

3RD QUARTER 2016

OVERVIEW

After showing signs of slowing down, the Manhattan apartment market surged back to life over the summer as more new luxury condo development closings hit the tape. The average sales price for Q3 was \$2,033,215, which is a 13.5% improvement from last year, and a 2.3% improvement from last quarter. The median price was \$1,125,000, which is an 8.2% increase from last year, but a slight 2.1% decrease from last quarter. Despite the rising average and median sales price figures, the median price per square foot in Q3 was \$1,345, which represents a decrease of 2.65% and 1.52% on a quarterly and year-over-year basis, respectively. Days on market, although 9% higher than this time last year, reflected signs of market activity by shrinking 14.3% from 56 to 48 days.

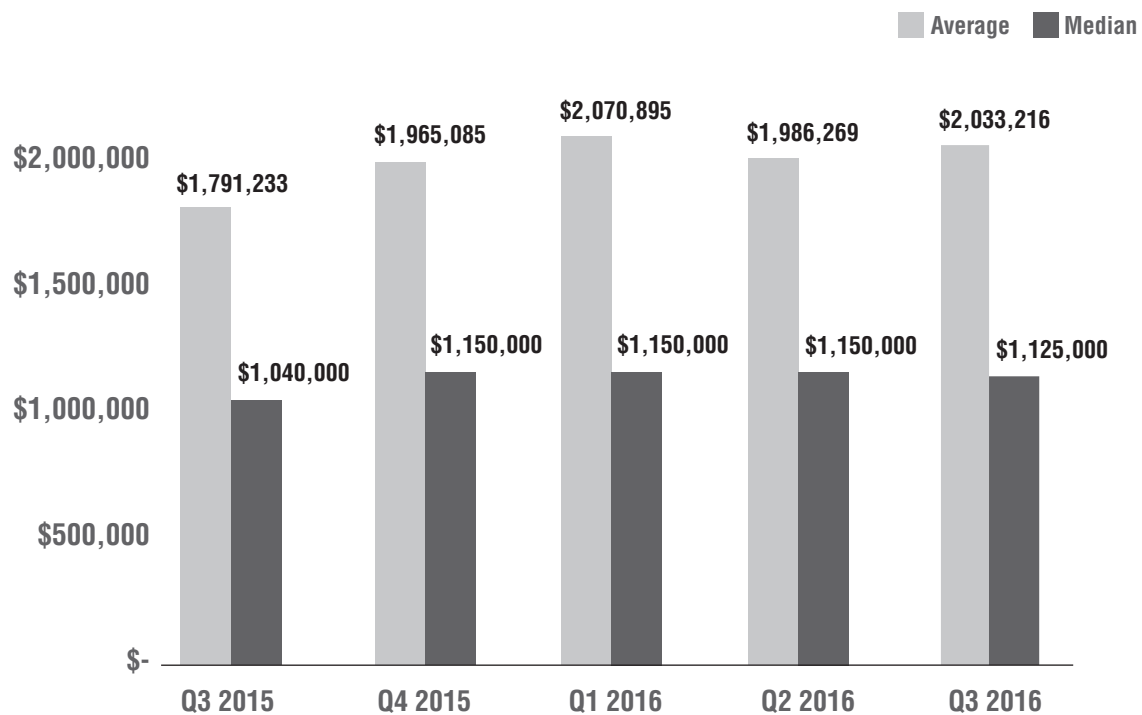
In the Manhattan condo market, the above mentioned renewed strength in luxury new development closings pushed the average price 26.4% higher to \$2,870,861 from the same period last year. This increase was noted on a quarterly basis as well, with prices increasing nearly 15% since Q2. The median sales price figures were also strong, showing 9.9% and 6.5% gains on a year-over-year and quarterly basis, respectively. Year-over-year and quarterly increases in the price per square foot of 4% and 1.8% also confirm the sustained demand trend. While days on market increased 15% from the prior year, and 2.5% from the prior quarter, it remains relatively brisk at 61 days.

The more stable Manhattan co-op market remained relatively unchanged from last year, with average prices coming in 0.05% lower at \$1,240,878. Separated from the new luxury condo developments, the average price of co-ops declined 4.5% from last quarter. Median sales, however, showed both year-over-year and quarterly improvement, rising 4% and 1.3% respectively to \$790,000. This improvement is confirmed by the falling time it took to sell a co-op in Q3, with days on market falling nearly 22% from last quarter to 40 days, equal to the same time last year.

