

2nd Quarter 2017

OVERVIEW

The Manhattan residential real estate market held steady during the second quarter despite signs of softness in the pace of contract activity and days on market. The average sales price increased 5.89% to \$2,141,451 from a year ago, while declining a scant 0.52% from the first quarter. The median sales price increased 6.03% to \$1,220,000 from a year ago and improved 5.02% from the first quarter. Quarterly and year-over-year increases in the median price per square foot of 1.23% and 2.65%, respectively, also confirm normalizing price trends. While year-over-year price improvements suggest current values are sustainable, a significant year-over-year increase in days on market from 56 to 75 today, combined with an earlier than usual slowdown for Q2 contract activity indicates that softness still exists, especially in higher price sectors. Barring any market shocks, we expect prices to remain range bound as we head into the third quarter.

CONDO

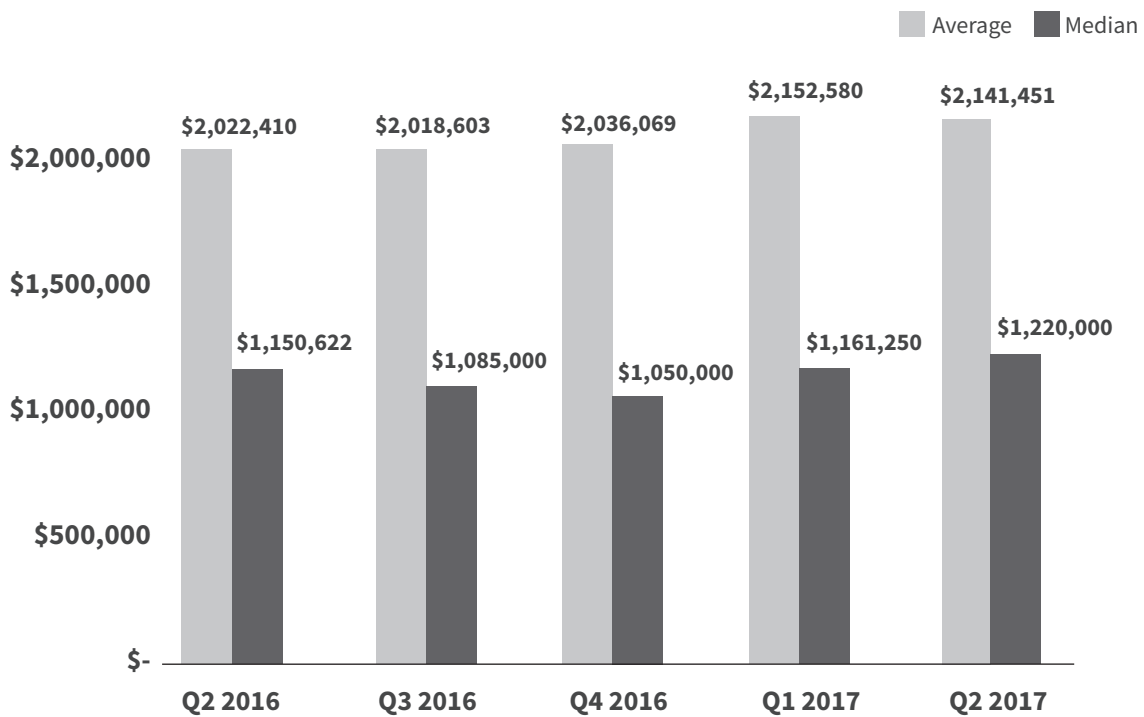
The Manhattan condo market generated impressive if occasionally mixed results from both a quarter-to-quarter and year-over-year viewpoint. Viewed on a yearly basis to filter out seasonality, the average price climbed 10.79% to \$2,852,812 and the median price per square foot improved 2.73% to \$1,626. On a quarterly basis, the average price declined 1.39% while the median price per square foot rose 2.03%. While days on market improved on a quarterly basis, decreasing to 85 from 93, it now takes over three weeks longer to sell a condo than it did a year ago. Looking at transaction volume, the \$5M-\$10M sector saw a notable increase, while the \$10M+ sector continues to struggle with demand issues. With the main active season fading away and the summer lull starting, we expect condo prices to moderate slightly within a narrow range, with the market transacting around accurately priced units.

