

TOWN

THE AGGREGATE™
3RD QUARTER 2014

A Quarterly Residential
Market Report of Manhattan

Welcome to **The Aggregate™**, the quarterly residential market report published by TOWN Residential. As New York's only fully-integrated residential real estate services firm, TOWN is a sought-after source of Manhattan neighborhood expertise across its four divisions of luxury product: sales, leasing, and the marketing of new development sales and leasing

With **The Aggregate™**, TOWN brings you a comprehensive report on sales behavior across three distinct asset classes – condominiums, cooperatives and townhouses – from July through September 2014, and compares those transaction values with quarter-over and year-over values.

This edition of **The Aggregate™** is the culmination of figures drawn from the rolling sales data of the Manhattan market along with the live ACRIS feed provided by the New York City Department of Finance. The statistics presented in this edition of **The Aggregate™**, represent a sample of 2,538 market transactions from the third quarter of 2014.

The third quarter of 2014 has seen an overall year-over climb in asset prices as sales continued to pick up through the year. The continued inventory shortage was evidenced by both a decrease in the absorption rate and days on market from the second quarter. Conversely, the year-over numbers generally increased more dramatically with regard to most pricing metrics. Simultaneously, building permits continued to increase year-over-year by more than 35% for New York City's five boroughs. The city appears to have remained an active environment for real estate investment, development, and a potential safe-haven for domestic and international funds alike.

This quarter, we saw market-wide year-over-year percentage increases in average and median apartment sales prices of approximately 17% and 4% respectively. These pricing increases were primarily prevalent in the city's luxury sales market, which is composed of the top 10% of apartment sales.

Our chief objective is to present an authentic, transparent and credible information resource with a clear-cut methodology and simple presentation that TOWN's 600-plus neighborhood experts can share confidently. TOWN is proud to present a trusted collection of data that will continue to reflect the evolving nature of the New York City sales and leasing market. In addition to **The Aggregate™**, TOWN's **Economics at a Glance™** and **Leasing Report™**, published monthly, can be found on our website, townrealestate.com, with regular market updates and hyper-local statistics specific to what's happening in each neighborhood.

No one knows this town like TOWN. The TOWN App puts complete geo-located residential listing and open house information for all available properties in the REBNY database in the hands of smartphone and tablet users, providing a fully mobile and searchable TOWN experience. With ten TOWN offices located throughout Manhattan, our informative and welcoming staff is able to guide you through any real estate transaction or need.



MANHATTAN MARKET-WIDE

The third quarter of 2014 demonstrated significant year-over price changes while quarter-over pricing movement was relatively flat. The market-wide average sales price of a Manhattan apartment experienced a quarter-over-quarter decrease of 0.79%, from \$1,715,644 to \$1,702,147, while the median sales price drew a quarter-over-quarter decrease of 0.75%, from \$905,770 to \$899,000. However, the average price year-over-year increased significantly by 17.24%, while the median price increased by 4.37%. Additionally, the continued shortage of inventory supply is evidenced by a quarter-over-quarter decrease in the absorption rate of 8.51% along with a simultaneous decrease in the days on market, which decreased from 88 to 80 since last quarter.

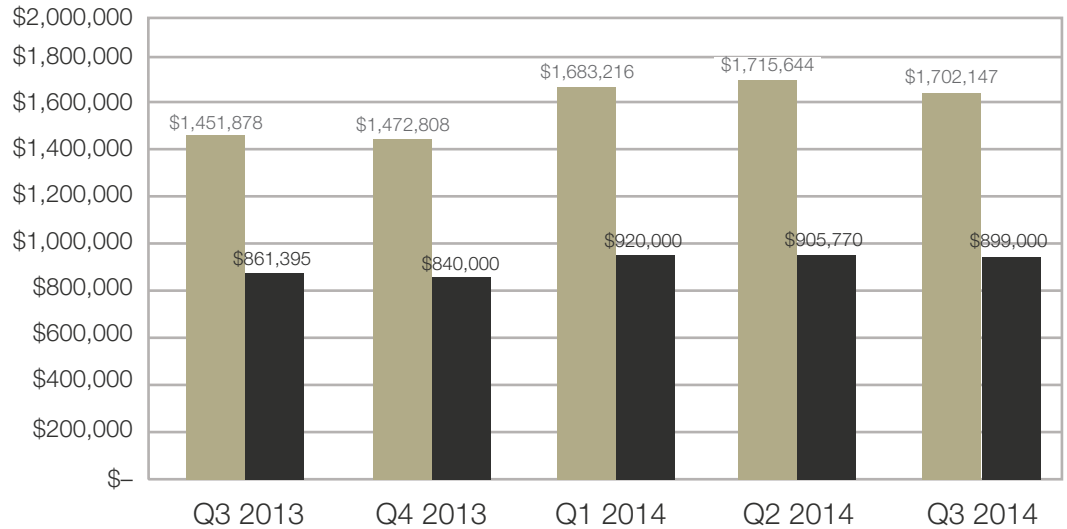
Manhattan Market-Wide Metrics*	Q3 2014	% Change (Qrt)	Q2 2014	% Change (YOY)	Q3 2013
Average Sales Price	\$1,702,147	-0.79%	\$1,715,644	17.24%	\$1,451,878
Average Price per SF	\$1,331	0.83%	\$1,320	12.51%	\$1,183
Median Sales Price	\$899,000	-0.75%	\$905,770	4.37%	\$861,395
Median Price per SF	\$1,167	-2.18%	\$1,193	8.56%	\$1,075
Absorption Rate (In Months)	4.30	-8.51%	4.70	—	N/A
Median Days on Market	80	-9.09%	88	-14.89%	94
Median Sales Discount	-6.80%	—	-5.25%	—	-5.10%
Median Sales Premium	6.40%	—	5.00%	—	3.90%

