



MANHATTAN SALES

Quarterly Survey of Co-op & Condo Sales

1Q-2013

ELLIMANREPORT

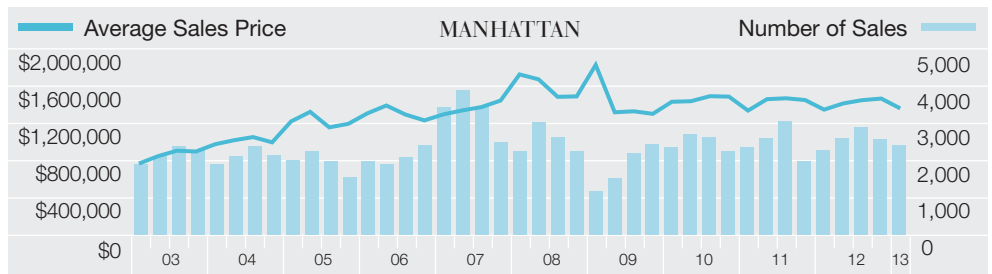
CO-OPS & CONDOS

- Sales activity expanded despite plunging listing inventory** Supply continued to decline as listing inventory dropped 34.4% from the same period a year ago, the steepest drop in the 12 years this metric has been recorded. However, the number of sales increased 6.3% to 2,457 as consumers fought tight credit conditions to take advantage of low mortgage rates.
- All price indicators posted year-over-year gains** Median sales price rose 5.9% from the same period last year to \$820,555. Excluding the second and third quarters of 2010, which were skewed higher by the federal homeowner's tax credit program, this marked the metric's highest increase since the credit crunch began.
- Marketing time and negotiability fell** Days on market fell by 20 days from prior year levels to 132 days as listing inventory collapsed. The listing discount fell from 6.3% to 4.3% over the same period.

The first quarter Manhattan housing market was defined by the acute shortage of inventory. As with many US housing markets, inventory in Manhattan has been falling for several years; this quarter, listing inventory posted its steepest year-over-year drop in the 12 years we've been recording it, declining 34.4% from the prior year quarter to 4,960. This was the ninth consecutive month and the 14th of the last 15 months that has shown a year-over-year decline in inventory. Despite the drop, number of sales increased 6.3% to 2,457 as consumers fought tight credit conditions to take advantage of low mortgage rates, and more still were incentivized by the rise in rental prices over the past two years.

Manhattan Market Matrix	1Q-2013	%Chg (QTR)	4Q-2012	%Chg (YR)	1Q-2012
Average Sales Price	\$1,354,766	-7.3%	\$1,461,473	1.0%	\$1,341,589
Average Price per Sq Ft	\$1,103	1.8%	\$1,084	1.6%	\$1,086
Median Sales Price	\$820,555	-2.0%	\$837,500	5.9%	\$775,000
New Development	\$1,325,000	-2.6%	\$1,360,000	35.9%	\$975,000
Re-sale	\$765,000	-1.9%	\$780,000	3.7%	\$737,500
Number of Sales	2,457	-5.4%	2,598	6.3%	2,311
Days on Market (From Last List Date)	132	-25.4%	177	-13.2%	152
Listing Discount (From Last List Price)	4.3%		3.7%		6.3%
Listing Inventory	4,960	4.4%	4,749	-34.4%	7,560
Absorption Rate (mos)	6.1	10.9%	5.5	-37.8%	9.8
Pending Price Index (1Q 08 = 100)	95.58	-5.1%	100.72	6.3%	89.93
Pending Sales Index (1Q 08 = 100)	161.19	54.0%	104.68	23.7%	130.34
Year-to-Date	1Q-2013	%Chg (QTR)	4Q-2012	%Chg (YR)	1Q-2012
Average Sales Price (YTD)	\$1,354,766	N/A	N/A	1.0%	\$1,341,589
Average Price per Sq Ft (YTD)	\$1,103	N/A	N/A	1.6%	\$1,086
Median Sales Price (YTD)	\$820,555	N/A	N/A	5.9%	\$775,000
Number of Sales (YTD)	2,457	N/A	N/A	6.3%	2,311

*The pending sale and pending price indices are based on contract data collected during the normal course of business by Miller Samuel and Douglas Elliman.



