

TOWN

**THE AGGREGATE™  
4TH 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 October through December 2013, and compares those transaction values with quarter-over and year-over values. This report is the culmination of figures drawn from the rolling sales data of the Manhattan market along with the live ACRIS (Automated City Register Information System) feed provided by the New York City Department of Finance.

The 4th quarter of 2013 has seen an overall climb in asset prices as sales began to pick up slightly in the second part of the year, led by lower inventory levels. This trend has been present despite mixed economic indicators. For example, interest rates are rising as markets respond to the Federal Reserve tapering its QE3 program, while there was an approximately 60% year-over-year increase in cumulative year-to-date building permits in the city reported for the month of November according to U.S. Census information. Furthermore, an increasing population amidst slow housing inventory growth has allowed New York to remain an active environment for real estate investment and development, and a potential safe-haven for domestic and international funds alike. Markets are also coping with the appointment of a new Fed Chair, Janet Yellen, whose policies on quantitative easing and time table for tapering remain to be seen.

The statistics presented in our newest issue of *The Aggregate*™ represent a sample of 2,180 transactions market-wide in the fourth quarter of 2013. This quarter, numbers showed market-wide quarter-over-quarter and year-over-year increases in average apartment sales of approximately 1.44% and 6.97% respectively. Increases in market prices were seen primarily in condominiums while co-ops demonstrated slight decreases for both average and medium prices. The townhouse market remains an anomalous class as further described in this report. The dearth of inventory in Manhattan, among other factors, enabled sellers to reap desirable prices and purchasing arrangements, while in addition, many buyers rushed to lock in interest rates at desirable levels.

Our chief objective is to present a transparent and credible information resource with clear methodology and simple presentation that TOWN's 570 neighborhood experts can share confidently. TOWN is proud to present this trusted compilation of data that will continue to diversify in its content and build in its bulk. In addition to *The Aggregate*™, monthly *Economics at a Glance*™ reports and *Rental Reports*™ can be found on our website, **townrealestate.com**, with regular market updates and hyper-local statistics specific to what's happening in each neighborhood.

At TOWN, we define our neighborhoods as much as they define us. There are TOWN offices located throughout Manhattan, each with knowledgeable and welcoming staff who will guide you through any real estate transaction or need. For further information, visit the TOWN Square on **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 forward to working with you.



# MANHATTAN MARKET-WIDE

The fourth quarter of 2013 saw mixed economic price movement among market-wide Manhattan Sales compared to last quarter. The market-wide average sales price of a Manhattan apartment experienced a quarter-over-quarter increase of 1.44%, from \$1,451,878 to \$1,472,808, while the median sales price drew a quarter-over-quarter decrease of 2.48%, from \$861,395 to \$840,000, and remained relatively flat year-over-year, decreasing only 1.18% from \$850,000 to \$840,000. The lower supply of inventory and a concurrent increase in competition are evidenced by a slightly lower median number of days on the market, which decreased from 94 to 90 quarter-over-quarter.