*Market-wide sales figures refer to all condo, co-op, & cond-op sales.

Source: TOWN Residential

The following chart displays both market-wide average and median pricing for Manhattan apartment sales for the past year, from third quarter 2013 through third quarter 2014.

Manhattan Market-Wide Pricing



Source: TOWN Residential

The following matrix displays a breakdown of median Manhattan apartment prices by apartment category:

Market-Wide	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$430,000	\$738,000	\$1,395,000	\$3,008,000
Q2 2014	\$436,725	\$743,323	\$1,477,500	\$3,115,000
Q1 2014	\$429,000	\$711,250	\$1,473,231	\$3,127,831
Q4 2013	\$430,000	\$667,750	\$1,450,000	\$2,774,638

Source: TOWN Residential



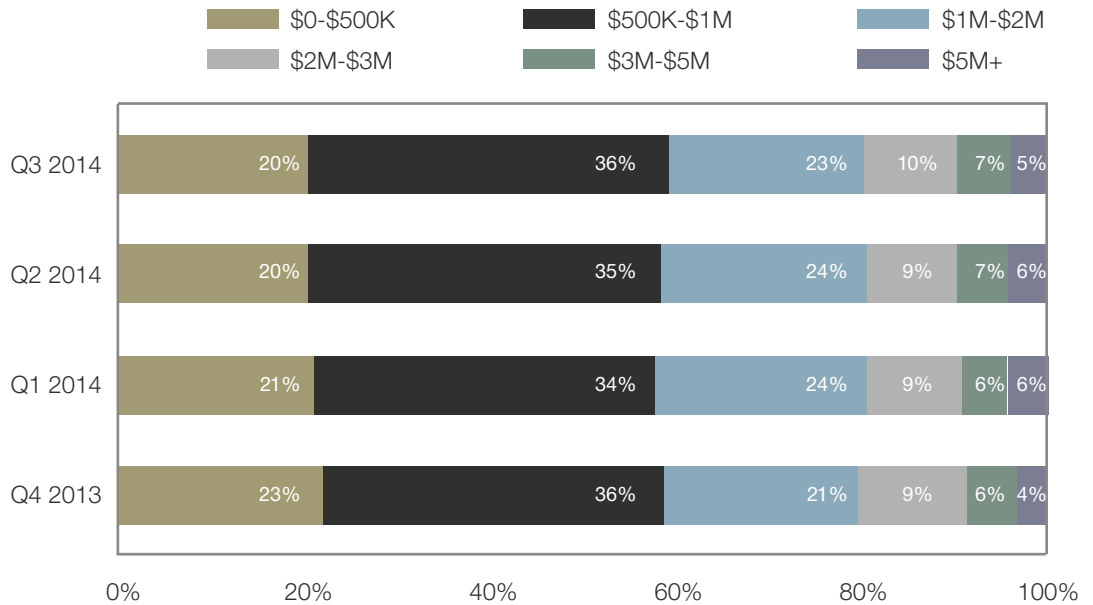
MANHATTAN MARKET-WIDE

A breakdown of sales transactions between July and September 2014 by pricing category reveals Manhattan apartment sales between \$500,000-\$1 million represented the largest category of sales activity market-wide. The same can be said for the past four consecutive quarters, reaching back to fourth quarter 2013.