Looking ahead, despite strong market-wide numbers, the hectic pace of luxury new developments is beginning to wane, which we expect to pressure prices. Looking at the existing resale market, we see buyers and sellers adapting to the new realities of slowly increasing inventory, as well as political and macro-economic uncertainties. While Manhattan still remains a "seller's market", buyers are slowly gaining leverage as deal volume slows and record setting prices become fewer. All in all, as we enter the fourth quarter, the market forces appear relatively balanced after years of strongly favoring sellers.

MANHATTAN MARKET-WIDE

Market Wide	Q3 2016	% Change	Q2 2016	% Change YOY	Q3 2015
Average Sales Price	\$2,033,215	2.4%	\$1,986,269	13.5%	\$1,791,233
Average Price per SF	\$1,501	1.4%	\$1,481	4.0%	\$1,443
Median Sales Price	\$1,125,000	-2.2%	\$1,150,000	8.2%	\$1,040,000
Median Price per SF	\$1,345	-2.7%	\$1,381	-1.5%	\$1,365
Median Days on Market	48	-14.3%	56	9.1%	44
Median Sales Discount			-5.5%		-4.9%
Median Sales Premium			2.3%		3.3%

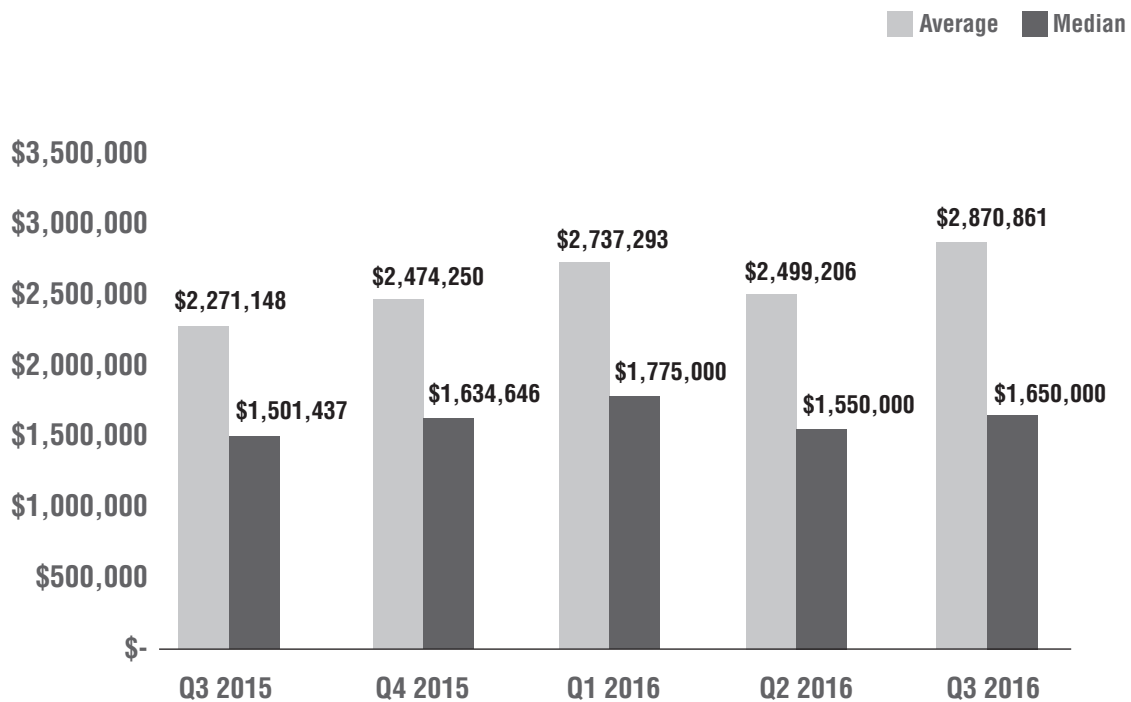


Market-Wide	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$500,000	\$810,000	\$1,656,000	\$3,500,000
Q4 2015	\$499,998	\$823,750	\$1,691,500	\$4,148,706
Q1 2016	\$510,500	\$825,000	\$1,775,000	\$3,875,000
Q2 2016	\$525,000	\$850,000	\$1,642,500	\$3,731,250
Q3 2016	\$519,500	\$820,000	\$1,600,000	\$3,791,250

