

Corcoran Year End Review

2018 | MANHATTAN

corcoran



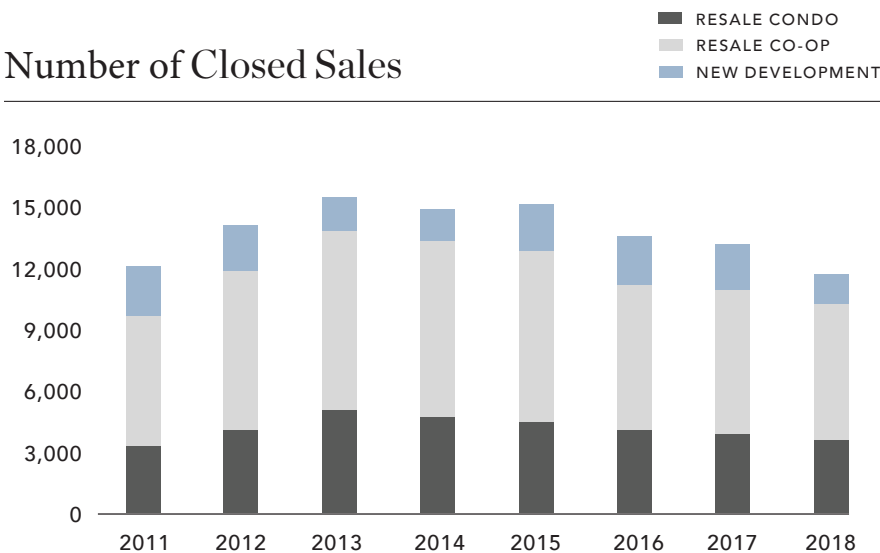
Overview

2018 was a challenging year for the Manhattan real estate market. As buyers and sellers continued to grapple with an ongoing market reset, sales declined by their greatest percentage since the financial crisis and inventory continued its upward climb. Price statistics declined versus 2017 in response to fewer new development closings, a rising share of resale co-op sales, widespread negotiability, and price reductions.

Closings

Sales in 2018 declined 11% year-over-year to 11,790 closings, the lowest annual total since 2009. Condos and co-ops each had fewer sales compared to last year. New development sales fell at a rate five times the amount of either resale condos or resale co-ops, dropping 35% year-over-year to fewer than 1,500 closings; this was the lowest number of sponsor closings in more than 10 years. Resales also saw fewer sales compared to 2017, but had more moderate declines of 7% for condos and 6% for resale co-ops.

Number of Closed Sales

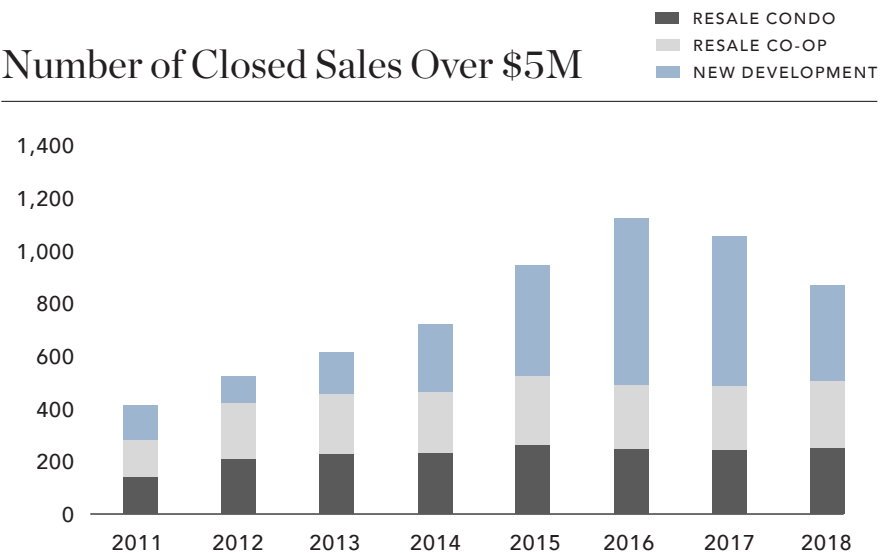


OVERALL	2018	2017	% CHG
CLOSINGS	11,770	13,280	-11%
INVENTORY	6,996	6,383	10%
MEDIAN PRICE	\$1,100,000	\$1,140,000	-4%
AVERAGE PRICE	\$1,961,038	\$2,036,621	-4%
AVERAGE PPSF	\$1,739	\$1,779	-2%

Closings Over \$5M

Manhattan sales over \$5M in dropped 7% year-over-year, and at 766 closings, fell to their lowest level since 2014. After peaking in 2016, sales over \$5M have now declined consecutively for two years given ongoing headwinds in the luxury market and a dwindling pipeline of new development contracts waiting to close. Sponsor sales over \$5M fell 42% year-over-year to 338 closings in 2018. Resale co-op and resale condo sales rose 3% and 4% year-over-year, respectively, due to moderate improvements in contract activity over the summer that resulted in an annual uptick in fourth quarter closings.