Quarter-over-quarter decreases in the number of sales priced under \$1,000,000 were complemented by increases in apartments priced \$2,000,000 to \$3 million. In the third quarter of 2014, mixed pricing movement in the majority of Condo and Co-op apartment sales, decreased the quarter-over percentage change in average apartment sales price. However, it should be noted that these same property types increased in the majority of pricing metrics rather significantly year-over-year.

*The following chart displays the breakdown of Manhattan apartment sales market-wide by pricing category for the past four consecutive quarters, between fourth quarter 2013 and third quarter 2014.

Percentage of Sales by Price Range*



*Percentages may not sum to 100 due to rounding.

Source: TOWN Residential



MANHATTAN CONDOS

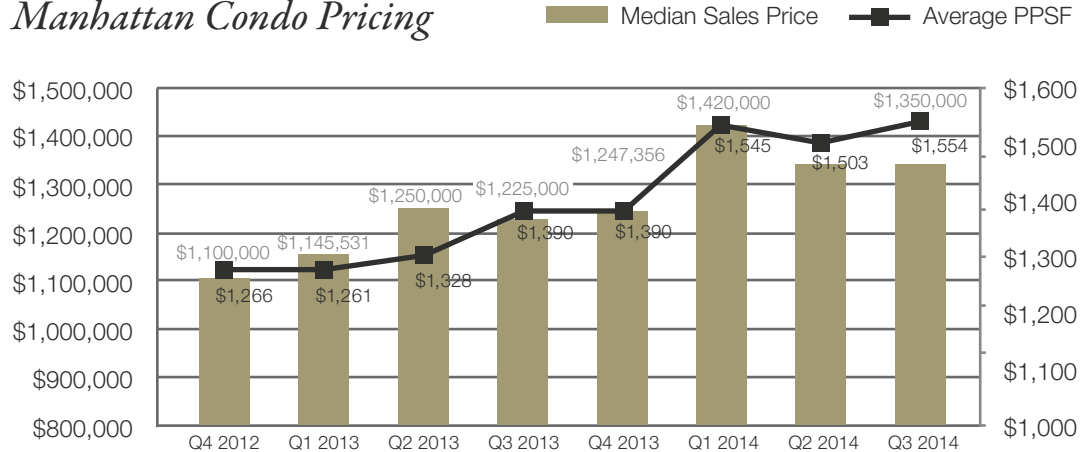
Condominium sales represented fewer sales transactions than Co-ops, accounting for approximately 41% of closed sales. This product type saw positive and significant year-over-year price movements in the third quarter of 2014. The average price of a Manhattan condo decreased by a mild 0.56% quarter-over-quarter, from \$2,305,755 to \$2,292,837, while increasing 23.79% year-over-year. Simultaneous positive price movement was also seen in both average price per square foot and median sales prices year-over-year. Lastly, when compared to the same period in 2013, limited inventory combined with high demand led to a sustained low 88 median days on market for the third quarter of 2014.

Manhattan Condo Sales	Q3 2014	% Change (Qrt)	Q2 2014	% Change (YOY)	Q3 2013
Average Sales Price	\$2,292,837	-0.56%	\$2,305,755	23.79%	\$1,852,147
Average Price per SF	\$1,554	3.39%	\$1,503	11.80%	\$1,390
Median Sales Price	\$1,350,000	0.00%	\$1,350,000	10.20%	\$1,225,000
Median Price per SF	\$1,358	-1.74%	\$1,382	7.52%	\$1,263
Median Days on Market	88	12.82%	78	-27.27%	121
Median Sales Discount	-4.60%	—	-4.60%	—	-5.20%
Median Sales Premium	4.60%	—	5.00%	—	3.70%

Source: TOWN Residential

The following chart displays both condo median price and average price per square foot from fourth quarter 2012 through to the present.

Manhattan Condo Pricing



Source: TOWN Residential

The following matrix displays a breakdown of Median Manhattan Condo prices by apartment category:

Condos	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$642,500	\$993,750	\$1,800,000	\$3,600,000
Q2 2014	\$583,000	\$1,035,842	\$1,790,000	\$3,500,000
Q1 2014	\$600,768	\$975,000	\$1,731,025	\$3,384,663
Q4 2013	\$575,000	\$891,000	\$1,835,000	\$3,218,698

Source: TOWN Residential



MANHATTAN CO-OP

In the third quarter of 2014, price movement for Co-ops was generally positive with minimal pricing decreases both quarter-over-quarter and year-over-year. The average sale price of a Manhattan Co-op increased by approximately 4.13% quarter-over, from \$1,243,123 to \$1,294,511, while increasing 8.68% year-over-year from \$1,191,122. Simultaneously, quarter-over-quarter median Co-op prices increased 0.73% from \$685,000 to \$690,000 while the median days on market decreased slightly to 83 for the third quarter.

