

TOWN

THE AGGREGATE™
1ST QUARTER 2014

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 January through March 2014, and compares those transaction values with quarter-over and year-over values.

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 first quarter of 2014 has seen an overall climb in asset prices as sales continued to pick up slightly through the start of the year, despite lower inventory levels. This trend has been present despite mixed economic indicators. For example, amidst rising interest rates and significantly lower levels of building permits issued within New York's five boroughs, the overall market experienced almost across the board increases in pricing throughout every product type. New York appears to have remained an active environment for real estate investment, development, and a potential safe-haven for domestic and international funds alike.

The statistics presented in this edition of *The Aggregate*™ represent a sample of 2,385 transactions market-wide in the first quarter of 2014. This quarter, we saw market-wide quarter-over-quarter and year-over-year increases in average apartment sales of approximately 14% and 29% respectively. The dramatic year-over-year price increases this quarter should be taken with a grain of salt considering that the first quarter of 2013 suffered significant near across the board price decreases. Increases in market prices were seen primarily in condominiums and the luxury market. With a noticeable increase in high-end sales this quarter, it appears as though buyers continued to rush to lock in rates at desirable levels, as evidenced by lower numbers of days on market. Luckily, despite the increased pace of many sales, the inventory shortage has shown some sign of letting up as the absorption rate demonstrated a slight up-tick from 3.10 months last quarter to 3.99 months of supply this quarter.

Our chief objective is to present an authentic, transparent and credible information resource with a clear-cut methodology and simple presentation that TOWN's 570 neighborhood experts could share confidently. TOWN is proud to present a trusted compendium 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 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** 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 first quarter of 2014 saw significant 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 14.29%, from \$1,472,808 to \$1,683,216, while the median sales price drew a quarter-over-quarter increase of 9.52%, from \$840,000 to \$920,000. The lower supply of inventory likely increased prices with a concurrent increase in competition. This is evidenced by a slightly lower median number of days on the market, which decreased from 90 to 81 quarter-over-quarter. Additionally, it should be noted that the absorption rate began to finally tick-up to approximately 3.99 months of supply signaling a slight letting up of the inventory shortage as we enter 2014.

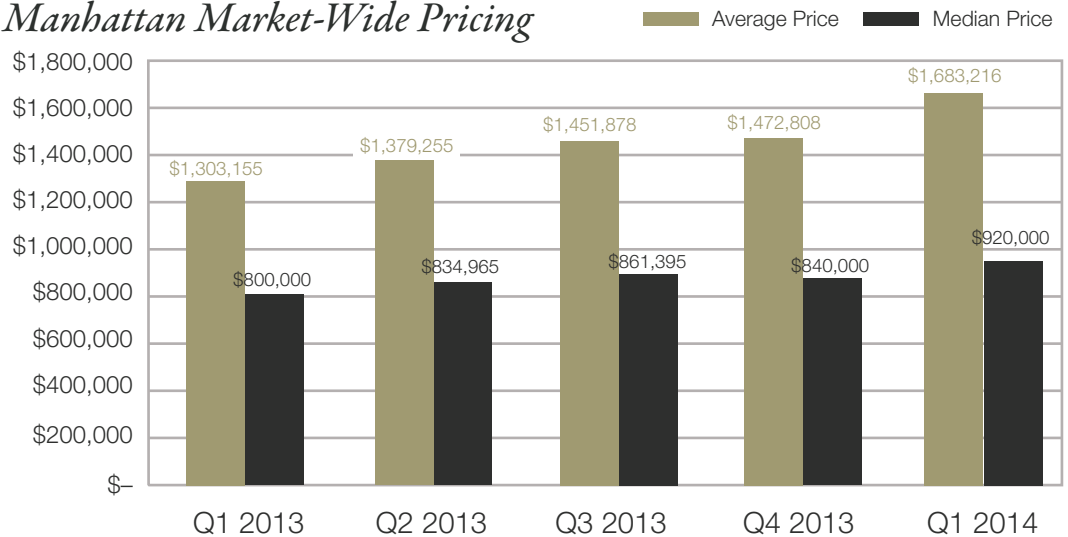
Manhattan Market-Wide Metrics*	Q1 2014	% Change (Qrt)	Q4 2013	% Change (YOY)	Q1 2013
Average Sales Price	\$1,683,216	14.29%	\$1,472,808	29.16%	\$1,303,155
Average Price per SF	\$1,319	9.46%	\$1,205	21.57%	\$1,085
Median Sales Price	\$920,000	9.52%	\$840,000	15.00%	\$800,000
Median Price per SF	\$1,180	7.76%	\$1,095	19.80%	\$985
Absorption Rate (In Months)	3.99	28.71%	3.10	—	N/A
Median Days on Market	81	-10.00%	90	—	110
Median Sales Discount	-5.05%	—	-5.30%	—	-5.75%
Median Sales Premium	4.30%	—	3.55%	—	2.60%

