

Corcoran Year End Review

2019 | MANHATTAN

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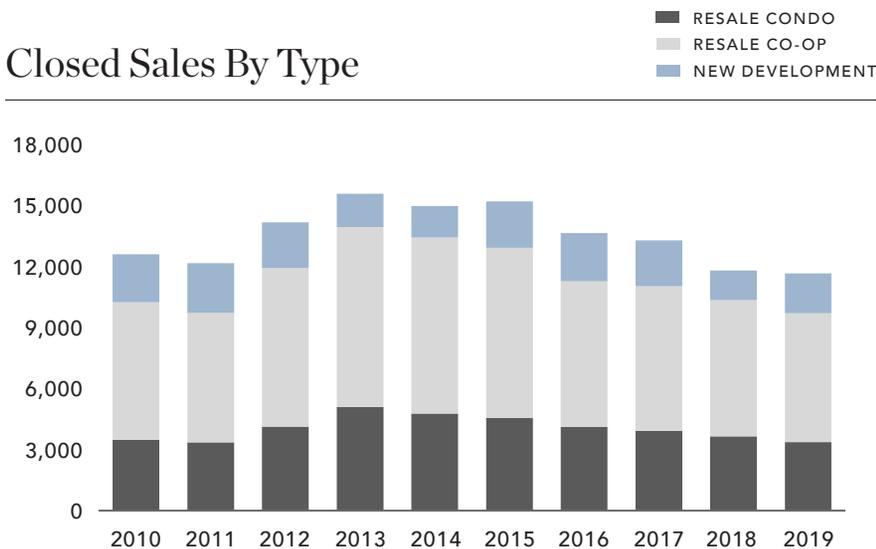
Overview

2019 was another challenging year for the Manhattan real estate market, but did show signs of stabilizing toward the end of the year. Still, for most of the year, buyers and sellers faced difficulties old and new, including low market confidence, higher mansion and transfer taxes, lower foreign demand due to a strong dollar and the trade war, plus growing supply. As a result, closed sales dropped 1% year-over-year to reach their lowest level since 2009; prices, although displaying single-digit upticks due to shifts in market share, actually fell for three of four quarters; active listings, which thankfully grew more slowly than prior years, nevertheless rose to a ten-year high by year's end.

Closings

Sales in 2019 changed by their smallest amount in ten years, falling 1% year-over-year to 11,649 closings. However, this was the lowest total since 2009. The drop in closed sales was driven by a weaker resale market compared to last year. Resale condo and resale co-op closings each declined for their sixth consecutive year, falling 8% and 5%, respectively, versus 2018. New development sales, however, rose for the first time since 2016, spiking 38% annually as several large developments completed construction.

Closed Sales By Type



OVERALL	2019	2018	% CHG
CLOSINGS	11,649	11,755	-1%
INVENTORY	7,332	6,993	5%
MEDIAN PRICE	\$1,135,000	\$1,095,000	4%
AVERAGE PRICE	\$2,025,237	\$1,978,848	2%
AVERAGE PPSF	\$1,809	\$1,759	3%

Closings Over \$5M

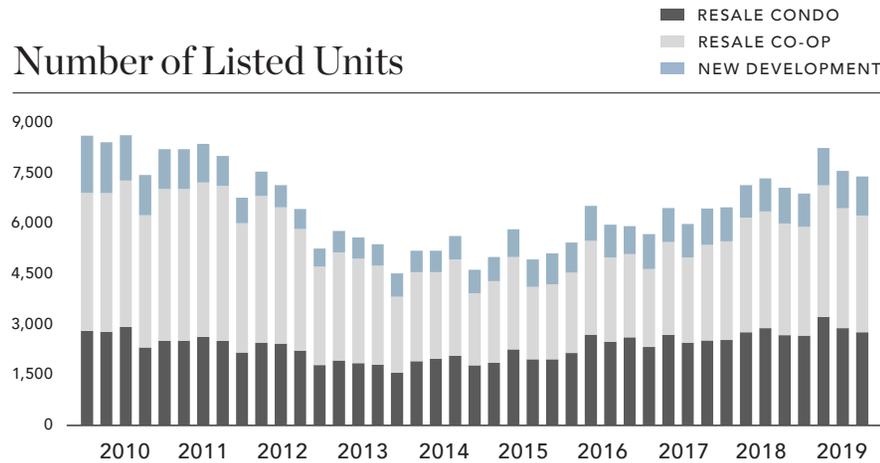
Sales over \$5M fell 2% year-over-year to 823 closings, the fewest since 2014. Since peaking in 2016, closings over \$5M have declined ever since, falling to a level 25% below their peak in 2019. The luxury market grappled with pre-existing and new challenges in 2019, including high supply, price depreciation, a revived pied-à-terre tax threat and, of course, higher, scaled mansion and transfer taxes that took effect in July. Closings varied widely by product type in 2019. Sponsor sales over \$5M rose 9% as a result of "legacy" contracts signed in earlier years at buildings that in 2019 finally commenced closings. Resale condo closings fell 18% to 217 sales and resale co-op sales were level compared to 2018 at 200 sales.