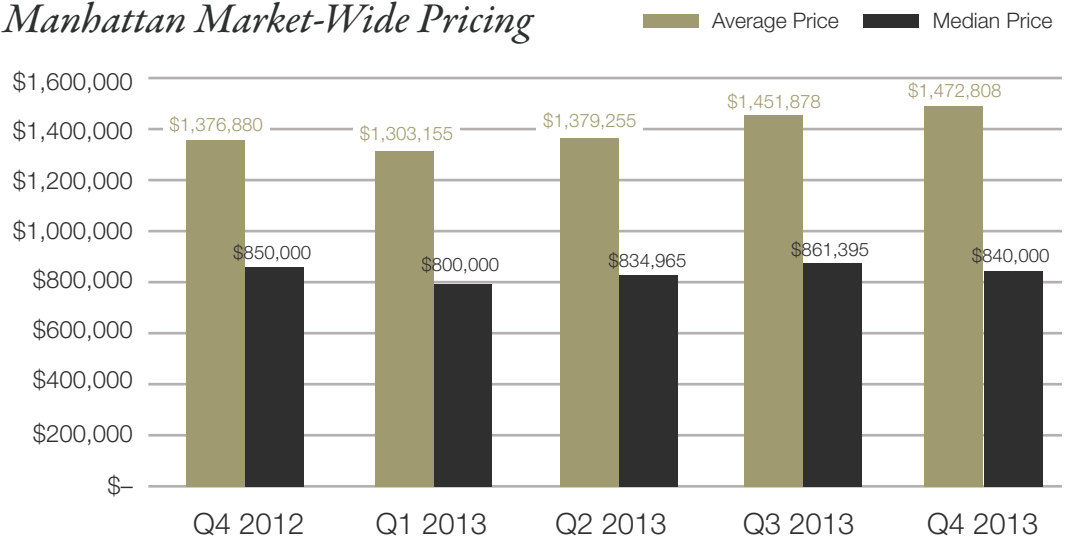
Manhattan Market-Wide Metrics*	Q4 2013	% Change (Qrt)	Q3 2013	% Change (YOY)	Q4 2012
Average Sales Price	\$1,472,808	1.44%	\$1,451,878	6.97%	\$1,376,880
Average Price per SF	\$1,205	1.86%	\$1,183	9.15%	\$1,104
Median Sales Price	\$840,000	-2.48%	\$861,395	-1.18%	\$850,000
Median Price per SF	\$1,095	1.86%	\$1,075	9.50%	\$1,000
Median Days on Market	90	-4.26%	94	–	N/A
Median Sales Discount	-5.30%	–	-5.10%	–	N/A
Median Sales Premium	3.55%	–	3.90%	–	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 Q4 2012 through Q4 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
Q4 2013	\$430,000	\$667,750	\$1,450,000	\$2,774,638
Q3 2013	\$449,000	\$686,750	\$1,400,000	\$2,850,000
Q2 2013	\$430,000	\$680,000	\$1,400,000	\$2,650,000
Q1 2013	\$410,000	\$625,000	\$1,240,000	\$2,562,810

Source: TOWN Residential



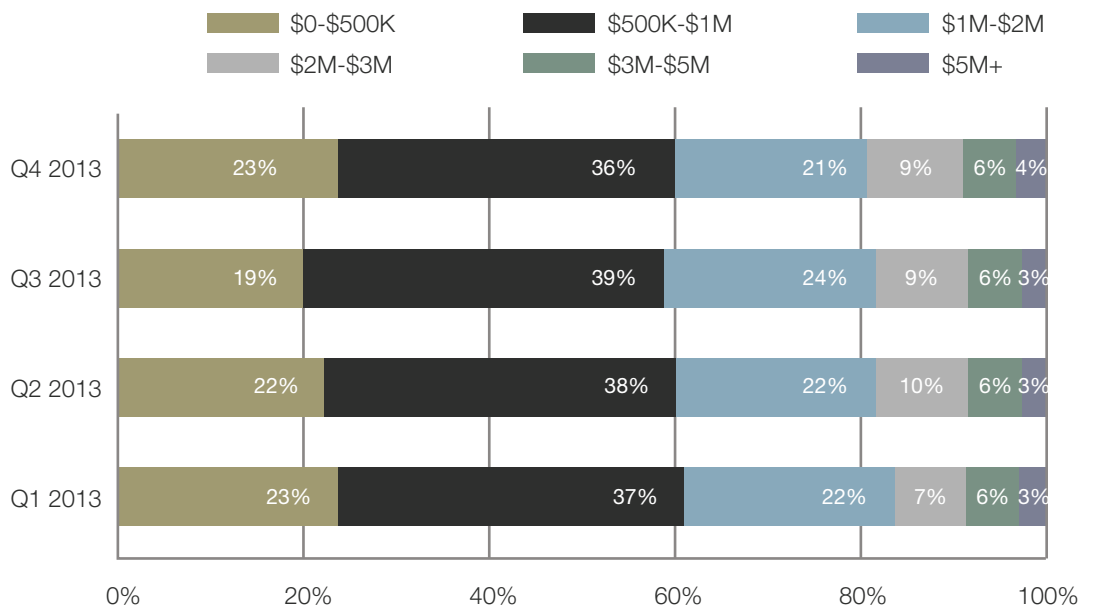
# MANHATTAN MARKET-WIDE

A breakdown of sales transactions between October and December 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 through Q1 2013.