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

MANHATTAN CONDOS

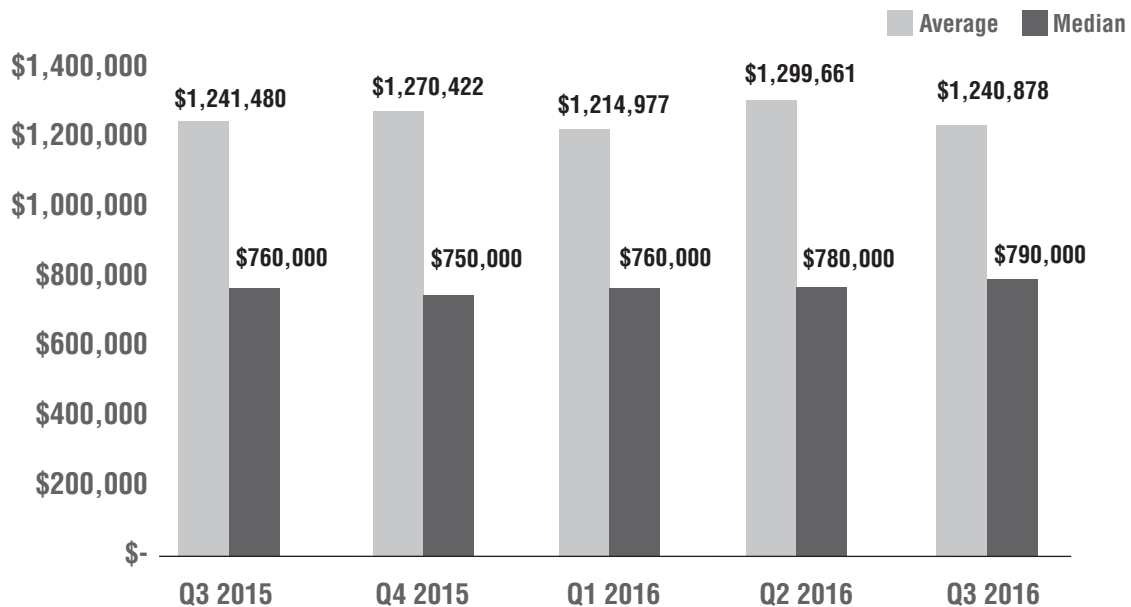
Condo	Q3 2016	% Change	Q2 2016	% Change YOY	Q3 2015
Average Sales Price	\$2,870,861	14.9%	\$2,499,206	26.4%	\$2,271,148
Average Price per SF	\$1,736	4.0%	\$1,669	6.9%	\$1,624
Median Sales Price	\$1,650,000	6.5%	\$1,550,000	9.9%	\$1,501,437
Median Price per SF	\$1,595	1.8%	\$1,566	4.1%	\$1,533
Median Days on Market	61	2.5%	60	15.2%	53
Median Sales Discount			-5.7%		-4.9%
Median Sales Premium			1.8%		2.0%



Condo	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$689,000	\$1,018,750	\$1,975,405	\$4,397,500
Q4 2015	\$681,114	\$1,040,000	\$2,035,000	\$4,500,000
Q1 2016	\$635,000	\$1,098,000	\$2,275,000	\$5,190,529
Q2 2016	\$655,000	\$1,050,000	\$2,050,000	\$4,685,950
Q3 2016	\$663,500	\$1,035,000	\$1,980,000	\$4,934,227

MANHATTAN CO-OPS

COOP	Q3 2016	% Change	Q2 2016	% Change YOY	Q3 2015
Average Sales Price	\$1,240,878	-4.5%	\$1,299,661	-0.1%	\$1,241,480
Average Price per SF	\$1,120	3.1%	\$1,086	3.6%	\$1,081
Median Sales Price	\$790,000	1.3%	\$780,000	4.0%	\$760,000
Median Price per SF	\$1,042	4.2%	\$1,000	6.5%	\$978
Median Days on Market	40	-21.6%	51	0.0%	40
Median Sales Discount			-4.9%		-5.0%
Median Sales Premium			3.5%		4.1%



CO-OPs	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$422,500	\$695,000	\$1,283,500	\$2,695,000
Q4 2015	\$419,500	\$700,000	\$1,325,000	\$2,962,500
Q1 2016	\$435,000	\$697,000	\$1,300,000	\$2,786,000
Q2 2016	\$430,000	\$695,000	\$1,283,000	\$2,875,000
Q3 2016	\$450,000	\$725,000	\$1,350,000	\$2,495,000

NEIGHBORHOOD BREAKDOWN

Below is a snapshot of the market broken down by major Manhattan neighborhood from 3rd quarter 2015 to 3rd quarter 2016.