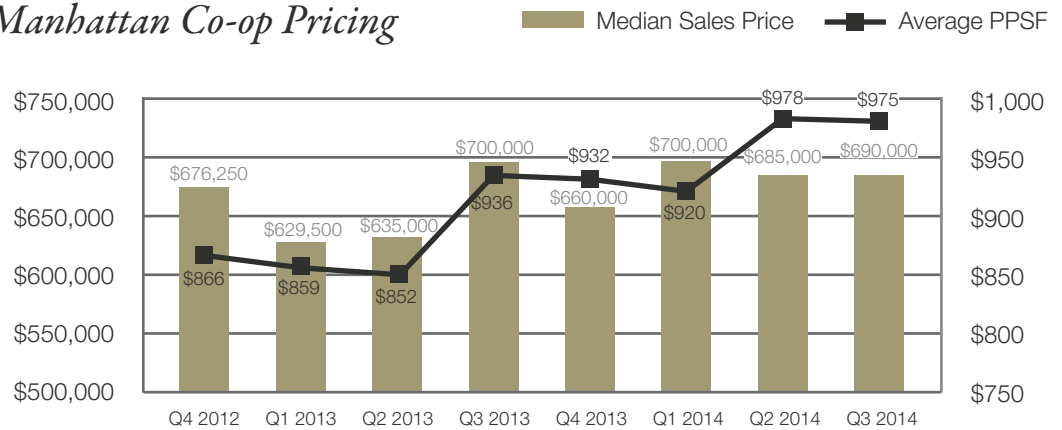
Manhattan Co-op Sales*	Q3 2014	% Change (Qrt)	Q2 2014	% Change (YOY)	Q3 2013
Average Sales Price	\$1,249,511	4.13%	\$1,243,123	8.68%	\$1,191,122
Average Price per SF	\$975	-0.31%	\$978	4.17%	\$936
Median Sales Price	\$690,000	0.73%	\$685,000	-1.43%	\$700,000
Median Price per SF	\$891	-0.11%	\$892	5.57%	\$844
Median Days on Market	83	10.8%	93	-8.79%	91
Median Sales Discount	-8.45%	—	-5.65%	—	-5.00%
Median Sales Premium	6.60%	—	4.95%	—	4.30%

*Co-op sales include all cond-op sales due to structural similarities.

Source: TOWN Residential

The following chart displays Co-op median price along with average price per square foot from fourth quarter 2012 through to the present.

Manhattan Co-op Pricing



Source: TOWN Residential

The following matrix displays a breakdown of Median Manhattan Co-op prices by apartment category:

Co-ops	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$385,000	\$628,202	\$1,200,000	\$2,700,000
Q2 2014	\$378,500	\$610,000	\$1,242,500	\$2,650,000
Q1 2014	\$390,000	\$610,000	\$1,230,000	\$2,450,000
Q4 2013	\$382,500	\$587,000	\$1,150,000	\$2,227,500