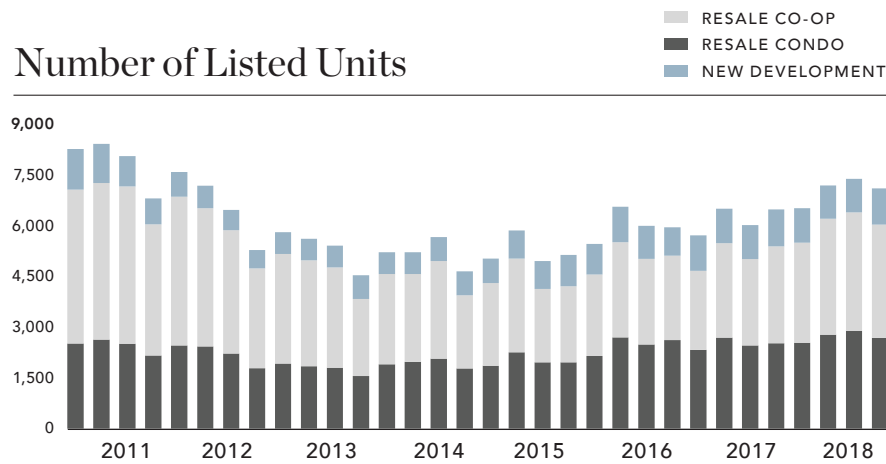
Number of Closed Sales Over \$5M



Inventory

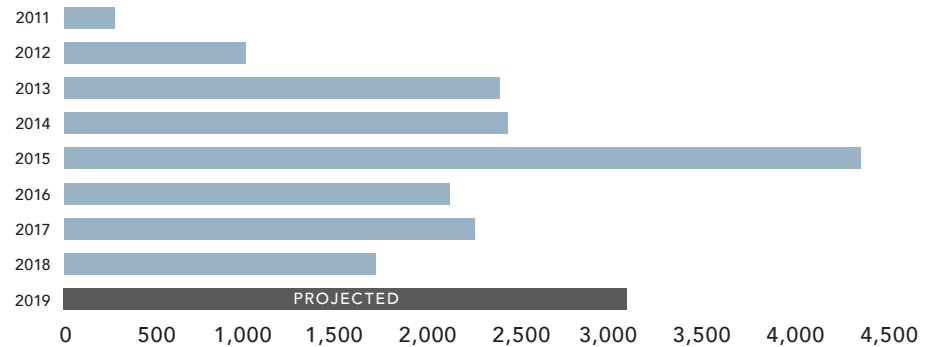
Manhattan inventory as of Fourth Quarter 2018 increased 10% annually to reach approximately 7,000 actively listed units. This was the highest year-end total for inventory since 2010. Driving supply figures upward were increases in resale condo and resale co-op listings, which rose 6% and 17%, respectively. New development active listings actually shrank versus last year, down 2% annually.

Number of Listed Units



The Manhattan market added a net total of 1,705 new development condominium units to overall supply in 2018. While not an insignificant sum, this was still 24% fewer units than the total number launched in 2017, and the lowest number of new unit introductions since 2012. 2019 could see more than 3,000 new development units commence sales.