*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 Q1 2013 through Q1 2014.

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
Q1 2014	\$429,000	\$711,250	\$1,473,231	\$3,127,831
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

Source: TOWN Residential



MANHATTAN MARKET-WIDE

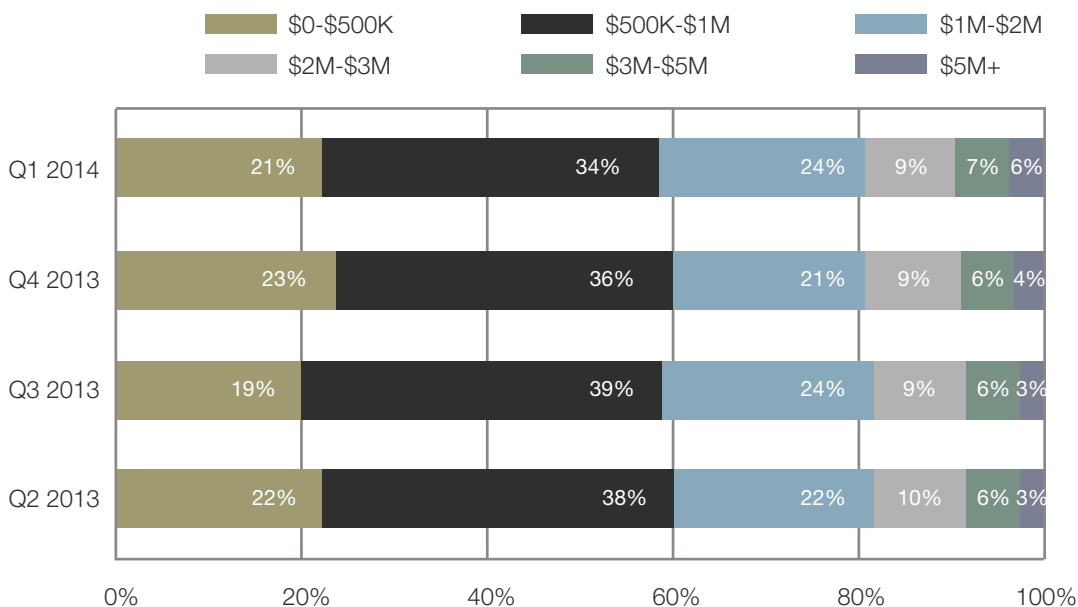
A breakdown of sales transactions between January and March 2014 by pricing category reveals Manhattan apartment sales between \$500,000–\$1 million represented the largest category of sales activity market-wide. The same can be said for the past four consecutive quarters, stretching back through Q2 2013.

Quarter-over-quarter decreases in the number of sales priced under \$1 million were greatly overshadowed by increases in apartments priced \$1,000,000 and above. In fact all higher end apartments saw an increase quarter-over-quarter with the sole exception of those priced between \$2,000,000 to \$3,000,000, which remained flat at 9% of transactions.

Clearly, if priced appropriately, apartments sold with greater ease. Lastly, the 2% increase in apartments priced above \$5 million was primarily due to greater activity in the high-end condo market and resulted in a significant 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 Q2 2013 and Q1 2014.