Co-ops gained market share over the past year, settling in at approximately 60% of all apartment sales, its long term default market share. For the past two decades, new development activity has largely emphasized condos, but has more recently begun to expand. After 4 years of limited activity, a pipeline of new projects has started to take shape, largely through the absorption of projects initially stalled by the credit crunch; new developments had 15% market share in the

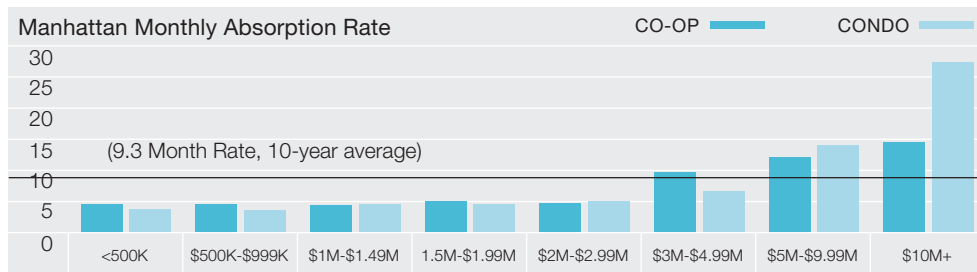
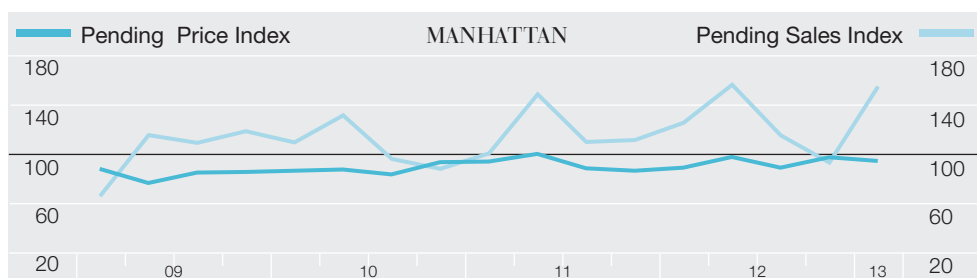
first quarter, up from 12.5% in the prior quarter, an 8.5-year low. Limited inventory was most problematic in the new development space, as evidenced by the 41.7% year-over-year decline, which outpaced the overall housing market. Continuing a trend that began in the previous quarter, the decline in inventory further put upward pressure on housing prices. Median sales price rose 5.9% from the same period last year to \$820,555; this marked the metric's

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highest increase since the credit crunch began, excluding the second and third quarters of 2010, which had been skewed higher by the federal homeowner's tax credit program. Average sales price expanded 1% from the prior year quarter to \$1,354,766, while average price per square foot increased 1.6% to \$1,103 over the same period.

Days on market, the number of days from the last price change to the contract price, fell by nearly 3 weeks to 132 days, just below the 136-day average of the past decade. Listing discount, the percentage difference between the list price at time of contract and the contract price, fell to 4.3% from 6.3% in the prior year quarter. Monthly carrying charges expanded 4.4% from \$1.60 to \$1.67 over the same period.



CO-OPS

• Sales expanded as inventory fell

There were 1,491 sales in the first quarter, 8.3% more than in the same period last year. Inventory fell 33.6% over the same period to 2,770, causing the absorption rate to drop sharply to 5.6 months.