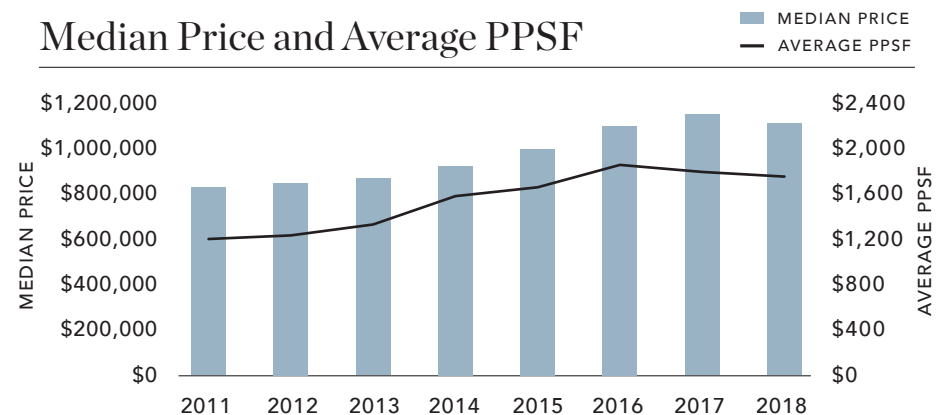
New Development Unit Launched for Sale



Prices

Marketwide price statistics declined in 2018. Median price at \$1.1M was 4% lower than last year's peak. Meanwhile, average price per square foot fell 2% annually to \$1,739 per square foot, but was 6% lower than its record high reached in 2016. Several factors drove price figures lower during 2018. The most significant contributor was the steady decline in new development sales. In addition, sales activity in the market for luxury apartments over \$5M was, similar to 2017, muffled by low buyer and broker confidence and high levels of supply. Lastly, given that condo sales weakened more than resale co-op sales, the market share of lower-priced resale co-op sales grew versus 2017.

Median Price and Average PPSF



Statistics by Type

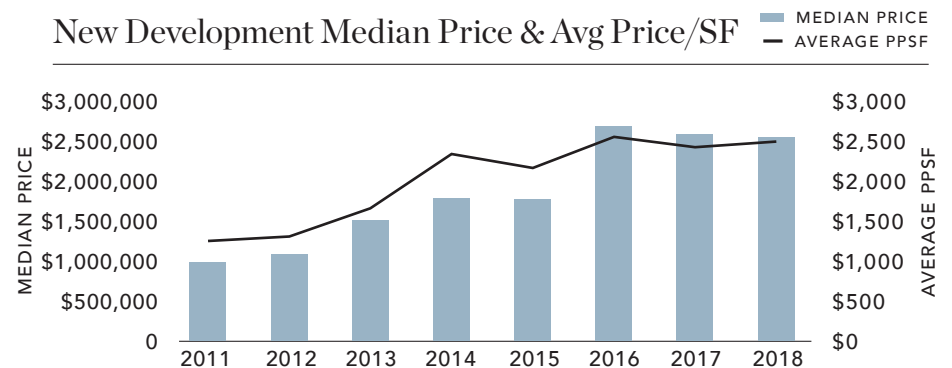
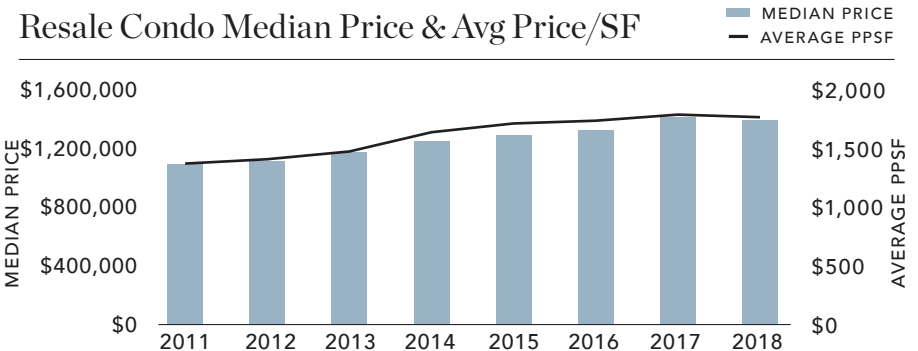
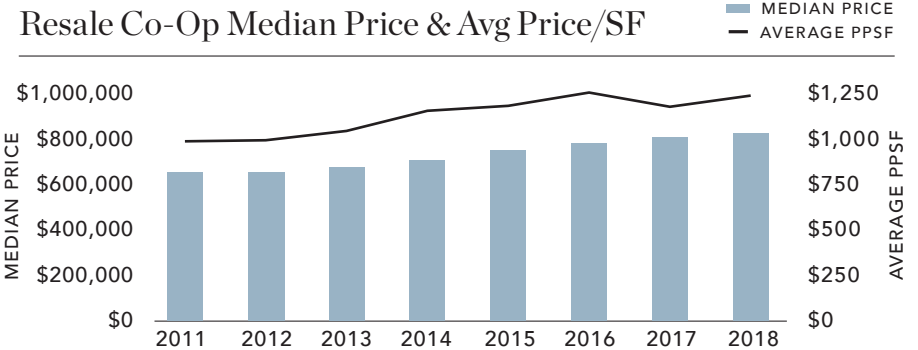
Sales declined across all product types in Manhattan while inventories grew. Resale condo average price rose due to a select few high-priced resales at recently completed developments but the median price fell as most sales skewed larger and older. Resale co-op median price reached a record high with an increase in the number of closed sales