*Percentage of Sales by Price Range**



*Percentages may not sum to 100 due to rounding

Source: TOWN Residential



MANHATTAN CONDOS

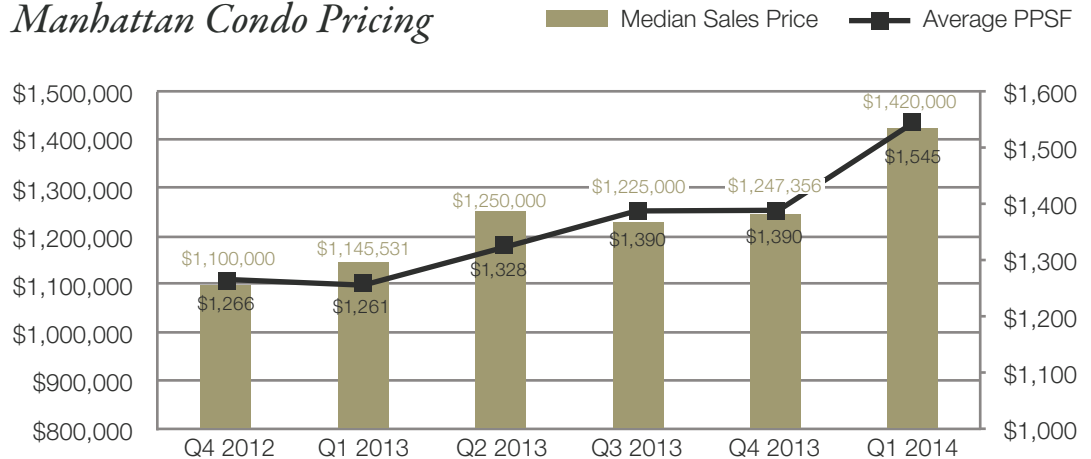
Condominium sales represented fewer sales transactions than co-ops, accounting for approximately 43% of closed sales with positive and significant price movements in the first quarter of 2014. The average price of a Manhattan condo increased 18.18% quarter-over-quarter, from \$1,958,958 to \$2,315,053, while increasing 29.44% 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 74 median days on market for the first quarter of 2014.

Manhattan Condo Sales	Q1 2014	% Change (Qrt)	Q4 2013	% Change (YOY)	Q1 2013
Average Sales Price	\$2,315,053	18.18%	\$1,958,958	29.44%	\$1,788,511
Average Price per SF	\$1,545	11.15%	\$1,390	22.52%	\$1,261
Median Sales Price	\$1,420,000	13.84%	\$1,247,356	23.96%	\$1,145,531
Median Price per SF	\$1,383	7.71%	\$1,284	18.92%	\$1,163
Median Days on Market	74	-12.94%	85	—	110
Median Sales Discount	-5.20%	—	-5.10%	—	-5.90%
Median Sales Premium	3.30%	—	2.80%	—	1.80%

Source: TOWN Residential

The following chart displays both condo median price and average price per square foot from Q4 2012 through Q1 2014.

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
Q1 2014	\$600,768	\$975,000	\$1,731,025	\$3,384,663
Q4 2013	\$575,000	\$891,000	\$1,835,000	\$3,281,698
Q3 2013	\$605,250	\$860,000	\$1,775,000	\$3,456,250
Q2 2013	\$580,000	\$887,500	\$1,760,000	\$3,064,647

Source: TOWN Residential



MANHATTAN CO-OPS

In the first quarter of 2014, price movement for co-ops was generally positive with minimal pricing decreases. The average sale price of a Manhattan co-op increased by approximately 9.85% quarter-over-quarter, from \$1,131,369 to \$1,242,832, while the year-over-year increased from \$952,570. Similarly, quarter-over-quarter median co-op prices increased 6.06% from \$660,000 to \$700,000 while the median days on market increased slightly to 99 for the first quarter.

