

A FIELD GUIDE to Manhattan's Premier Residential Real Estate Market

Our end of 2012 Quarterly Report is dedicated to the **Luxury Market** as that is where the action is concentrated. The velocity in the market is authentic with real estate prices returning to historic heights. 2012 was the strongest year ever recorded with 7% more contracts signed than during the 2007 peak and a whopping 20% increase over 2011. The luxury home market has made a comeback and we attribute the return to confident buyers, realistic sellers, foreign demand, inventory decline and continuing low mortgage rates.

Here are the final **2012 statistics**: 721 recorded sales **closed at \$4 million and above**: 427 condos, 228 co-ops and 66 townhouses. 129 sales **closed at or above \$10 million**. 4 sales **closed upwards of \$50 million**. The average price of all luxury category contracts was \$8.03 million, the median price was \$6.25 million, and the average number of days these luxury listings were on the market before they went into contract was 248. Inventory is at the lowest in 12 years, a dramatic 30% below a year ago, a sure sign that prices may rise in 2013 if buyer demand continues. Total sales of both co-ops and condominiums rocketed 40% in the fourth quarter of 2012 from the same period in 2011.

The record deal making was directly related to the pending expiration of the Bush-era tax cuts, changes to capital gains and inheritance taxes as well as our concentrated focus on International buyers. 2012 revealed strong pricing, quicker absorption, lower inventory and, in the luxury market, record-breaking prices. We expect 2013 will deliver a similar story, with an emphasis on price escalation.

2013 FORECAST:

A tight market with prices rising. Inventory has fallen and there is only one way for pricing to go, and that is to see an upward trend in 2013. Strong demand from foreign, all-cash buyers is also boosting prices, especially in the condo market. Gains, however, may slip in the current quarter, as so much demand was pulled forward. For the first time in years, owning is cheaper than renting. Rents keep rising and with interest rates so low, home ownership continues to be highly desirable. Used as a primary residence and a hedge against inflation, real estate continues to be a smart, solid investment. 2013 will see a **wave of the most exciting new developments to come to the New York market ever**: this much needed inventory includes buildings such as **One57, 680 Madison Avenue, 432 Park Avenue, 737 Park Avenue, 135 & 200 East 79th Street and 150 East 72nd Street**. With all developers keenly aware of the approaching competition, expect outstanding quality and superb design, the likes of which Manhattan has never experienced. How will the market respond to this new inventory? Buying from floor plans and renderings will be the new normal again. For jittery buyers, reputable developers and builders will surely have the upper hand.

2012 was also the most successful year in The Field Team's history. We closed more transactions in the fourth quarter of 2012 than in any other quarter of our careers. Nikki again placed as the #3 Broker at Sotheby's, #9 in Manhattan and #69 Nationwide in the 2012 Wall Street Journal Rankings.

We have great confidence in the opportunities that lie ahead for both our buyers and sellers.



A PREVIEW OF OUR CURRENT SELECT PREMIER INVENTORY:

- 34 East 62nd Street, Townhouse:** To be developed 8,040 sq. ft. Landmark of the Future: \$40M
- 14 East 82nd Street, Mansion:** Gilded Age grand Beaux Arts historic Mansion to be completed: \$25M
- One Fifth Avenue, Penthouse Duplex:** All new Contemporary Coop with 8 rooms and 3 Terraces: \$15M
- 985 Park Avenue, Garden Triplex:** Private Offering of xxxMint Townhouse-like Condo: \$12M
- 111 Central Park North, 3A:** 9 rooms in Modern Luxury Condo on Central Park: \$5M
- 205 West 57th, The Osborne:** Historic Gilded Age Masterpiece Coop. Magical home of Gray Foy: \$4.5M
- 175 East 62nd Street, 9D:** Stunning & chic, masterful renovation. 7 Room Coop: \$3,150,000
- 10 East 81st Street, Parlor 2:** House Beautiful Townhouse Triplex, 2 BR: \$1.75M

NIKKI FIELD | THE FIELD TEAM

Senior Vice President, Associate Broker

212.606.7669 | nikki.field@sothebyshomes.com

Sotheby's International Realty | 38 East 61st Street NY, NY 10065

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