	20.35%	113	-	N/A
Median Sales Discount	-4.00%	-	-5.80%	-	N/A
Median Sales Premium	5.80%	-	2.60%	-	N/A

\*This sub-category is defined as the top 10% of all condo, cond-op, and co-op sales Source: TOWN Residential

The following chart displays the median price along with average price per square foot beginning in Q4 2012 through to the present:

## Luxury Median Price & Average PPSF



Source: TOWN Residential

# MANHATTAN TOWNHOUSES

The Manhattan townhouse submarket is intriguing, as it is the residential asset class with the least amount of available product year-to-year, and represents some of the most notable addresses in New York City. As a result, it is not a historically active market, with approximately 30-60 transactions per quarter. Analysis of such small sample sets typically yields behavioral fluctuations from quarter-to-quarter and year-to-year. So, while average and median sales prices for Manhattan townhouses increased between Q1 2013 and Q2 2013, average price per square foot was down during the same period, suggesting variability in the inventory brought to market during this time. Each townhouse is an inherently unique product, and therefore it is difficult to make comparisons in the selected transactions that occurred between quarters.

Manhattan Townhouse Sales	Q2 2013	% Change (Qrt)	Q1 2013	% Change (YOY)	Q2 2012
Average Sales Price	\$5,088,382	1.45%	\$5,015,821	-17.90%	\$6,197,475
Average Price per SF	\$1,183	-12.04%	\$1,345	-12.68%	\$1,355
Median Sales Price	\$4,300,000	13.16%	\$3,800,000	18.56%	\$3,627,000
Median Price per SF	\$1,182	-11.06%	\$1,329	-2.07%	\$1,207

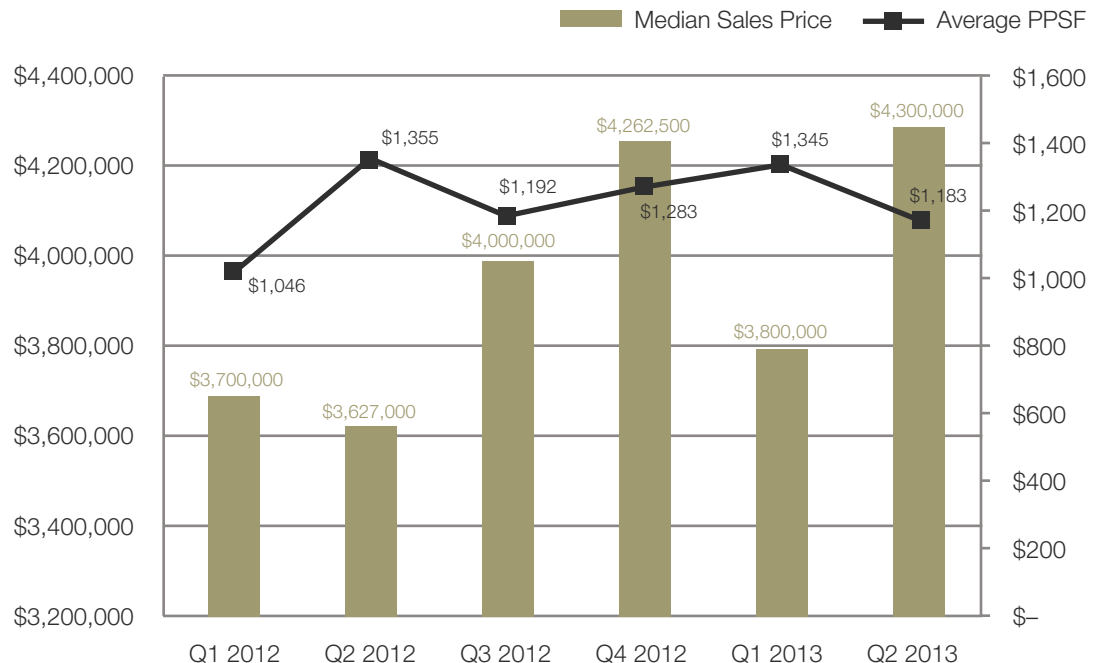
\*Townhouse sales refer to all 1-6 family homes

Source: TOWN Residential

Of note is a quarter-over-quarter and year-over year increase in median price, echoing the limited townhouse inventory supply in Manhattan and suggesting an increased demand for these special properties.

The following chart depicts median sale pricing of Manhattan townhouses alongside their average price-per-square-foot dollar value between Q1 2012 and Q2 2013.

## Manhattan Townhouse Median Sale Price & Average PPSF



Source: TOWN Residential

# END NOTES

## *Data Sources*

Primary data sources consulted for the analysis of Manhattan condominium, cooperative and townhouse sale transactions as reported in The Aggregate Q2 2013 residential market report include rolling sales reports by the New York City Department of Finance (ACRIS) and the REBNY Listing Service (RLS) via subscriptions to UrbanDigs.com analytics.

## *Data Lag*

There is a substantial lag in reporting residential real estate market activity due to the time that transpires between contract signings and closings and when the Office of the City Register files those closings. It should be noted that data collected in a particular period actually represents a “snapshot” of a past period.

## *Methodology*

Research was utilized in the data-collection process to remove “non-arm’s length” transactions between related parties, as they may not reflect true market value.

All statistics are based on a sample of 2,380 sales transactions recorded in the aforementioned period, drawn from a model utilized by REBNY, and represent an estimate of the historical macroeconomic pricing trends in the New York City market as found in the public record. Under no circumstances should the figures reported be utilized to value individual property.

## *Glossary of Terms*

- **Sales Discount:** the difference between the original asking price (prior to any subsequent revisions) and the final sales price; expressed as a percentage of the final sales price
- **Sales Premium:** the difference between the original asking price (prior to any subsequent revisions) and the final sales price; expressed as a percentage of the final sales price
- **Days on Market:** the difference between the original listing date and the final sales date
- **Market-Wide Apartment Sales:** all condo, cond-op and co-op apartment sales
- **Co-op sales:** all cooperative and cond-op sales due to similarities in the structures of the two products
- **Luxury Sales:** the top 10% of all apartment sales (excluding townhouses) based on final sales prices

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