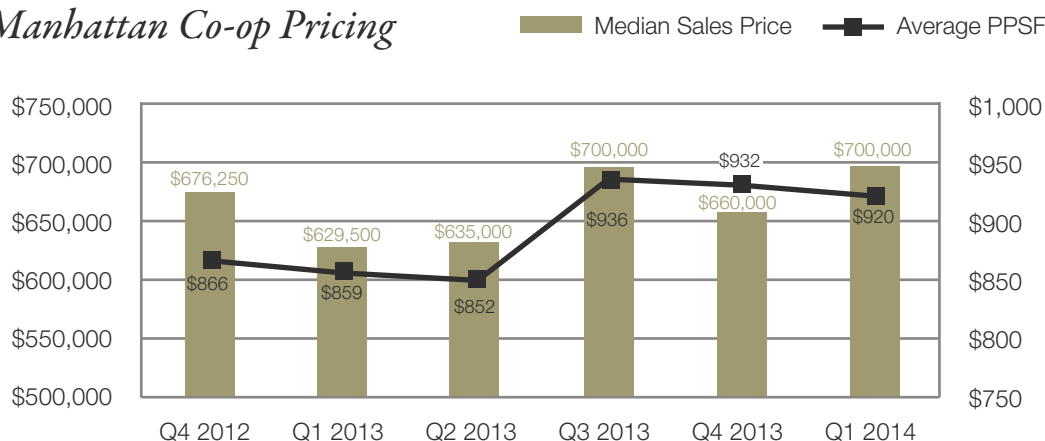
Manhattan Co-op Sales*	Q1 2014	% Change (Qrt)	Q4 2013	% Change (YOY)	Q1 2013
Average Sales Price	\$1,242,832	9.85%	\$1,131,369	30.47%	\$952,570
Average Price per SF	\$920	-1.29%	\$932	7.10%	\$859
Median Sales Price	\$700,000	6.06%	\$660,000	11.20%	\$629,500
Median Price per SF	\$851	0.83%	\$844	7.04%	\$795
Median Days on Market	99	7.60%	92	-	111
Median Sales Discount	-5.00%	-	-5.40%	-	-5.70%
Median Sales Premium	5.35%	-	4.60%	-	3.70%

*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 Q1 2014.

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
Q1 2014	\$390,000	\$610,000	\$1,230,000	\$2,450,000
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

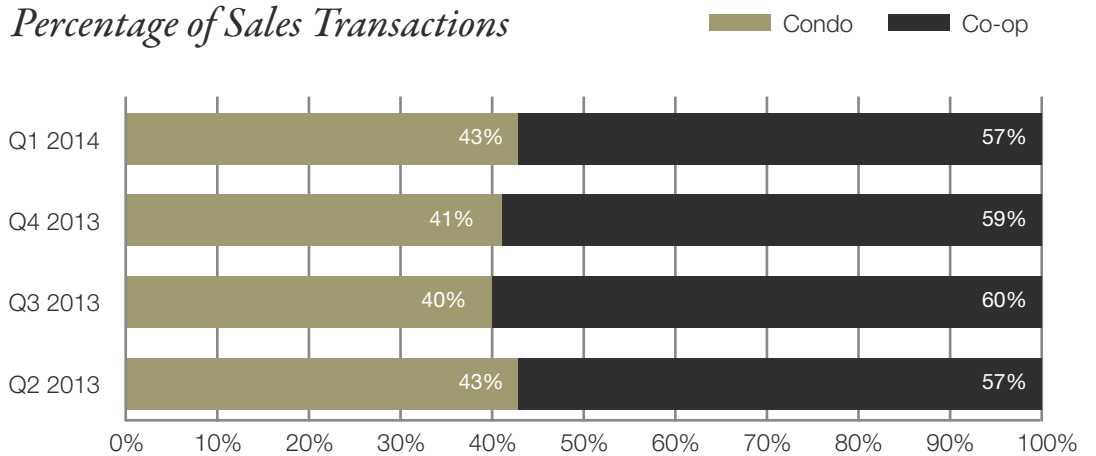
Source: TOWN Residential



MANHATTAN CONDO/CO-OP DIFFERENTIALS

In the first quarter of 2014, 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 Q2 2013 and Q1 2014.