COOP

The Manhattan co-op market buttressed its traditional stability with modest median price growth on both a quarterly and year-over-year basis. The median price for a Manhattan co-op in Q2 was \$816,475, which represents a 7.57% gain from Q1 and a 4.79% gain from last year. While the average price for co-ops declined 2.09% from last year to \$1,273,436, it increased by 6.25% over the quarter. Similar to the overall market and the condo market, days on market increased during the quarter, with approximately 69 days needed for a co-op sale. Transaction volume also increased across all price ranges over the year, most notably in the \$1M-\$2M and \$5M-\$10M sectors. Co-ops priced over \$10M continued to sell, albeit at a slower pace. As co-ops tend to over-represent the lower price tiers, where demand remains strongest, we expect prices to hold steady as we enter the slower summer season.

MANHATTAN MARKET-WIDE

Market Wide	Q2 2017	% Change	Q1 2017	% Change YOY	Q2 2016
Average Sales Price	\$2,141,451	-0.5%	\$2,152,580	5.9%	\$2,022,410
Average Price per SF	\$1,554	-0.7%	\$1,566	2.7%	\$1,513
Median Sales Price	\$1,220,000	5.1%	\$1,161,250	6.0%	\$1,150,622
Median Price per SF	\$1,436	1.2%	\$1,419	2.6%	\$1,399
Median Days on Market	75	0.0%	75	33.9%	56
Median Sales Discount			-6.3%		-5.5%
Median Sales Premium			2.1%		2.2%