RESALE CO-OP	2018	2017	% CHG
CLOSINGS	6,701	7,124	-6%
INVENTORY	3,297	2,824	17%
MEDIAN PRICE	\$820,000	\$800,000	3%
AVERAGE PRICE	\$1,329,997	\$1,305,017	2%
AVERAGE PPSF	\$1,226	\$1,165	5%
SALES UNDER \$1M	4,141	4,481	-8%
SALES \$1M TO \$3M	2,046	2,125	-4%
SALES \$3M TO \$5M	306	319	-4%
SALES OVER \$5M	207	200	3%

RESALE CONDO	2018	2017	% CHG
CLOSINGS	3,608	3,898	-7%
INVENTORY	2,643	2,485	6%
MEDIAN PRICE	\$1,375,000	\$1,397,750	-2%
AVERAGE PRICE	\$2,166,960	\$2,117,538	2%
AVERAGE PPSF	\$1,751	\$1,773	-1%
SALES UNDER \$1M	1,259	\$1,300	-3%
SALES \$1M TO \$3M	1,737	\$1,932	-10%
SALES \$3M TO \$5M	370	416	-11%
SALES OVER \$5M	259	250	4%

NEW DEVELOPMENT	2018	2017	% CHG
CLOSINGS	1,461	2,258	-35%
INVENTORY	1,053	1,074	-2%
MEDIAN PRICE	\$2,612,500	\$2,650,000	-1%
AVERAGE PRICE	\$4,354,471	\$4,204,243	4%
AVERAGE PPSF	\$2,552	\$2,482	3%
SALES UNDER \$1M	185	299	-38%
SALES \$1M TO \$3M	648	941	-31%
SALES \$3M TO \$5M	248	435	-43%
SALES OVER \$5M	374	583	-36%

within prime buildings, which pushed average price per square foot up 5% annually as well. New development average price improved due to a limited number of closings at high-priced properties like 520 Park, yet the median price fell as sales in luxury and super-luxury properties declined compared to last year.



Statistics by Neighborhood

All five neighborhoods were alike in experiencing fewer sales and more inventory compared to 2017. Price statistics varied by neighborhood, however. The East Side saw median price and average price per square foot increase due to an uptick in expensive resale co-op and the start of closings at 520 Park. The Financial District and Battery Park City saw price figures fall due to significantly fewer ground-up new development sales. Median price and average price per square foot fell in Midtown as areas

further from Central Park gained market share. Downtown, median price increased with an uptick in larger apartments selling, but because these were more often in older buildings, the average price per square foot fell. The West Side saw median price fall 6% due to fewer new development closings, but average price per square foot was propped up by several sales proximate to Central Park. In Upper Manhattan, meanwhile, competition for more-affordable inventory drove median price higher.

CLOSINGS	2018	2017	%CHG
EAST SIDE	2,619	2,820	-7%
WEST SIDE	2,167	2,408	-10%
MIDTOWN	1,975	2,358	-16%
DOWNTOWN	3,527	3,746	-6%
FIDI/BPC	454	733	-38%
UPTOWN	1,046	1,215	-14%

INVENTORY	2018	2017	%CHG
EAST SIDE	1,641	1,439	14%
WEST SIDE	1,103	979	13%
MIDTOWN	1,273	1,180	8%
DOWNTOWN	2,054	1,909	8%
FIDI/BPC	416	407	2%
UPTOWN	504	469	7%

MEDIAN PRICE	2018	2017	%CHG
EAST SIDE	\$1,200,000	\$1,150,000	4%
WEST SIDE	\$1,250,000	\$1,325,000	-6%
MIDTOWN	\$900,000	\$994,000	-9%
DOWNTOWN	\$1,450,000	\$1,438,750	1%
FIDI/BPC	\$1,025,000	\$1,310,000	-22%
UPTOWN	\$630,000	\$623,317	1%

AVERAGE PPSF	2018	2017	%CHG
EAST SIDE	\$1,626	\$1,596	2%
WEST SIDE	\$1,862	\$1,821	2%
MIDTOWN	\$1,583	\$1,787	-11%
DOWNTOWN	\$2,000	\$2,131	-6%
FIDI/BPC	\$1,394	\$1,655	-16%
UPTOWN	\$866	\$886	-2%

THE FOLLOWING MEMBERS OF THE THE CORCORAN GROUP MADE SIGNIFICANT CONTRIBUTIONS TO THIS REPORT:

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