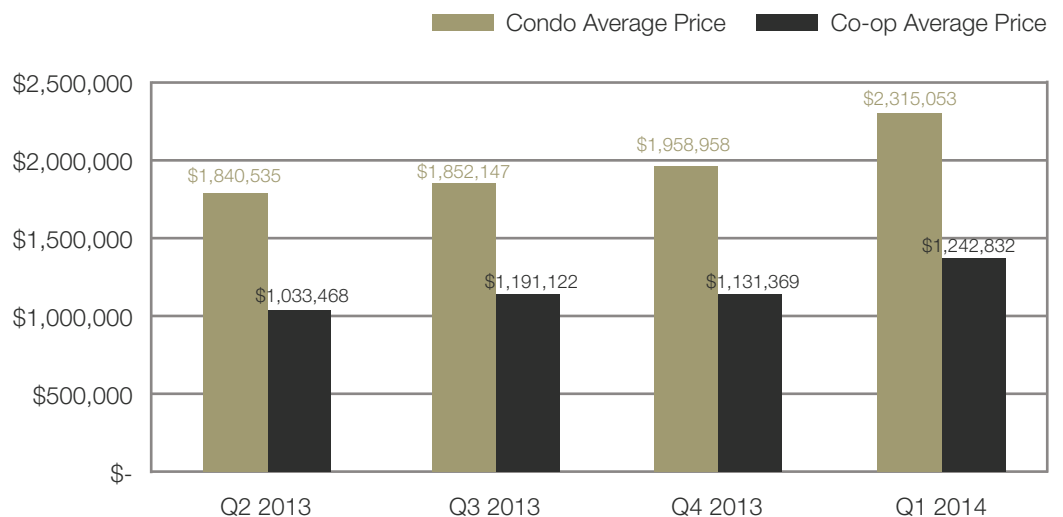


Source: TOWN Residential

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 first quarter of 2014, the average sale price of a Manhattan condo was \$2,315,053; the average co-op sale price was significantly less at \$1,242,832.

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 Q2 2013 and Q1 2014.

Manhattan Condo / Co-op Average Pricing Differential



Source: TOWN Residential

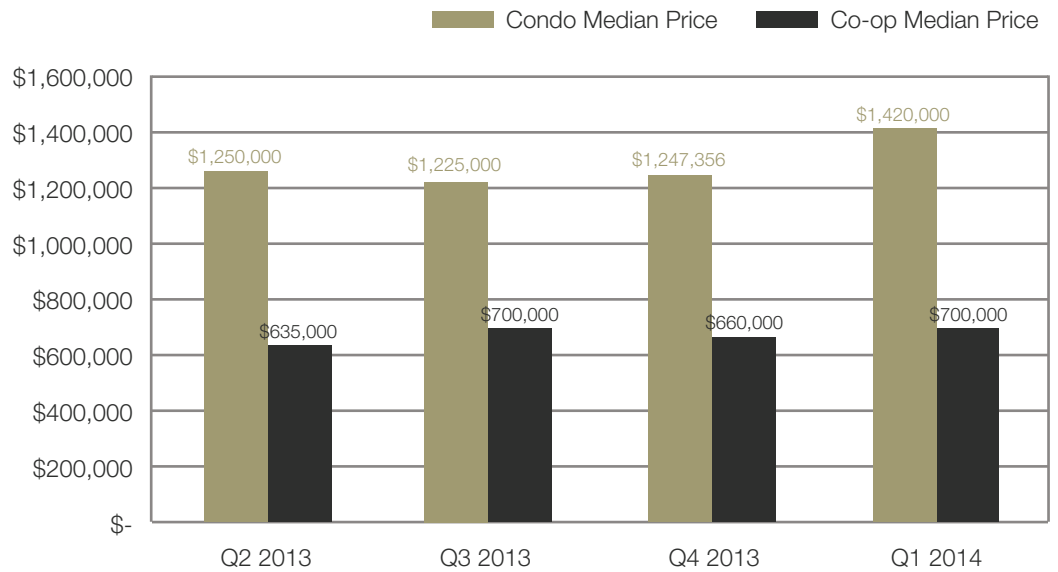


MANHATTAN CONDO/CO-OP DIFFERENTIALS

The median sale price of a Manhattan condo for Q1 2014 was \$1,420,000; for co-ops, median price was \$700,000.

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 Q2 2013 and Q1 2014.