Quarter-over-quarter decreases in the number of sales priced at \$500,000 to \$2 million along with simultaneous increases in apartments priced under \$500,000 likely led to slight quarter-over-quarter decreases in market-wide median prices; however, limited inventory was clearly subject to significant buyer competition and moved quickly if priced appropriately. Lastly, the 1% increase in apartments priced above \$5 million was primarily due to greater activity in the high-end condo market and resulted in a notable increase in the entry point for the luxury market as represented by the top 10% of apartment sales.

The following chart displays the breakdown of Manhattan apartment sales market-wide by pricing category for the past four consecutive quarters, between Q1 2013 and Q4 2013.

### Percentage of Sales by Price Range\*



\*Percentages may not sum to 100 due to rounding

Source: TOWN Residential



# MANHATTAN CONDOS

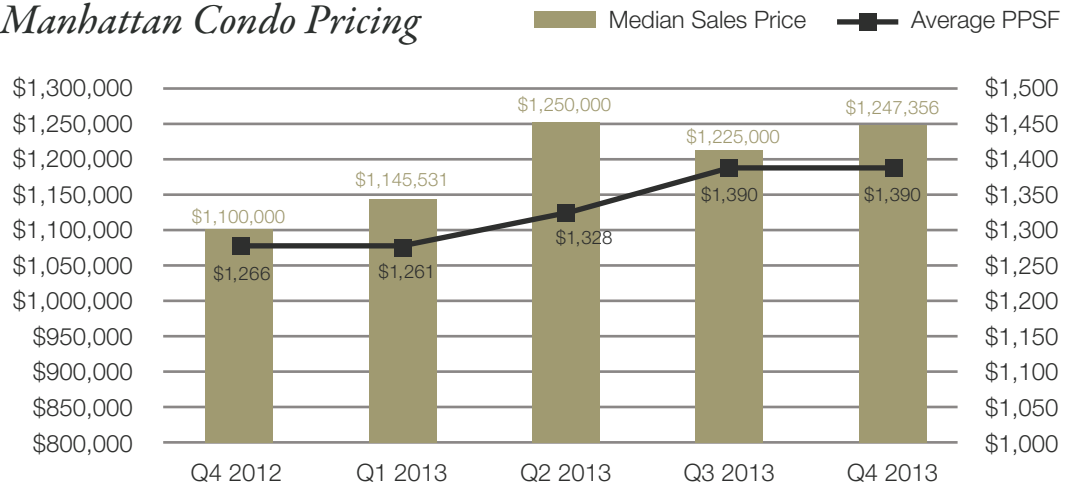
Condominium sales represented fewer sales transactions than co-ops, accounting for approximately 41% of closed sales with generally positive and substantial price movements in the fourth quarter of 2013. The average price of a Manhattan condo increased 5.77% quarter-over-quarter, from \$1,852,147, to \$1,958,958, while increasing 16.12% year-over-year. Simultaneous positive price movement was also seen in average price per square foot and median sales prices both year-over-year and quarter-over-quarter. Lastly, limited inventory mixed with high demand has led to a mere 85 median days on market for the fourth quarter of 2013.

Manhattan Condo Sales	Q4 2013	% Change (Qrt)	Q3 2013	% Change (YOY)	Q4 2012
Average Sales Price	\$1,958,958	5.77%	\$1,852,147	16.12%	\$1,687,073
Average Price per SF	\$1,390	0.00%	\$1,390	9.82%	\$1,266
Median Sales Price	\$1,247,356	1.82%	\$1,225,000	13.40%	\$1,100,000
Median Price per SF	\$1,284	1.66%	\$1,263	11.94%	\$1,147
Median Days on Market	85	-29.75%	121	-	N/A
Median Sales Discount	-5.10%	-	-5.20%	-	N/A
Median Sales Premium	2.80%	-	3.70%	-	N/A

Source: TOWN Residential

The following chart displays both condo median price and average price per square foot from Q4 2012 through Q4 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
Q4 2013	\$575,000	\$891,000	\$1,835,000	\$3,218,698
Q3 2013	\$605,250	\$860,000	\$1,775,000	\$3,456,250
Q2 2013	\$580,000	\$887,500	\$1,760,000	\$3,064,647
Q1 2013	\$590,000	\$816,000	\$1,613,000	\$3,100,000

Source: TOWN Residential



# MANHATTAN CO-OPS

In the fourth quarter of 2013, price movement for co-ops was generally flat with minimal pricing decreases. The average sale price of a Manhattan co-op decreased by approximately 5.02% quarter-over-quarter, from \$1,191,122 to \$1,131,369, while the year-over-year decrease from \$1,143,825 represented a 1.09% decrease. Similarly, quarter-over-quarter median co-op prices decreased 5.71% from \$700,000 to \$660,000 while the median days on market remained fairly low at approximately 92 for the fourth quarter.