Source: TOWN Residential

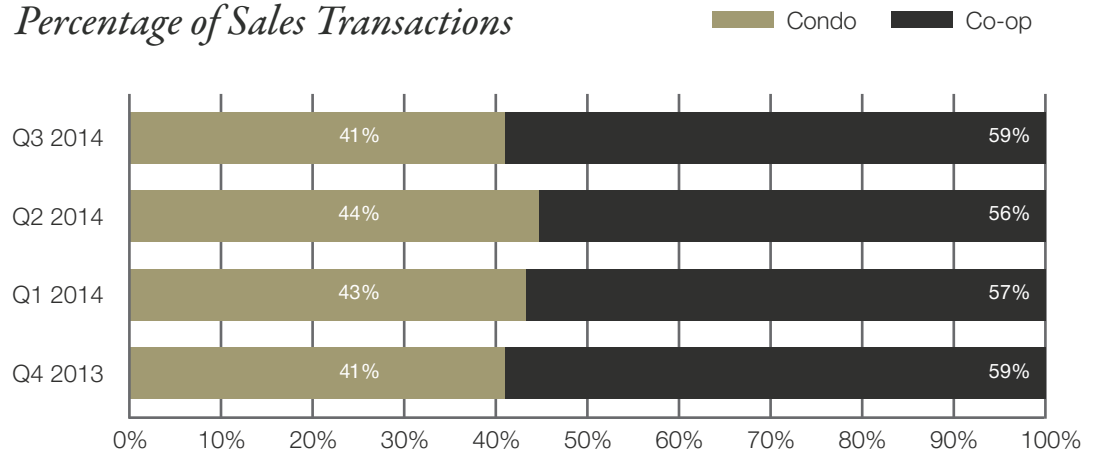


MANHATTAN CO-OP/CONDO DIFFERENTIALS

In the third quarter of 2014, Co-ops accounted for approximately 59% of Manhattan apartment sales transactions, while Condos accounted for approximately 41% of sales.

The following chart displays the breakdown of Manhattan apartment sales market-wide by category for the past four consecutive quarters, between fourth quarter 2013 and third quarter 2014.

Percentage of Sales Transactions

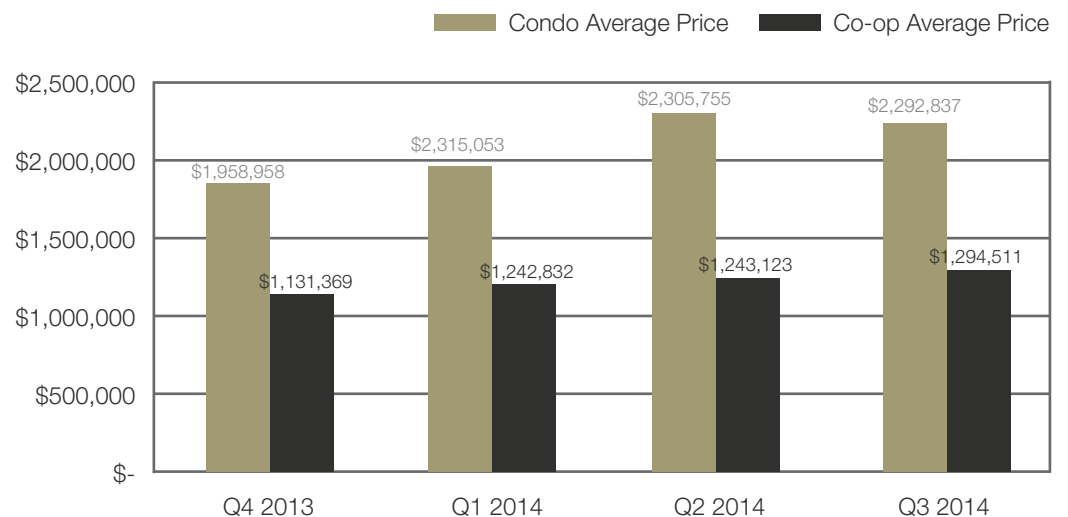


Source: TOWN Residential

While Manhattan Co-ops, which are historically in greater abundance, generally account for the majority of market sales, Condos typically sell at a premium to Co-ops, at higher average and median sales prices, due in part to reduced financial constraints on sales transactions. In the third quarter of 2014, the average sale price of a Manhattan Condo was \$2,292,837; the average Co-op sale price was significantly less at \$1,294,511.

The following chart displays average pricing differentials between Manhattan Condo and Co-op sales transactions on a quarterly basis for the past four consecutive quarters, between fourth quarter 2013 and third quarter 2014.