Manhattan Condo / Co-op Median Pricing Differential



Source: TOWN Residential



LUXURY MARKET

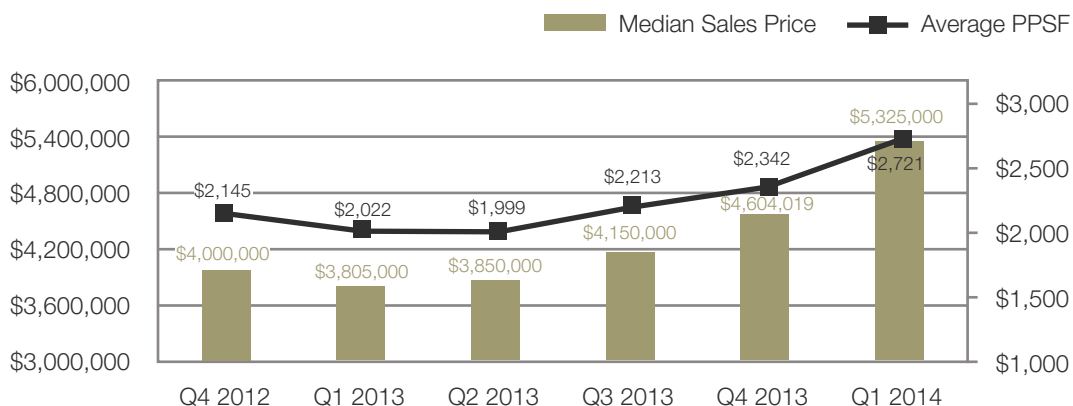
Luxury sales are a unique subset of the Manhattan residential market, consisting of the top 10 percent of apartment sales by price, excluding townhouses. These sales are typically from high-end products such as larger two- and three-or-more bedrooms. In the first quarter of 2014, the entry-level price in this category increased to approximately \$3.5 million, and average price increased over 19% quarter-over-quarter from \$5,798,051 to \$6,956,325. Simultaneously, median price increased over 15% from \$4,604,019 to \$5,325,000 quarter-over-quarter, while the number of days on market decreased to 91 days to closing.

Manhattan Luxury Market*	Q1 2014	% Change (Qrt)	Q4 2013	% Change (YOY)	Q1 2013
Average Sales Price	\$6,956,325	19.98%	\$5,798,051	45.13%	\$4,793,095
Average Price per SF	\$2,721	16.18%	\$2,342	34.57%	\$2,022
Median Sales Price	\$5,325,000	15.66%	\$4,604,019	39.95%	\$3,805,000
Median Price per SF	\$2,180	10.49%	\$1,973	28.46%	\$1,697
Median Days on Market	91	-27.78%	126	–	113
Median Sales Discount	-4.60%	–	-7.70%	–	-5.80%
Median Sales Premium	6.65%	–	3.90%	–	2.60%

*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. However, in the current period, townhouses increased in average, median prices and price per square foot both year-over-year and quarter-over-quarter. Average prices increased by approximately 5% quarter-over while increasing a further 22% year-over-year. However, it should be noted that each townhouse is an inherently unique product, and therefore it is difficult to make comparisons in the selected transactions that occurred between quarters.