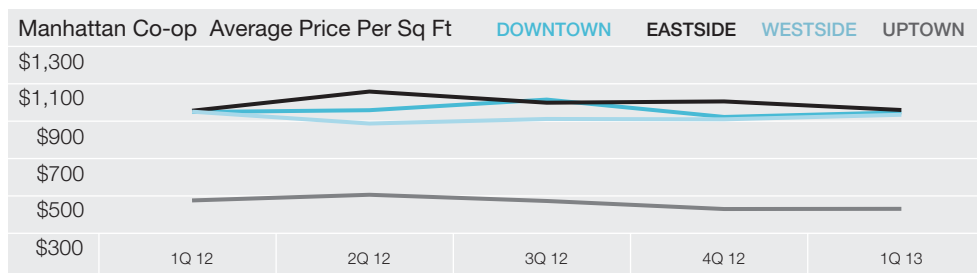
• Price indicators edged higher

Median sales price increased 1.9% from the same period a year ago to \$650,000. Average sales price rose 6.1% to \$1,051,682 over the same period.

• The 2-bedroom market share

expanded Market share increased from 24.3% in the prior year quarter to 31.3%, which was more consistent with the 32.7% 10-year average.

Co-op Market Matrix	1Q-2013	%Chg (QTR)	4Q-2012	%Chg (YR)	1Q-2012
Average Sales Price	\$1,051,682	-11.7%	\$1,190,430	6.1%	\$991,354
Average Price Per Sq Ft	\$925	-1.5%	\$939	-0.5%	\$930
Median Sales Price	\$650,000	0.0%	\$650,000	1.9%	\$638,000
Number of Sales	1,491	-4.3%	1,558	8.3%	1,377
Days on Market (From Last List Date)	134	-27.2%	184	15.5%	116
Listing Discount (From Last List Price)	3.9%		3.8%		6.1%
Listing Inventory (Active)	2,770	5.9%	2,616	-33.6%	4,170
Absorption Rate (Monthly, Active)	5.6	12.0%	5.0	-38.5%	9.1



Quintiles	Med. Sales Price	%Chg (YR)	Co-op Mix	Sales Share	Med. Sales Price
5/5	\$1,850,000	5.1%	Studio	16.0%	\$345,000
4/5	\$933,089	3.7%	1 bedroom	40.7%	\$550,000
3/5	\$623,622	0.6%	2 bedroom	31.3%	\$997,000
2/5	\$449,000	2.1%	3 bedroom	9.9%	\$2,160,000
1/5	\$296,500	-2.1%	4+ bedroom	2.1%	\$3,844,888

The number of co-op sales increased 8.3% from the same period a year ago to 1,491, 15.2% above the ten-year average of 1,264. There were 2,770 listings available at the end of the first quarter, 33.6% fewer than in the same period a year ago. Between the rising sales and the falling inventory, the market pace was much faster than it had been a year ago; the monthly absorption rate fell by nearly half, dropping from 9.1 months in the prior year quarter to 5.6.

With the faster market pace, price indicators generally posted gains from prior year levels. Median sales price edged 1.9% higher from the prior year quarter to \$650,000. The faster market pace also compressed the spread

between the average list price and sales price; the listing discount for apartments sold in the first quarter was 3.9%, down from 6.1% in the prior year quarter. Days on market, another metric related to listing inventory levels, actually expanded from prior year levels, but fell sharply from the prior quarter to 134 days, as listings that

had been languishing on the market were largely absorbed. The 134-day rate was 5 days longer than the ten-year average of 129 days. Co-op maintenance changes for sales that closed in the first quarter increased 4.3% to \$1.69 per square foot per month from \$1.62 per square foot per month in the prior year quarter.