Number of Closed Sales Over \$5M



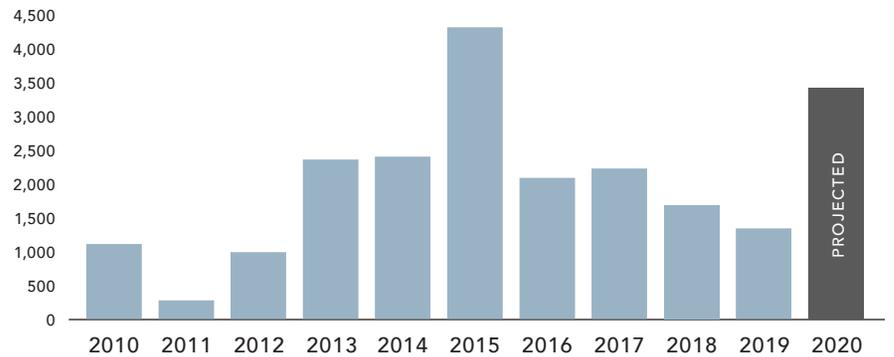
Inventory

Fourth Quarter 2019 Manhattan inventory grew 5% annually to 7,332 listings, the highest year-end total for inventory since 2010 when there were 7,371 listed units. Inventory increased for all product types. Resale condo and co-ops saw supply levels increase 3% and 5%, respectively. Listed new development inventory (excluding unlisted yet unsold "shadow" units) rose 10% versus last year, with new properties and units hitting the market in 2019.



The Manhattan market added a net total of 1,354 new development units to the Manhattan market in 2019. This represented 21% fewer units than the total number launched in 2018, and the lowest number of new unit introductions since 2012. 2020 could see more than 3,400 units come to market, but many developments aiming to launch sales in 2020 could be pushed to future years due to market conditions and construction delays.

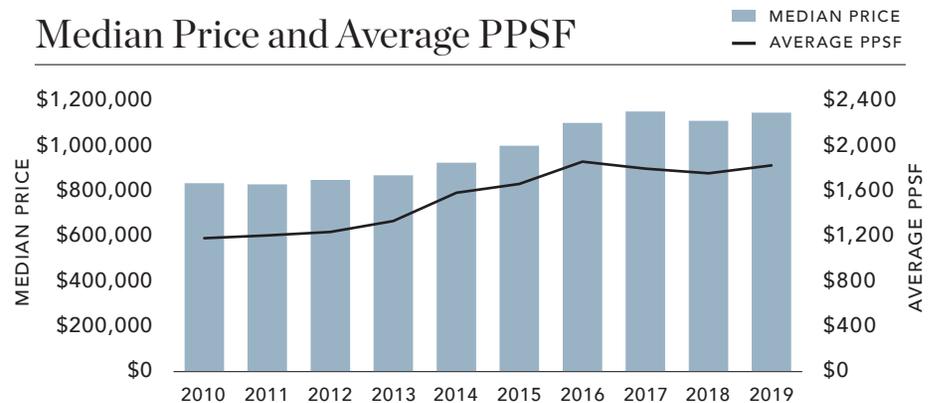
New Development Unit Launched for Sale



Prices

Contrary to the on-the-ground experience of real estate agents this year, marketwide price statistics displayed year-over-year increases for 2019 as a whole. However, this rise was mostly due to statistical quirks, as there was a large increase in the market share of higher-priced units that accompanied hundreds of closings at luxury new development towers and a rush of sales at the high-end of the market in Second Quarter 2019 before the July 1 tax hike. Additionally, as seen on page 4, average and median sale price figures fell for all product types in 2019. Median price at \$1.135M was 3% higher than 2018 overall, but was down versus its 2017 peak. Average price per square foot rose a lesser 2% annually to \$1,809, but also remained below its 2016 peak. With the 38% surge in new development sales, sales over \$25M reached a record-high thanks to 220 Central Park South closings. Without 220 Central Park South, median price would have still risen about 3% to \$1.125M, but average price per square foot would have declined 4% year-over-year to a five-year low of \$1,688.