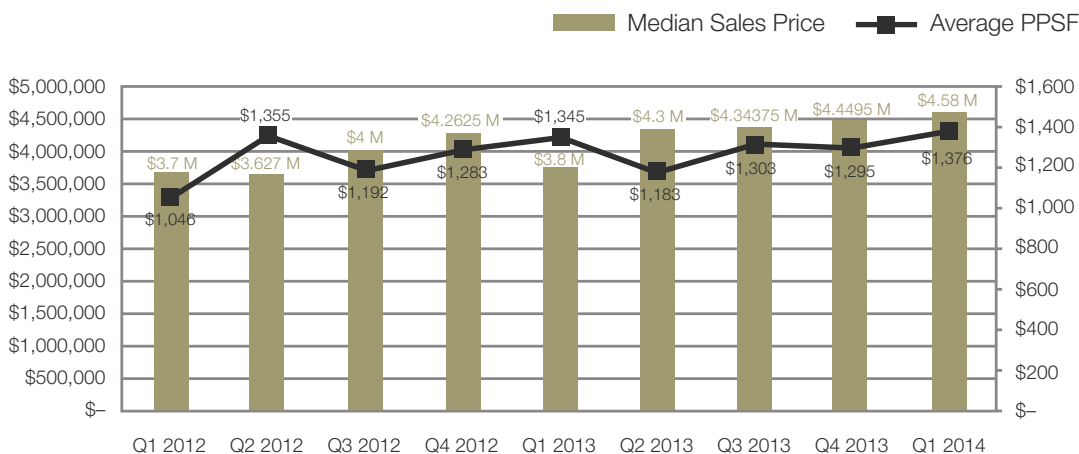
Manhattan Townhouse Sales*	Q1 2014	% Change (Qrt)	Q4 2013	% Change (YOY)	Q1 2013
Average Sales Price	\$6,145,599	5.35%	\$5,833,520	22.52%	\$5,015,821
Average Price per SF	\$1,376	6.26%	\$1,295	2.30%	\$1,345
Median Sales Price	\$4,580,000	2.93%	\$4,449,500	20.53%	\$3,800,000
Median Price per SF	\$1,333	12.06%	\$1,190	0.30%	\$1,329

*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 first quarter of 2014.

Uptown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$220,000	\$355,000	\$570,000	\$835,000
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

*Approximately north of both East 96th Street and West 110th Street

Upper West Side*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$429,000	\$756,750	\$1,427,000	\$2,570,586
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

*Approximately 59th Street to 110th Street

Upper East Side*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$345,000	\$656,666	\$1,375,000	\$3,505,204
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

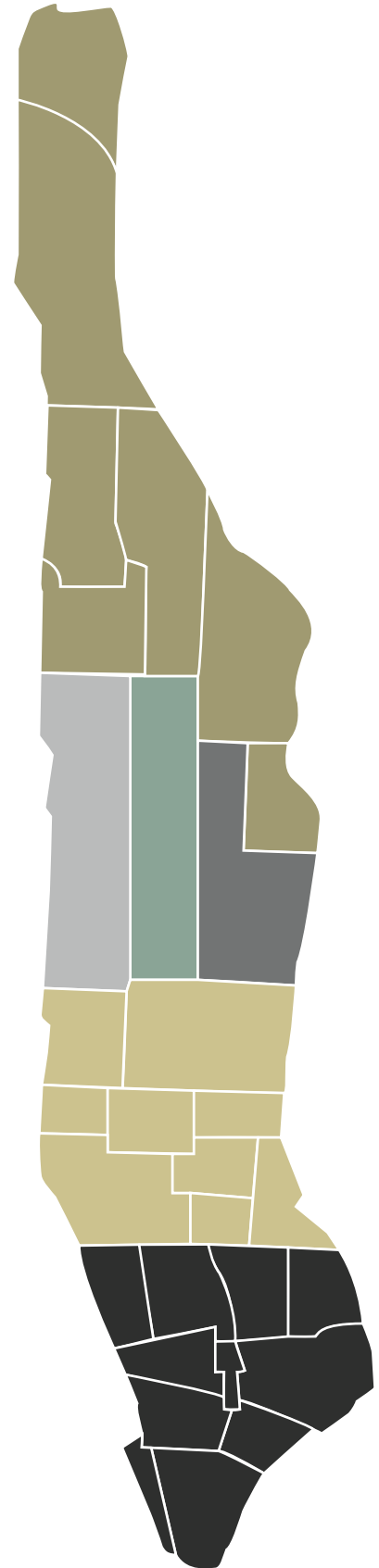
*Approximately 59th Street to 96th Street

Midtown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$413,250	\$749,500	\$1,740,000	\$3,495,000
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

*Approximately 23rd Street to 59th Street

Downtown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$565,000	\$885,000	\$1,751,390	\$3,495,000
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

*Approximately below 23rd 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*™ Q1 2014 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 2,385 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
- **Absorption Rate:** defined in terms of how many months it would take to sell the current inventory based on the rate of home sales over the last six months

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