Manhattan Condo / Co-op Average Pricing Differential



Source: TOWN Residential

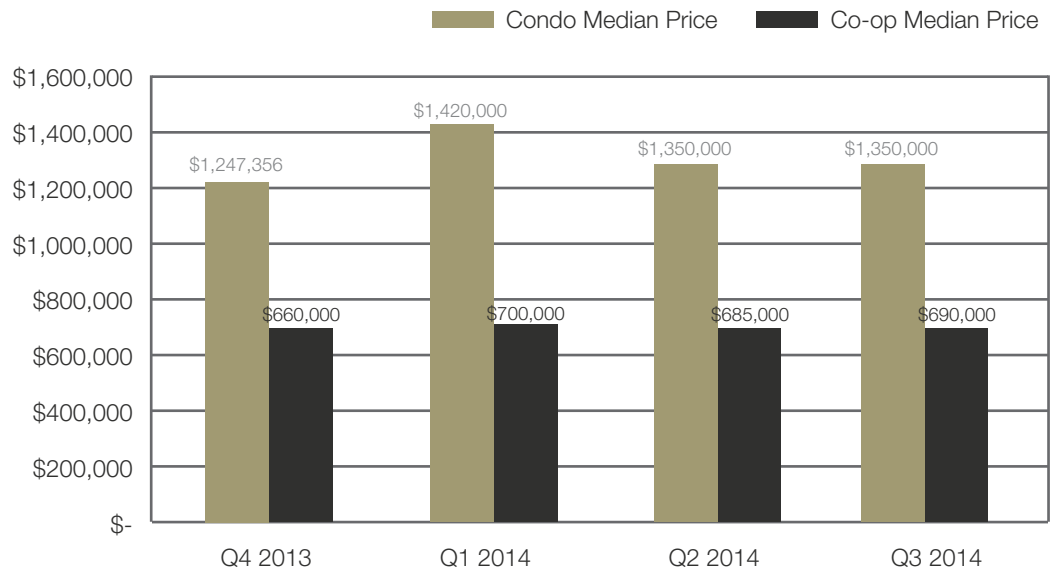


MANHATTAN CO-OP/CONDO DIFFERENTIALS

The median sale price of a Manhattan Condo for third quarter 2014 was \$1,350,000; for Co-ops, median price was \$690,000.

The following chart displays median pricing differentials between Condo and Co-op sales transactions on a quarterly basis for the past four consecutive quarters, between fourth quarter 2013 and third quarter 2014.

Manhattan Condo / Co-op Median Pricing Differential



Source: TOWN Residential



LUXURY MARKET

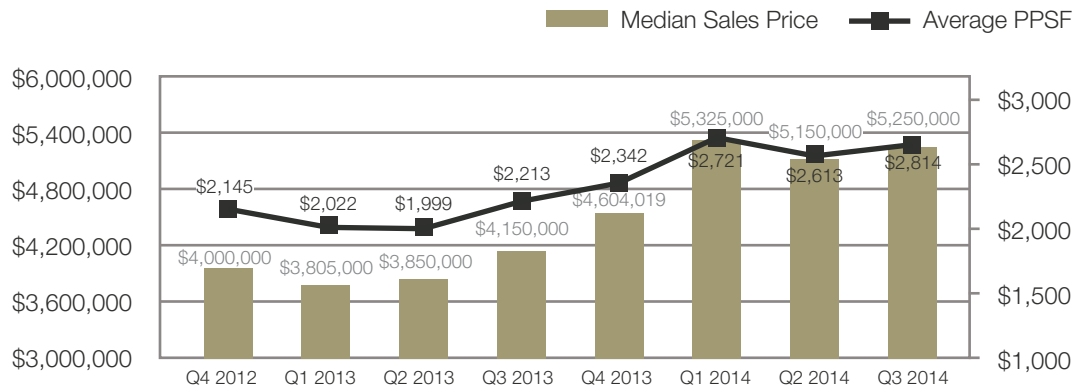
Luxury sales are a unique subset of the Manhattan residential market, consisting of the top ten percent of apartment sales by price, excluding townhouses. These sales are typically from high-end products such as larger two- and three-or-more bedroom apartments. In the third quarter of 2014, the entry price point in this category increased to approximately \$3.39 million, and average price decreased by 1.01% quarter-over-quarter from \$7,550,361 to \$7,473,793. Simultaneously, median price increased 1.94% from \$5,150,000 to \$5,250,000 quarter-over-quarter, while the number of days on market decreased to 85 days to closing. As with most product types this quarter, the year-over-year pricing metrics increased rather significantly with regard to the year-over percentage changes.

Manhattan Luxury Market*	Q3 2014	% Change (Qrt)	Q2 2014	% Change (YOY)	Q3 2013
Average Sales Price	\$7,473,793	-1.01%	\$7,550,361	35.34%	\$5,522,139
Average Price per SF	\$2,814	7.69%	\$2,613	27.16%	\$2,213
Median Sales Price	\$5,250,000	1.94%	\$5,150,000	26.51%	\$4,150,000
Median Price per SF	\$2,297	8.35%	\$2,120	20.51%	\$1,906
Median Days on Market	85	-4.49%	89	-25.44%	114
Median Sales Discount	-5.20%	—	-6.10%	—	-6.90%
Median Sales Premium	5.60%	—	5.70%	—	3.80%

*This sub-category is defined as the top 10% of all condo, cond-op, and co-op sales. Source: TOWN Residential

The following chart displays the median price along with average price per square foot from fourth quarter 2012 through to the present:

Luxury Median Price & Average PPSF



Source: TOWN Residential



MANHATTAN TOWNHOUSES

The Manhattan townhouse submarket is intriguing, as it is the residential asset class with the least amount of available product year-to-year, and represents some of the most notable addresses in New York City. As a result, it is not a historically active market, with approximately 30-60 transactions per quarter. Analysis of such small sample sets typically yields behavioral fluctuations from quarter-to-quarter and year-to-year. In the current period, townhouses increased in average price both year-over-year and quarter-over-quarter. Conversely, the additional pricing metrics showed mixed movement both quarter-over-quarter and year-over-year. So while the average sales price increased by 6.52% quarter-over-quarter to \$5,923,708, the median price decreased year-over-year by 0.32%. However, it should be noted that each townhouse is an inherently unique product, and therefore it is difficult to make comparisons in the selected transactions that occurred between quarters.

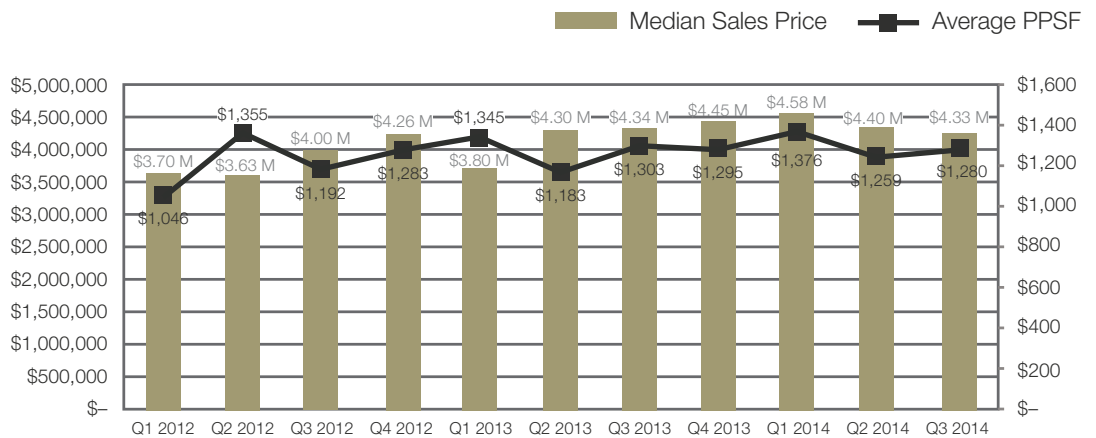
Manhattan Townhouse Sales*	Q3 2014	% Change (Qrt)	Q2 2014	% Change (YOY)	Q3 2013
Average Sales Price	\$5,923,708	6.52%	\$5,561,358	29.59%	\$4,571,041
Average Price per SF	\$1,280	1.67%	\$1,259	-1.69%	\$1,302
Median Sales Price	\$4,330,000	-1.59%	\$4,400,000	-0.32%	\$4,343,750
Median Price per SF	\$919	-21.45%	\$1,170	-28.32%	\$1,282

*Townhouse sales refer to all 1 to 6 family homes.

Source: TOWN Residential

The following chart depicts median sale pricing of Manhattan townhouses alongside their average price-per-square-foot dollar value from first quarter 2012 through the present:

Manhattan Townhouse Median Sale Price & Average PPSF



Source: TOWN Residential



NEIGHBORHOOD BREAKDOWN

Each major Manhattan neighborhood showed mixed but generally positive pricing trends during the third quarter of 2014.

Uptown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$254,250	\$339,690	\$593,775	\$884,000
Q2 2014	\$209,594	\$380,000	\$582,500	\$805,000
Q1 2014	\$220,000	\$355,000	\$570,000	\$835,000
Q4 2013	\$268,710	\$345,000	\$502,500	\$850,500

*Approximately north of both East 96th Street and West 110th Street

Upper West Side*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$420,000	\$765,000	\$1,499,000	\$3,125,000
Q2 2014	\$415,000	\$752,000	\$1,500,000	\$2,892,169
Q1 2014	\$429,000	\$756,750	\$1,427,000	\$2,570,586
Q4 2013	\$425,000	\$660,000	\$1,385,000	\$2,749,275

*Approximately 59th Street to 110th Street

Upper East Side*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$360,000	\$650,500	\$1,362,500	\$3,700,000
Q2 2014	\$340,000	\$630,000	\$1,550,000	\$3,030,000
Q1 2014	\$345,000	\$656,666	\$1,375,000	\$3,505,204
Q4 2013	\$372,500	\$603,500	\$1,312,500	\$3,150,000