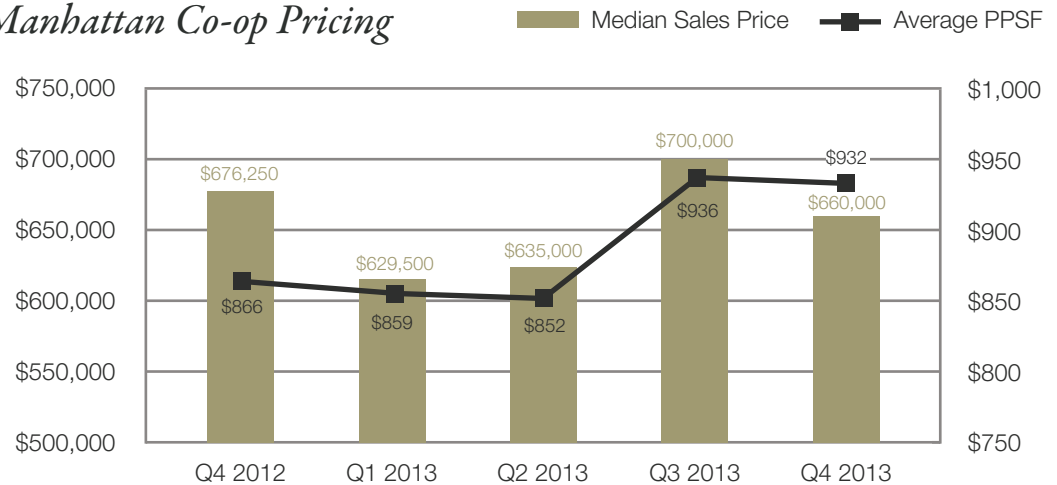
Manhattan Co-op Sales*	Q4 2013	% Change (Qrt)	Q3 2013	% Change (YOY)	Q4 2012
Average Sales Price	\$1,131,369	-5.02%	\$1,191,122	-1.09%	\$1,143,825
Average Price per SF	\$932	-0.43%	\$936	7.62%	\$866
Median Sales Price	\$660,000	-5.71%	\$700,000	-2.40%	\$676,250
Median Price per SF	\$844	0.00%	\$844	7.79%	\$783
Median Days on Market	92	1.1%	91	-	N/A
Median Sales Discount	-5.40%	-	-5.00%	-	N/A
Median Sales Premium	4.60%	-	4.30%	-	N/A

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

Source: TOWN Residential

The following chart displays co-op median price along with average price per square foot from Q4 2012 through to Q4 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
Q4 2013	\$382,500	\$587,000	\$1,150,000	\$2,227,500
Q3 2013	\$385,000	\$600,000	\$1,100,000	\$2,350,000
Q2 2013	\$360,000	\$575,000	\$1,110,000	\$2,275,000
Q1 2013	\$325,000	\$531,000	\$996,000	\$1,685,000