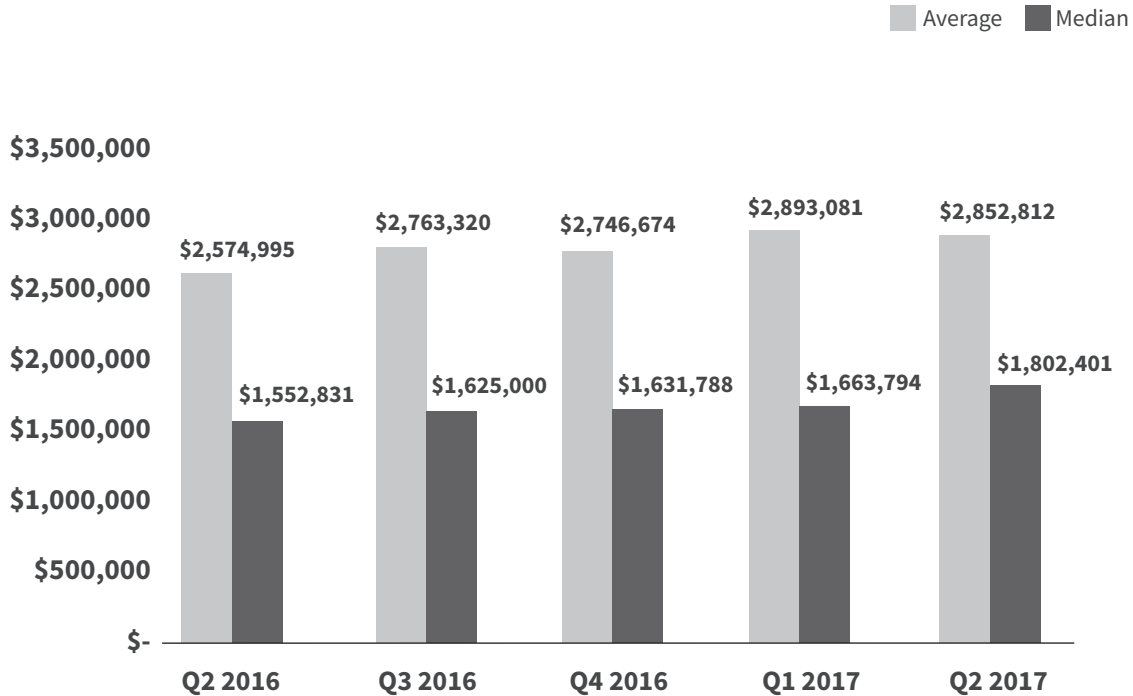


Market-Wide	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$534,581	\$851,000	\$1,650,000	\$3,920,000
Q3 2016	\$527,500	\$815,000	\$1,600,000	\$3,800,000
Q4 2016	\$525,000	\$820,000	\$1,750,000	\$4,400,000
Q1 2017	\$525,000	\$840,000	\$1,702,500	\$4,450,000
Q2 2017	\$515,000	\$850,000	\$1,680,000	\$4,510,875

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

MANHATTAN CONDOS

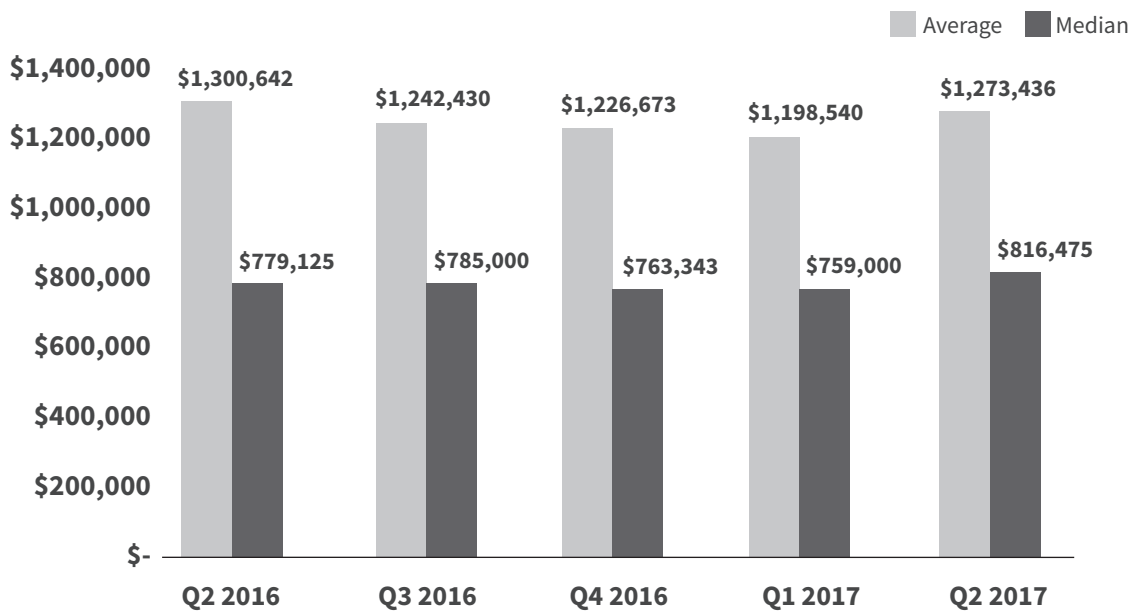
Condo	Q2 2017	% Change	Q1 2017	% Change YOY	Q2 2016
Average Sales Price	\$2,852,812	-1.4%	\$2,893,081	10.8%	\$2,574,995
Average Price per SF	\$1,783	-1.0%	\$1,802	5.1%	\$1,696
Median Sales Price	\$1,802,401	8.3%	\$1,663,794	16.1%	\$1,552,831
Median Price per SF	\$1,626	2.0%	\$1,593	2.7%	\$1,582
Median Days on Market	85	-8.6%	93	41.7%	60
Median Sales Discount			-6.8%		-5.9%
Median Sales Premium			1.9%		1.9%