Median Price and Average PPSF



Statistics by Type

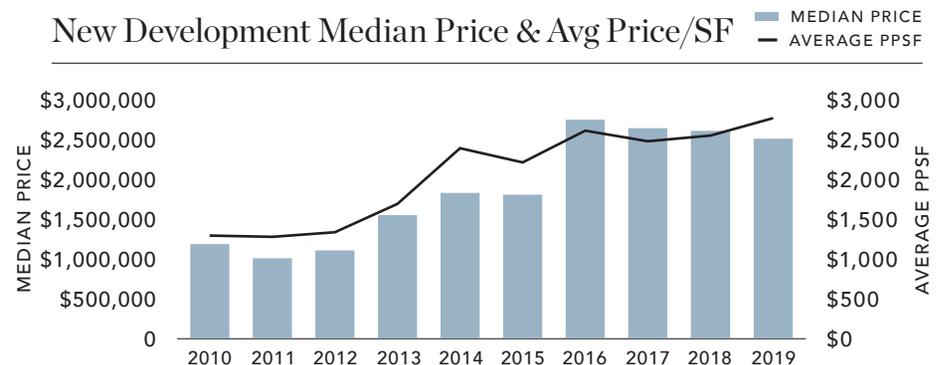
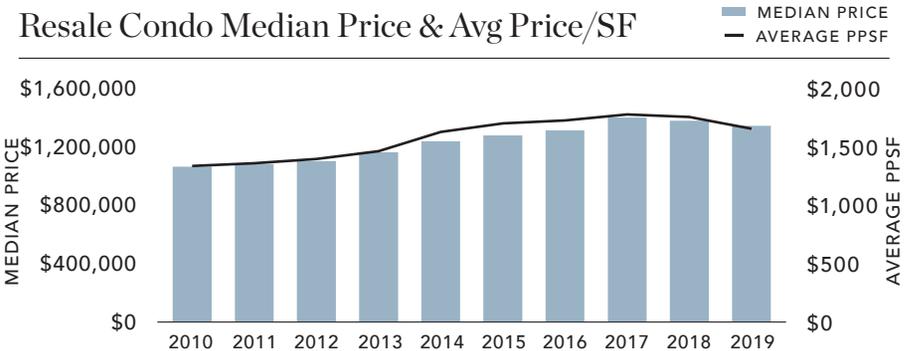
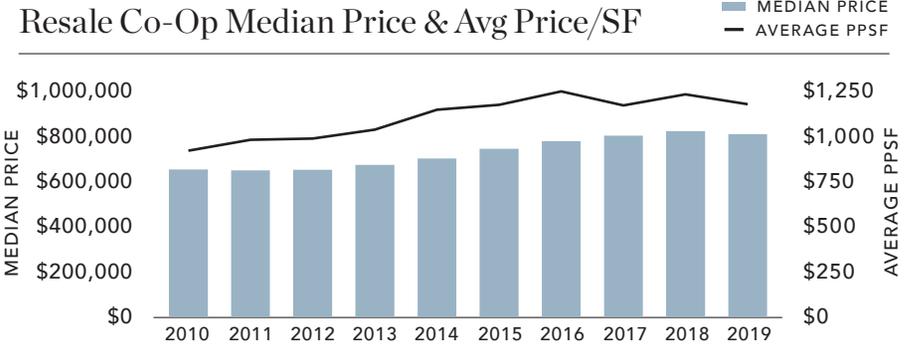
In 2019, resale condo and co-op sales fell 8% and 5% year-over-year amid low market confidence and rising transaction costs. New development sales rose nearly 40% as several large developments completed construction. Average and median sale price actually fell across product types in 2019, as buyers and sellers grappled with more supply, greater negotiation, and deeper discounts.