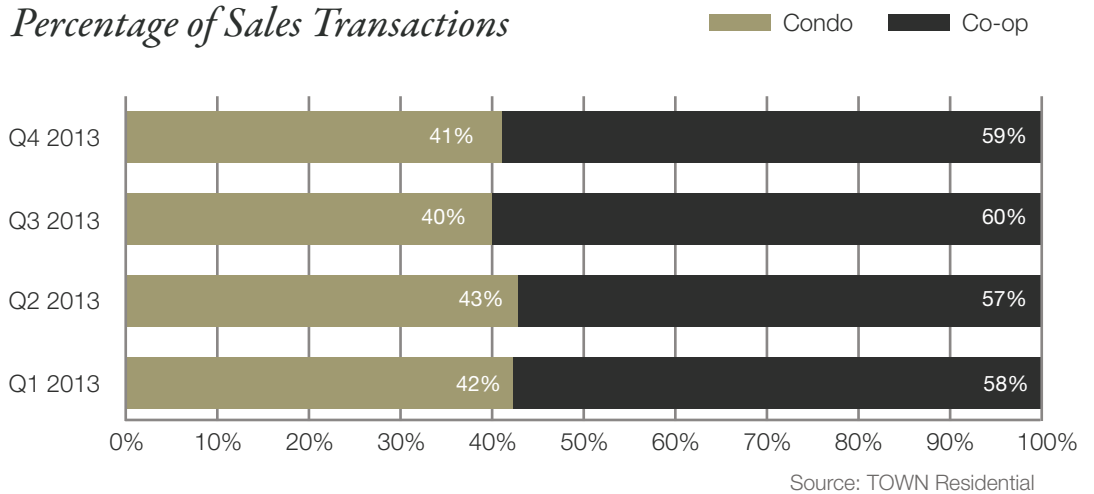
Source: TOWN Residential



# MANHATTAN CONDO/CO-OP DIFFERENTIALS

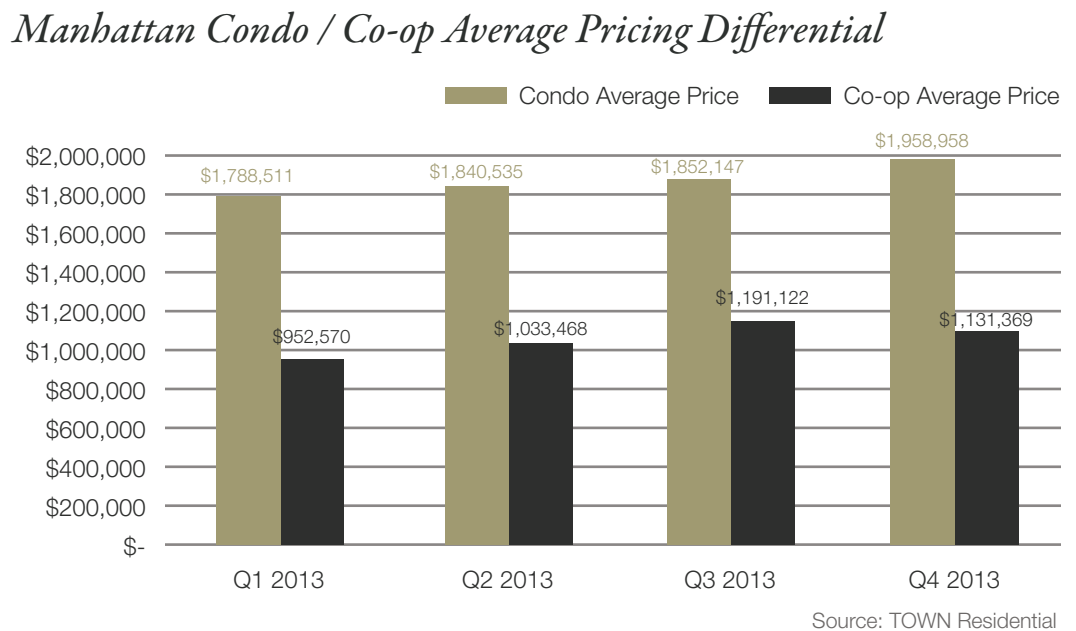
In the fourth quarter of 2013, co-ops accounted for approximately 59% of Manhattan apartment sales transactions, while condos accounted for approximately 41% of sales.

The following chart displays the breakdown of Manhattan apartment sales market-wide by category for the past four consecutive quarters, between Q1 2013 and Q4 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 fourth quarter of 2013, the average sale price of a Manhattan condo was \$1,958,958; the average co-op sale price was significantly less at \$1,131,369.

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 Q1 2013 and Q4 2013.