Condo	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$659,500.00	\$1,070,000	\$2,050,000	\$4,972,000
Q3 2016	\$691,000	\$1,015,000	\$1,975,000	\$4,934,227
Q4 2016	\$700,000	\$1,050,000	\$2,158,576	\$5,146,081
Q1 2017	\$675,000	\$1,112,321	\$2,242,500	\$6,131,250
Q2 2017	\$713,887	\$1,127,000	\$2,075,000	\$5,367,500

MANHATTAN COOPS

Coop	Q2 2017	% Change	Q1 2017	% Change YOY	Q2 2016
Average Sales Price	\$1,273,436	6.2%	\$1,198,540	-2.1%	\$1,300,642
Average Price per SF	\$1,150	6.6%	\$1,079	5.9%	\$1,086
Median Sales Price	\$816,475	7.6%	\$759,000	4.8%	\$779,125
Median Price per SF	\$1,052	4.0%	\$1,011	5.3%	\$999
Median Days on Market	69	11.3%	62	32.7%	52
Median Sales Discount			-5.9%		-4.9%
Median Sales Premium			3.2%		3.5%



Coops	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$430,000	\$693,572	\$1,300,000	\$3,000,000
Q3 2016	\$445,000	\$712,500	\$1,350,000	\$2,448,000
Q4 2016	\$441,975	\$710,000	\$1,305,000	\$3,000,000
Q1 2017	\$450,000	\$690,000	\$1,350,000	\$2,751,637
Q2 2017	\$440,000	\$729,018	\$1,325,000	\$2,664,750

NEIGHBORHOOD BREAKDOWN

Below is a snapshot of the market broken down by major Manhattan neighborhood from 2nd quarter 2016 to 2nd quarter 2017.

Upper Manhattan	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$485,000	\$439,601	\$732,121	\$1,104,500
Q3 2016	\$340,000	\$475,000	\$677,500	\$1,100,000
Q4 2016	\$340,000	\$488,400	\$662,500	\$790,000
Q1 2017	\$312,000	\$477,500	\$715,750	\$775,000
Q2 2017	\$370,000	\$464,851	\$737,500	\$965,000

Upper West Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$480,000	\$852,000	\$1,541,000	\$2,950,000
Q3 2016	\$480,000	\$875,000	\$1,551,000	\$3,325,000
Q4 2016	\$424,866	\$820,000	\$1,785,000	\$4,068,750
Q1 2017	\$509,500	\$747,500	\$1,513,625	\$3,330,000
Q2 2017	\$512,500	\$807,500	\$1,570,000	\$3,100,000

Upper East Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$439,500	\$775,000	\$1,612,500	\$3,415,000
Q3 2016	\$465,000	\$775,000	\$1,599,500	\$3,295,000
Q4 2016	\$425,000	\$707,500	\$1,600,000	\$4,100,000
Q1 2017	\$443,750	\$750,000	\$1,580,000	\$4,200,000
Q2 2017	\$440,000	\$750,700	\$1,550,000	\$4,900,000

Midtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$489,000	\$950,000	\$1,965,000	\$3,900,000
Q3 2016	\$500,000	\$850,000	\$1,700,000	\$4,509,973
Q4 2016	\$522,500	\$867,500	\$1,900,000	\$4,323,781
Q1 2017	\$509,000	\$885,000	\$1,751,500	\$4,281,731
Q2 2017	\$465,000	\$900,000	\$1,872,500	\$4,381,475

Downtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q2 2016	\$600,000	\$996,000	\$2,200,000	\$6,065,480
Q3 2016	\$649,000	\$950,000	\$2,225,000	\$5,040,337
Q4 2016	\$625,000	\$967,337	\$2,284,500	\$6,049,704
Q1 2017	\$600,000	\$1,090,000	\$2,571,081	\$6,771,362
Q2 2017	\$685,000	\$1,125,000	\$2,177,500	\$5,777,468