RESALE CO-OP	2019	2018	% CHG
CLOSINGS	6,354	6,666	-5%
INVENTORY	3,448	3,297	5%
MEDIAN PRICE	\$806,000	\$812,250	-1%
AVERAGE PRICE	\$1,265,419	\$1,325,831	-5%
AVERAGE PPSF	\$1,172	\$1,228	-5%
SALES UNDER \$1M	3,974	4,142	-4%
SALES \$1M TO \$3M	1,965	2,017	-3%
SALES \$3M TO \$5M	269	307	-12%
SALES OVER \$5M	200	200	0%

RESALE CONDO	2019	2018	% CHG
CLOSINGS	3,337	3,631	-8%
INVENTORY	2,728	2,643	3%
MEDIAN PRICE	\$1,340,000	\$1,375,000	-3%
AVERAGE PRICE	\$2,068,811	\$2,166,960	-5%
AVERAGE PPSF	\$1,651	\$1,751	-6%
SALES UNDER \$1M	1,223	1,259	-3%
SALES \$1M TO \$3M	1,576	1,737	-9%
SALES \$3M TO \$5M	321	370	-13%
SALES OVER \$5M	217	259	-16%

NEW DEVELOPMENT	2019	2018	% CHG
CLOSINGS	2,006	1,458	38%
INVENTORY	1,156	1,053	10%
MEDIAN PRICE	\$2,495,000	\$2,600,000	-4%
AVERAGE PRICE	\$4,349,610	\$4,556,212	-5%
AVERAGE PPSF	\$2,772	\$2,642	5%
SALES UNDER \$1M	181	199	-9%
SALES \$1M TO \$3M	982	629	56%
SALES \$3M TO \$5M	389	250	56%
SALES OVER \$5M	406	374	9%

Resale average price per square foot figures fell as sellers cut prices in the face of high supply and buyers chose value over location, causing sales in prime areas and recently completed developments to slow. New development average price per square foot rose 5% as a result of a greater market share of high-floor tower closings than 2018 and a jump in \$25M+ sales, driven by 220 Central Park South.



Statistics by Neighborhood

In 2019, four of six submarkets saw a decline in sales; only Downtown and Upper Manhattan, where sponsor sales rose over 50% annually in each area, experienced an increase in closings. Inventory rose across submarkets as of the end of the year, up by single digits in four of six submarkets and by over 10% in the lowest-cost areas of the Financial District & BPC and Upper Manhattan. Price stats, heavily influenced by sponsor closings, varied by submarket. East Side median price and price per square foot fell 5% and 8% respectively, with activity shifting east of Third Avenue where buyers found greater value. West Side price figures, which include Central Park West and the north side of 57th Street, saw median price fall as the share of sales over \$3M declined. At the same time, average price per square foot spiked 23% due to 220 Central Park South sales, including a record \$250M penthouse sale. Midtown price figures

were driven lower due to fewer sales in recently completed developments with Central Park views and, like the East Side, an improvement in sales east of Third Avenue trading for less than \$1.5M. Downtown, which saw a 90% increase in new development sales, saw median price rise 8% thanks largely to closings at luxury developments near the Hudson River like One Eleven Murray and Fifteen Hudson Yards, which closed more than 50 units each. Financial District & BPC pricing in 2019 was hindered by practically no ground-up new development closings and aggressive price cutting at aging Financial District resale properties whose value has been undercut by falling prices in better locations. Lastly, Upper Manhattan prices improved by single digits as a result of rising values at the lower-end of that submarket, particularly above 125th Street, and a record-high market share of units closing above \$1M.

CLOSINGS	2019	2018	%CHG
EAST SIDE	2,443	2,596	-6%
WEST SIDE	2,119	2,195	-3%
MIDTOWN	1,592	1,928	-17%
DOWNTOWN	4,038	3,520	15%
FIDI/BPC	377	452	-17%
UPTOWN	1,080	1,064	2%

INVENTORY	2019	2018	%CHG
EAST SIDE	1,752	1,641	7%
WEST SIDE	1,152	1,103	4%
MIDTOWN	1,314	1,273	3%
DOWNTOWN	2,091	2,054	2%
FIDI/BPC	464	416	12%
UPTOWN	559	504	11%

MEDIAN PRICE	2019	2018	%CHG
EAST SIDE	\$1,140,000	\$1,200,000	-5%
WEST SIDE	\$1,200,000	\$1,250,000	-4%
MIDTOWN	\$850,000	\$902,570	-6%
DOWNTOWN	\$1,550,000	\$1,430,000	8%
FIDI/BPC	\$999,000	\$1,025,000	-3%
UPTOWN	\$650,000	\$625,000	4%

AVERAGE PPSF	2019	2018	%CHG
EAST SIDE	\$1,512	\$1,643	-8%
WEST SIDE	\$2,329	\$1,889	23%
MIDTOWN	\$1,549	\$1,614	-4%
DOWNTOWN	\$2,004	\$2,025	-1%
FIDI/BPC	\$1,314	\$1,377	-5%
UPTOWN	\$866	\$859	1%

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

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