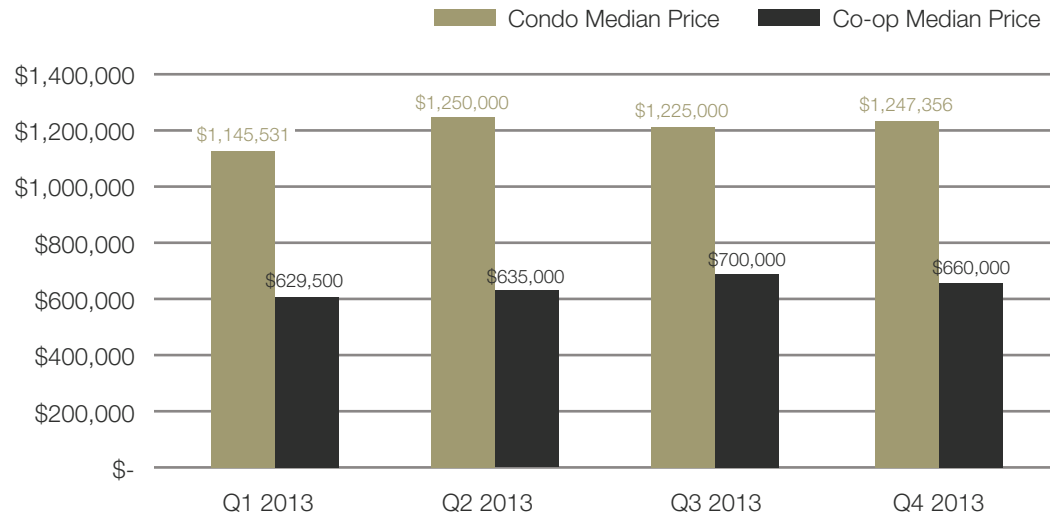


# MANHATTAN CONDO/CO-OP DIFFERENTIALS

The median sale price of a Manhattan condo for Q4 2013 was \$1,247,356; for co-ops, median price was \$660,000.

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 Q1 2013 and Q4 2013.

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



Source: TOWN Residential





# LUXURY MARKET

Luxury sales are a unique subset of the Manhattan residential market, consisting of the top ten percent of apartment sales by price, excluding townhouses. These sales are typically from high-end products such as larger two- and three-or-more bedrooms. In the fourth quarter of 2013, the entry level price in this category increased to approximately \$3.05 million, and average price increased 5.00% quarter-over-quarter from \$5,522,139 to \$5,798,051. Simultaneously, median price increased 10.94% from \$4,150,000 to \$4,604,019 quarter-over-quarter, while the number of days on market increased slightly to 126 days to closing.

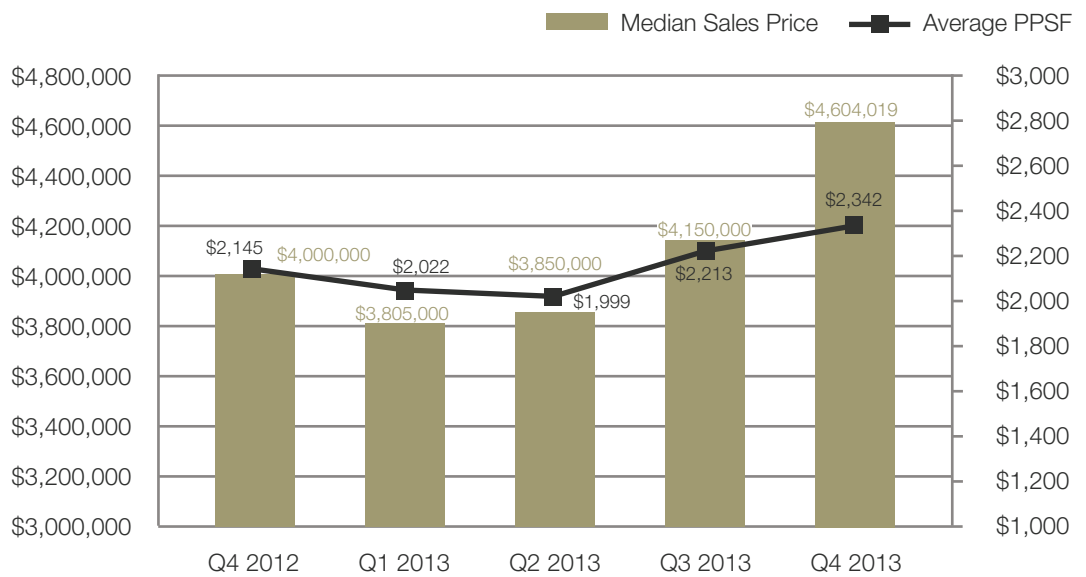
Manhattan Luxury Market*	Q4 2013	% Change (Qrt)	Q3 2013	% Change (YOY)	Q4 2012
Average Sales Price	\$5,798,051	5.00%	\$5,522,139	16.85%	\$4,962,112
Average Price per SF	\$2,342	5.83%	\$2,213	9.18%	\$2,145
Median Sales Price	\$4,604,019	10.94%	\$4,150,000	15.10%	\$4,000,000
Median Price per SF	\$1,973	3.52%	\$1,906	4.84%	\$1,882
Median Days on Market	126	10.53%	114	–	N/A
Median Sales Discount	-7.70%	–	-6.90%	–	N/A
Median Sales Premium	3.90%	–	3.80%	–	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 sales prices for Manhattan townhouses increased 27.62% between Q3 2013 and Q4 2013, average price per square foot decreased by 0.54% 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. However, interesting enough, median price showed both quarter-over-quarter and year-over-year increases.