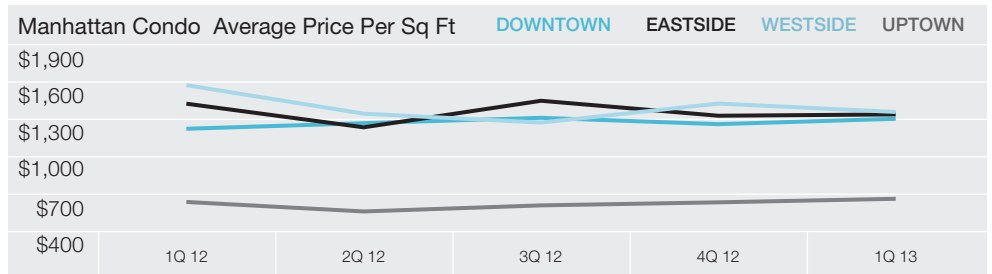
CONDOS

- **Price indicators expanded** Median sales price jumped 13.8% from the same period a year ago to \$1,195,000. Average price per square foot followed the same pattern, rising 4.6% to \$1,377 over the same period.
- **The 2-bedroom “middle of the market” share expanded** After seeing gains in the entry and high-end markets, the 2-bedroom segment led the market, rising to 34.6% share from 27.2% in the prior year quarter.
- **Listing inventory fell as sales edged higher** There were 2,190 listings at the end of the period, 35.4% fewer than in the prior year quarter. Market pace quickened, as monthly absorption rate dropped from 10.9 months in the prior year quarter to 6.8.

Price indicators reflected upward price pressure, particularly median sales price, which removes both the high and low outliers. Median sales price jumped 13.8% from the prior year quarter to \$1,195,000, its highest level in 4 years. Average price per square foot rose 4.6% over the same period to \$1,377, also reaching a 4-year high. Average sales price slipped 1.9% to \$1,822,570 over the same period.

There were 966 sales in the first quarter, 3.4% above prior year levels, but below the 1,142 10-year quarterly average. Listing inventory fell 35.4% to 2,190, its lowest first quarter total in 8

Condo Market Matrix	1Q-2013	%Chg (QTR)	4Q-2012	%Chg (YR)	1Q-2012
Average Sales Price	\$1,822,570	-2.4%	\$1,867,516	-1.9%	\$1,857,943
Average Price Per Sq Ft	\$1,377	5.8%	\$1,301	4.6%	\$1,317
Median Sales Price	\$1,195,000	3.5%	\$1,155,000	13.8%	\$1,050,000
Number of Sales	966	-7.1%	1,040	3.4%	934
Days on Market (From Last List Date)	130	-21.7%	166	-36.9%	206
Listing Discount (From Last List Price)	4.8%		3.5%		6.6%
Listing Inventory (Active)	2,190	2.7%	2,133	-35.4%	3,390
Absorption Rate (Monthly, Active)	6.8	9.7%	6.2	-37.6%	10.9



Quintiles	Med. Sales Price	%Chg (YR)	Condo Mix	Sales Share	Med. Sales Price
5/5	\$3,825,000	0.7%	Studio	11.5%	\$580,000
4/5	\$2,005,522	13.6%	1 bedroom	33.5%	\$825,000
3/5	\$1,240,000	16.3%	2 bedroom	34.6%	\$1,580,587
2/5	\$805,754	7.4%	3 bedroom	15.2%	\$3,064,877
1/5	\$539,222	14.7%	4+ bedroom	5.2%	\$4,500,000

years. Due to rising sales and falling inventory, the market pace quickened, as the absorption rate fell to 6.8 months from 10.9 in the prior year quarter.

This quickened market pace resulted in a steep drop in days on market as older, languishing listings were largely absorbed. Average days on market fell to 130 days, 2 months faster than

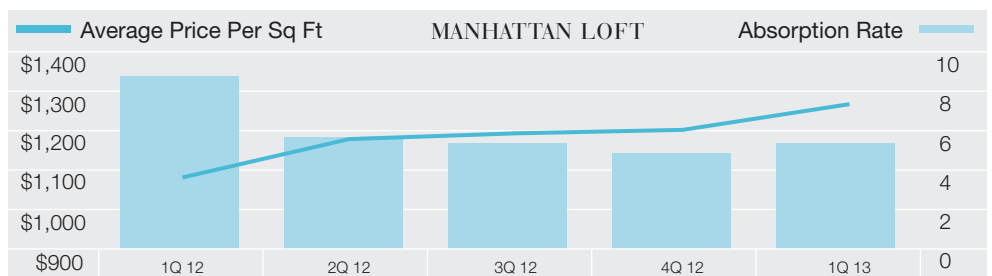
206 days in the prior year quarter, while listing discount fell from 6.6% to 4.8% over the same period.

