

MANHATTAN RESIDENTIAL MARKET GALLOPING ALONG SIDEWAYS

The stability of the Manhattan Residential Real Estate Market that we have been reporting here for the last three quarters, is now being recognized by the entire residential real estate industry. Due to the Field Team's breadth of sales, we have seen first-hand and in real time, the nuances and changes taking place in the market, deal by deal, at all segments and at all price points.

The 2nd Quarter has been quite a ride; reminiscent of the heady-days of the Manhattan market with volume sales, declining inventory and renewed confidence from both sides of the negotiating table. The difference is that sellers are more inclined to price correctly and they are ready to agree on a solid fair value offer. Buyers are seeing many ageing listings, scooped up at, or close to, the (usually adjusted) asking prices. Contract signings increased 20.7% from Q2 2011. Inventory fell 13.4% from the last quarter and showed a 12% decline from one year ago.

Four key factors have triggered both stability and volume sales:

1. Flat Pricing; 2. Inventory Decline; 3. Low Interests Rates and 4. Foreign Investment.



Coops - Average price per square foot of a cooperative was \$964 - almost unchanged from last year's average of \$961. Days on the market jumped from 119 days to 160 days and the listing discount slipped to 3.8% from 4.6% in the same quarter last year. The only size category to post an increase was for three bedroom and larger apts.

Condos - Average price per square foot of a condominium was \$1,201 - almost unchanged from last year's average of \$1,182 but lower than the last quarter's average of \$1,317. Days on the market increased from 155 days to 172 days and the listing discount was up to 6.8% from 2.3% in the same quarter last year.

Townhouses- Average prices increased by 15% from the First Quarter 2012 to \$7.3m but fell 3% from one year ago. Limited Townhouse transfers can make price changes difficult to track and are seldom our market indicators.

SEGMENT ANALYSIS:

Entry Market: (Under \$2m) Purchasers are back in the market. Sky-rocketing rents and attractive interest rates are fueling this rush to 1st purchases. The arrival of numerous new residential developments with attractive 1st offering prices are seeing rigorous activity.

Middle Market: (\$2m-\$10m) This sleeper category has awoken from its long slumber since the winter 2008. Our mid-tier, nervous buyers are arming themselves with market data and they are off the bench. This is the segment in which we at The Field Team are seeing the greatest growth. If the much anticipated "Back-to- Business" September market does not bring on a fresh batch of new listings, we could possibly see the price scale tipping upward later in the year. Tighter inventory leads to upward price pressure.

Luxury Market: (Over \$10m) This is our 2012 Olympic Gold winner...The Luxury Market, has out-performed even the most optimistic of expectations. The mega-sales, recently reported and recorded, delivered a positive confidence-impact on the entire market. It just proves that the super-rich must have real faith in the security of real estate when they are eagerly paying prices such as the amazing \$90m paid for One57 PH; \$88m for 15 Central Park West; \$70m for a 50 Central Park South duplex.

Conditions are excellent, the Manhattan Residential Real Estate Market is healthy and brokers remain optimistic. Recovery of the U.S. housing market will have far-reaching impact in the coming years.

FIELD TEAM RECENT SIGNIFICANT SALES:

The Stanhope, 995 Fifth Avenue, 16th floor: Asking price: \$30,000,000. Sold and Closed in 60 days on the market.

The Chapel, 455 Central Park West: Asking price: \$10,000,000. In Contract.

COMING SOON TO THE MARKET:

210 East 5th Street: Legendary International Photographer's Residence and Studio: \$25,000,000

1 West 67th Street: Hotel des Artistes: Majestic Double Height Duplex: \$10,000,000

111 Central Park North: Chic Modern Luxury, 4 Bedroom Condo with 600sq.ft Terrace & 2 indoor Parking Spaces: \$5,000,000

12 West 72nd Street: The Oliver Cromwell. Stunning all new 7 room Coop: Price to be Determined

417 Park Avenue: Combine 2 units into a dramatic full floor in prestigious Emery Roth Prewar coop: Price to be Determined

250 West 21 Street: Chelsea Townhouse Garden Apartment: \$1,500,000

400 East 59th Street: Designer's Masterpiece: 1 Bedroom Prewar Coop: \$750,000

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