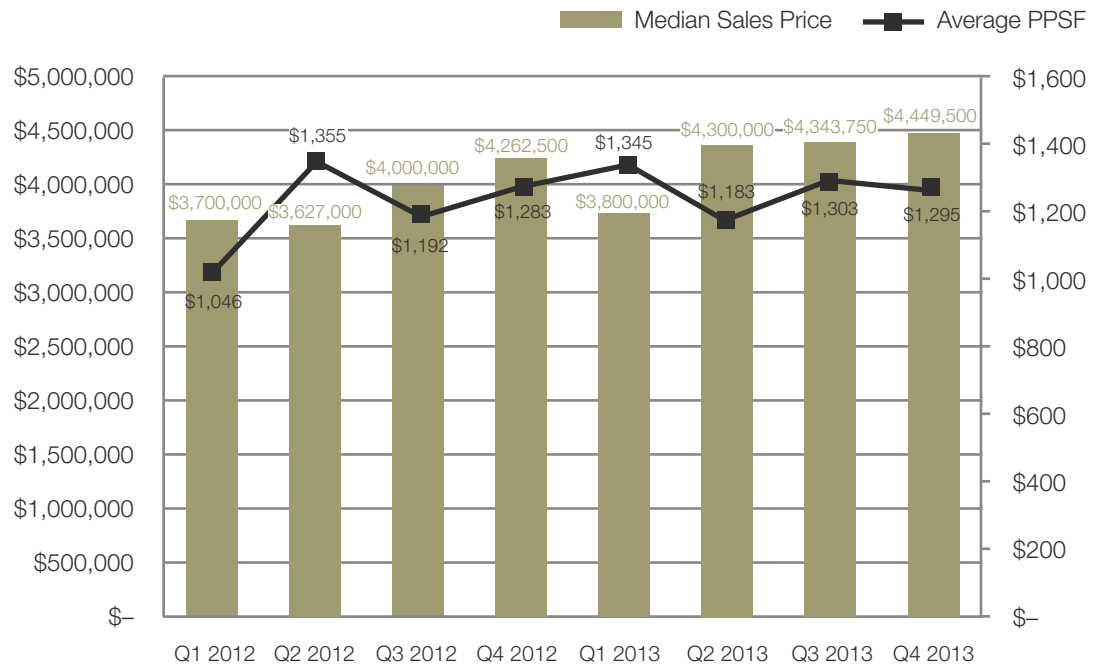
Manhattan Townhouse Sales*	Q4 2013	% Change (Qrt)	Q3 2013	% Change (YOY)	Q4 2012
Average Sales Price	\$5,833,520	27.62%	\$4,571,041	-0.92%	\$5,887,742
Average Price per SF	\$1,295	-0.54%	\$1,302	0.93%	\$1,283
Median Sales Price	\$4,449,500	2.43%	\$4,343,750	4.39%	\$4,262,500
Median Price per SF	\$1,190	-7.22%	\$1,282	-6.78%	\$1,276

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

Source: TOWN Residential

The following chart depicts median sale pricing of Manhattan townhouses alongside their average price-per-square-foot dollar value between Q1 2012 and Q4 2013.

*Manhattan Townhouse Median Sale Price & Average PPSF*



Source: TOWN Residential



# NEIGHBORHOOD BREAKDOWN

Each major Manhattan neighborhood showed mixed but generally positive pricing trends during the fourth quarter of 2013.