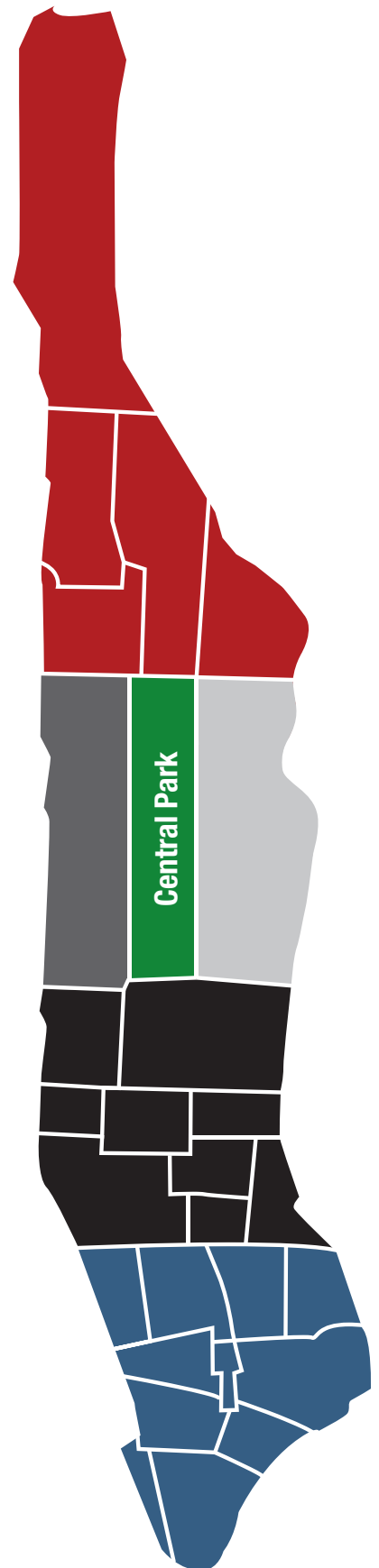
Upper Manhattan	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$456,300	\$410,000	\$659,250	\$1,200,000
Q4 2015	\$350,000	\$427,500	\$727,500	\$972,500
Q1 2016	\$302,500	\$468,468	\$717,500	\$1,145,000
Q2 2016	\$485,000	\$437,500	\$716,339	\$1,315,000
Q3 2016	\$337,500	\$478,325	\$719,000	\$1,275,000

Upper West Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$405,350	\$740,000	\$1,512,500	\$3,527,500
Q4 2015	\$400,000	\$780,000	\$1,614,037	\$3,563,875
Q1 2016	\$440,000	\$813,300	\$1,560,000	\$3,800,000
Q2 2016	\$440,000	\$775,000	\$1,625,000	\$3,569,350
Q3 2016	\$488,500	\$775,000	\$1,618,750	\$3,175,000

Upper East Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$405,350	\$740,000	\$1,512,500	\$3,527,500
Q4 2015	\$400,000	\$780,000	\$1,614,037	\$3,563,875
Q1 2016	\$440,000	\$813,300	\$1,560,000	\$3,800,000
Q2 2016	\$440,000	\$775,000	\$1,625,000	\$3,569,350
Q3 2016	\$488,500	\$775,000	\$1,618,750	\$3,175,000

Midtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$499,750	\$880,000	\$1,767,500	\$3,712,500
Q4 2015	\$478,290	\$870,500	\$1,867,500	\$4,650,000
Q1 2016	\$482,000	\$880,000	\$2,133,233	\$3,573,089
Q2 2016	\$489,000	\$950,000	\$1,929,584	\$3,600,000
Q3 2016	\$500,000	\$849,500	\$1,705,000	\$4,365,322

Downtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2015	\$647,500	\$950,000	\$2,025,568	\$4,850,000
Q4 2015	\$660,000	\$985,000	\$2,091,252	\$5,497,500
Q1 2016	\$615,000	\$1,037,000	\$2,262,042	\$5,737,973
Q2 2016	\$605,000	\$975,000	\$2,150,000	\$6,079,462
Q3 2016	\$600,000	\$949,000	\$2,195,000	\$5,250,000



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