

A FIELD GUIDE TO SELLING THE WORLD

Market Report | 2nd Quarter 2014

Sotheby's

INTERNATIONAL REALTY



NIKKI FIELD | THE FIELD TEAM
at Sotheby's International Realty

2014 WSJ/Real Trends "The
Thousand" Top Real Estate Agents

- Top 200 Nationally
- Top 20 in New York City
- Top 3 at Sotheby's
International Realty
Manhattan Brokerage

The Field Team Collection Updates:



1158 Fifth Avenue | \$11,000,000



435 East 52nd Street | \$8,200,000



225 East 73rd Street | \$3,250,000



535 Park Avenue | Under Contract

Manhattan home prices continue to rise. 2nd Quarter market reports herald that the **sale prices for Manhattan apartments have skyrocketed 19% this year**. But at the same time, sales are 10% fewer than the 2nd Quarter of last year and the number of signed contracts was down 22% during the same period. The year-long lack of inventory drove prices up and volume sales down steadily. New York buyers are risk-averse to paying high prices and some are sitting tight as prices continue to climb in one of the strongest markets in years.

While sales of apartments grew 6.3% during the quarter – the seventh consecutive quarterly increase – the pace slowed compared with the 27.6% average growth recorded during the prior four quarters. "There's still clearly not enough supply to meet demand," said Jonathan Miller, President of appraisal firm Miller Samuels, who added that "**low inventory is causing prices to keep rising.**"

In the luxury market, the median sales price was up 18.4% to \$4.97 million. The new development market prices jumped a record 33.1% to \$1,900 per square foot, compared with \$1,427 a year ago. However, in the Co-op market, the number of sales rose only 8.8%, with a median sales price of \$725,000, up 9%. For Condominiums, the number of sales increased 2.8%, with a median sales price of \$1.26 million, up 0.8%.

Pricing matters. Sellers are receiving around 98% of their last (often significantly reduced) asking price. As regularly reported here by The Field Team, if sellers price properly, they often realize the full asking price — **even in a rising market**. In every marketplace, even in the new Condominiums, proper pricing remains the most important element in achieving a quick and successful sale.

The International purchase frenzy continues: New development sales are driving prices; last quarter they were 13% higher than 1st Quarter. Different market segments and their price points become more and more pronounced with each year. Co-ops and older Condominiums are on a completely different trajectory from newly constructed Condos. **Co-op buyers tend to be local, and more cautious**, even as they reach to secure the properties they want. Local buyers are not parking money like the motivated European, Chinese, Middle-Eastern and South American billionaires. These international buyers are "safe-depositing" assets and buying the ultra-luxury Condominiums, often from plans and often in multiples.

The summer months in the past few years have become an opportunity for the old-school Co-op market to take a breath. Post Labor Day, new inventory will energize the market and many buyers will have another opportunity to locate and capture a prime Manhattan home of their dreams.

VISIT THE FIELD TEAM'S 2014 COLLECTION: www.NikkiField.com

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