The monthly common charge and average real estate tax per square foot for condo units sold in the first quarter was \$1.63, 3.8% higher than \$1.57 in the prior year quarter.

LOFTS

- **Listing inventory continued to see large declines** There were 315 listings at the end of the first quarter, 27.6% fewer than in the prior year quarter.
- **Price indicators jumped** Median sales price rose 8.8% from the prior year quarter to \$1,600,000. Average sales price and average price per square foot followed the same pattern.
- **Number of sales rose sharply** The number of sales jumped 19.3% year-over-year to 179. As a result, the absorption rate fell to 5.3 months from 8.7 in the same period last year.

Loft Market Matrix	1Q-2013	%Chg (QTR)	4Q-2012	%Chg (YR)	1Q-2012
Average Sales Price	\$2,253,990	2.0%	\$2,209,272	20.3%	\$1,873,735
Average Price Per Sq Ft	\$1,273	5.6%	\$1,206	17.7%	\$1,082
Median Sales Price	\$1,600,000	-3.0%	\$1,650,000	8.8%	\$1,470,000
Number of Sales	179	-16.4%	214	19.3%	150
Days on Market (From Last List Date)	150	18.1%	127	17.2%	128
Listing Discount (From Last List Price)	4.1%		3.9%		8.8%
Listing Inventory (Active)	315	-7.4%	340	-27.6%	435
Absorption Rate (Monthly, Active)	5.3	10.4%	4.8	-39.1%	8.7



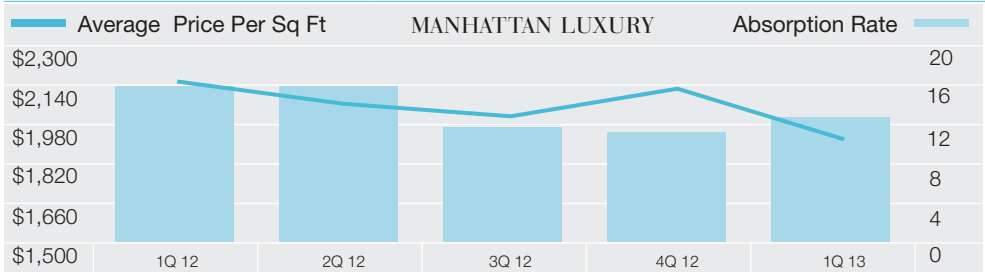
Note: This sub-category analyzes all co-op & condo loft sales available. The data is also contained within the co-op & condo markets presented.

LUXURY

- **Days on market fell sharply** Days on market fell to 130 days from 218 in the prior year quarter, as much older listing inventory was largely absorbed.
- **Price indicators slipped** Median sales price fell 2.7% from the same period last year to \$4,015,000. Average sales price and average price per square foot followed a similar pattern.
- **Inventory continued to fall at a slower pace than overall market** The number of luxury listings fell 15.4% from the year ago quarter to 1,025, while overall listing inventory fell 34.4% over the same period.

Note: This sub-category analyzes the top 10% of all co-op & condo sales. Data is also contained within the co-op and condo markets presented.

Luxury Market Matrix	1Q-2013	%Chg (QTR)	4Q-2012	%Chg (YR)	1Q-2012
Average Sales Price	\$5,076,228	-13.5%	\$5,868,442	-8.7%	\$5,558,629
Average Price Per Sq Ft	\$1,925	-9.9%	\$2,136	-7.1%	\$2,073
Median Sales Price	\$4,015,000	-9.6%	\$4,440,150	-2.7%	\$4,125,000
Number of Sales	246	-5.4%	260	6.5%	231
Days on Market (From Last List Date)	130	-30.9%	188	-40.4%	218
Listing Discount (From Last List Price)	4.9%		3.5%		1.2%
Listing Inventory (Active)	1,025	7.6%	953	-15.4%	1,212
Absorption Rate (Monthly, Active)	12.5	13.6%	11.0	-20.4%	15.7
Entry Threshold	\$2,935,000	-3.1%	\$3,029,294	12.4%	\$2,612,250