Uptown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2013	\$268,710	\$345,000	\$502,500	\$850,500
Q3 2013	\$308,500	\$360,000	\$447,500	\$907,000
Q2 2013	\$280,000	\$352,000	\$510,000	\$787,500
Q1 2013	\$270,000	\$369,000	\$495,000	\$890,000

\*Approximately north of both East 96<sup>th</sup> Street and West 110<sup>th</sup> Street

Upper West Side*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2013	\$425,000	\$660,000	\$1,385,000	\$2,749,275
Q3 2013	\$408,019	\$695,000	\$1,452,000	\$2,499,000
Q2 2013	\$380,000	\$655,000	\$1,310,000	\$2,425,000
Q1 2013	\$415,000	\$660,000	\$1,295,000	\$2,797,500

\*Approximately 59<sup>th</sup> Street to 110<sup>th</sup> Street

Upper East Side*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2013	\$372,500	\$603,500	\$1,312,500	\$3,150,000
Q3 2013	\$330,000	\$627,500	\$1,350,000	\$3,300,000
Q2 2013	\$349,000	\$599,000	\$1,382,500	\$2,607,500
Q1 2013	\$330,000	\$580,000	\$1,237,500	\$2,710,395

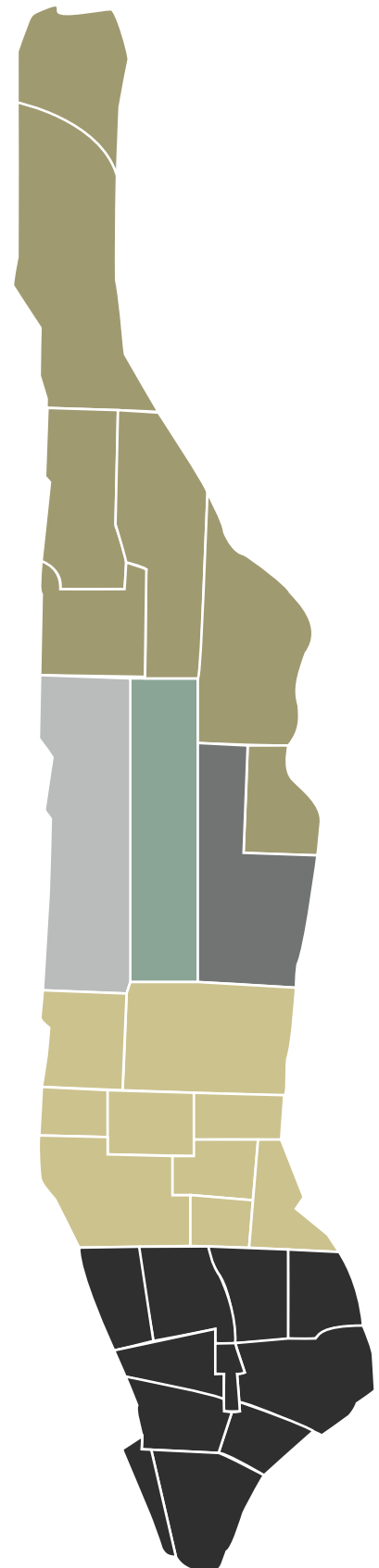
\*Approximately 59<sup>th</sup> Street to 96<sup>th</sup> Street

Midtown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2013	\$447,000	\$707,500	\$1,550,000	\$2,540,000
Q3 2013	\$432,000	\$720,000	\$1,506,000	\$2,835,000
Q2 2013	\$410,000	\$745,000	\$1,500,158	\$2,887,500
Q1 2013	\$395,000	\$665,000	\$1,280,000	\$2,700,000

\*Approximately 23<sup>rd</sup> Street to 59<sup>th</sup> Street

Downtown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2013	\$530,000	\$852,500	\$1,906,882	\$3,383,571
Q3 2013	\$550,000	\$818,750	\$1,750,000	\$3,580,000
Q2 2013	\$545,000	\$815,000	\$1,730,000	\$3,020,000
Q1 2013	\$550,000	\$725,500	\$1,833,788	\$3,443,992

\*Approximately below 23<sup>rd</sup> Street



# END NOTES

## *Data Sources*

Primary data sources consulted for the analysis of Manhattan condominium, cooperative and townhouse sale transactions as reported in *The Aggregate*™ Q4 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 2,180 closed sales transactions recorded in the aforementioned period, 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 and the final sales price; expressed as a percentage of the final sales price
- **Sales Premium:** the difference between the original asking price 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 based on final sales prices, excluding townhouses

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