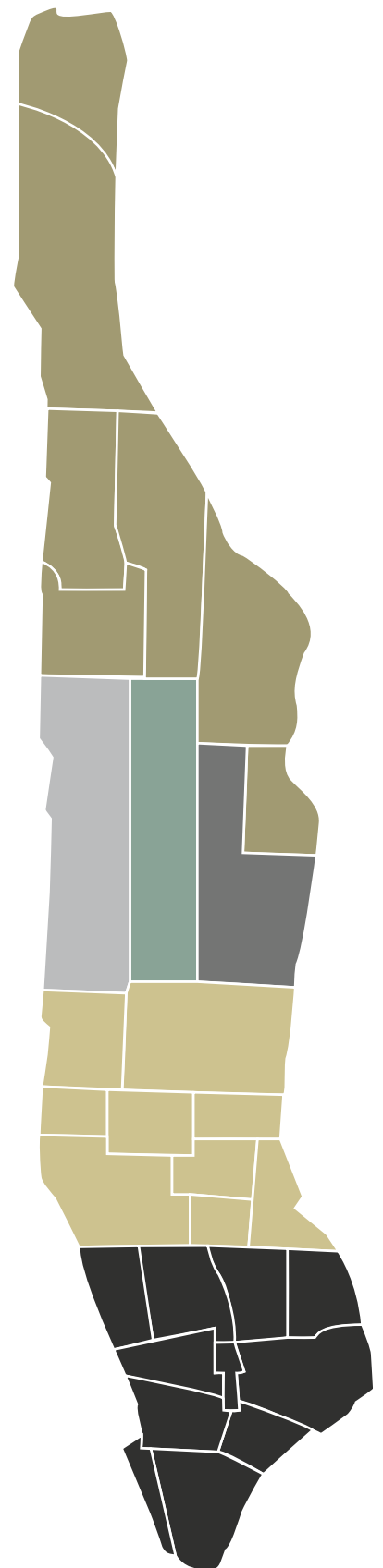
*Approximately 59th Street to 96th Street

Midtown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$412,500	\$777,500	\$1,667,500	\$2,500,000
Q2 2014	\$435,000	\$755,000	\$1,590,000	\$3,575,000
Q1 2014	\$413,250	\$749,500	\$1,740,000	\$3,495,000
Q4 2013	\$447,000	\$707,500	\$1,550,000	\$2,540,000

*Approximately 23rd Street to 59th Street

Downtown*	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q3 2014	\$590,000	\$871,200	\$1,900,000	\$3,342,500
Q2 2014	\$560,038	\$905,770	\$1,575,000	\$3,750,000
Q1 2014	\$565,000	\$885,000	\$1,751,390	\$3,495,000
Q4 2013	\$530,000	\$852,500	\$1,906,882	\$3,383,571

*Approximately below 23rd Street



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END NOTES

Data Sources

Primary data sources consulted for the analysis of Manhattan condominium, cooperative and townhouse sale transactions as reported in *The Aggregate*™ Q3 2014 residential market report include rolling sales reports by the New York City Department of Finance (ACRIS) and the REBNY Listing Service (RLS) via subscriptions to UrbanDigs.com analytics.

Data Lag

There is a substantial lag in reporting residential real estate market activity due to the time that transpires between contract signings and closings and when the Office of the City Register files those closings. It should be noted that data collected in a particular period actually represents a “snapshot” of a past period.

Methodology

Research was utilized in the data-collection process to remove “non-arm’s length” transactions between related parties, as they may not reflect true market value.

All statistics are based on a sample of 2,538 closed sales transactions recorded in the aforementioned period, and represent an estimate of the historical macroeconomic pricing trends in the New York City market as found in the public record. Under no circumstances should the figures reported be utilized to value individual property.

Glossary of Terms

- **Sales Discount:** the difference between the original asking price and the final sales price; expressed as a percentage of the final sales price.
- **Sales Premium:** the difference between the original asking price and the final sales price; expressed as a percentage of the final sales price.
- **Days on Market:** the difference between the original listing date and the final sales date.
- **Market-Wide Apartment Sales:** all condo, cond-op and co-op apartment sales.
- **Co-op Sales:** all cooperative and cond-op sales due to similarities in the structures of the two products.
- **Luxury Sales:** the top 10% of all apartment sales based on final sales prices, excluding townhouses.
- **Absorption Rate:** Defined in terms of how many months it would take to sell the current inventory based on the rate of home sales over the last six months.