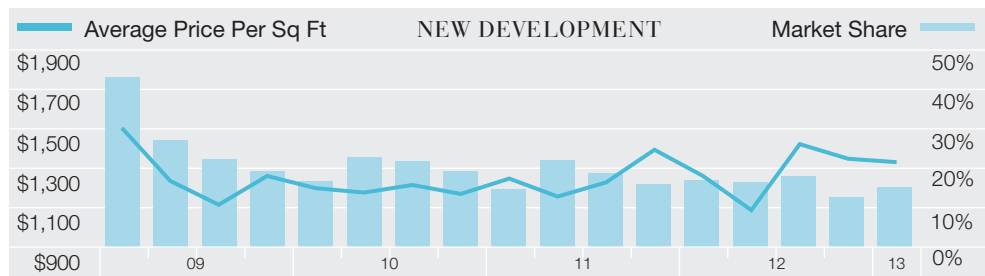


NEW DEVELOPMENT

- **Listing inventory decline outpaced overall market** Listings in new development (excluding units not yet offered) fell 41.7% from the same period last year, as market-wide inventory fell 34.4% over the same period.
- **Housing prices increased from prior year levels with a shift towards larger units** The average price per square foot in a new development rose 5.5% from the same period last year to \$1,332.
- **Market share at third lowest level since 2004** Market share fell from 16.9% of all sales in the prior year quarter to 15%, but expanded from the recent low of 12.5% in the prior quarter.

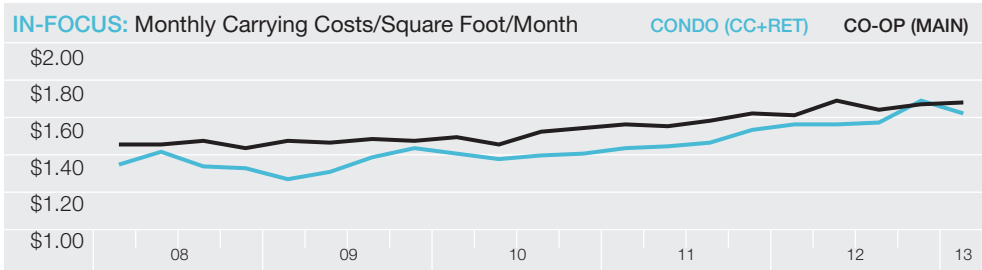
Note: This sub-category analyzes new development co-op & condo sales. Data is also contained within the co-op and condo markets presented.

New Development Market Matrix	1Q-2013	%Chg (QTR)	4Q-2012	%Chg (YR)	1Q-2012
Average Sales Price	\$1,918,384	3.0%	\$1,862,387	12.5%	\$1,705,563
Average Price per Sq Ft	\$1,332	-1.3%	\$1,349	5.5%	\$1,263
Median Sales Price	\$1,325,000	-2.6%	\$1,360,000	35.9%	\$975,000
Number of Sales	368	12.9%	326	-5.9%	391
Days on Market (From Last List Date)	131	-26.0%	177	-52.9%	278
Listing Discount (From Last List Price)	4.8%		3.1%		8.8%
Listing Inventory (Active)	872	-1.1%	882	-41.7%	1,495
Absorption Rate (mos, active)	7.1	-12.3%	8.1	-38.3%	11.5
Sales Share of Overall Market	15.0%		12.5%		16.9%



IN-FOCUS

- **Condo carrying costs rose faster than co-ops** The gradual expiration of 421a tax abatements in some condo sales have driven aggregate costs up faster than co-op maintenance charges.
- **Co-op maintenance charges have been consistent with inflation** Since 2008, maintenance charges have increased 15.8%, but slipped 2.9% this quarter, consistent with inflation.



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Report Methodology:

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