

Q3 2022

Manhattan Market Report

SERHANT.

Letter From Garrett



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The Manhattan housing market began to show persistent signs of a slowdown in the third quarter, driven by rising mortgage rates, stock market volatility and recession fears. Initially the hawkish Fed policies made an impact in the sub-\$1 million market, but as the quarter progressed and the Fed maintained its aggressive stance, sales began to slow across all price points. Still, a number of legacy closings and a higher concentration of super-prime sales buoyed prices. The median sales price increased 2.6% from last year to \$1,180,000 and the average sales price increased 6.5% to \$2,049,817. Similarly, the average price-per-square-foot jumped 9.9% to \$1,699, its highest level since the second quarter of 2019 when a flood of luxury deals closed to avoid the increased mansion and transfer taxes that took effect July of that year. Additionally, there were only 2,598 listings that reduced prices in the third quarter, down from 4,312 in the second quarter but up from the 2,340 in the first quarter. Fewer reductions signal sellers are capitulating to current conditions and are pricing appropriately. While many headlines have pointed to a 'housing recession,' it is important to note very few homeowners are over leveraged or under water. While bidding wars have all but evaporated and demand has slowed, the market is largely returning to a normal level of activity. As we go into the fourth quarter, sales will continue to slow from 2021 levels. However, returning to a more normal pattern will favor buyers in the market as they will face less competition and increased inventory.

Market Highlights:

Average Price

\$2,049,817

Year-Over-Year

6.5%

Median Price

\$1,180,000

Year-Over-Year

2.6%

Average PPSF

\$1,699

Year-Over-Year

9.9%

30.1%

Share of Inventory
Over \$3m

4.1%

Average
Discount

12.9%

Of Properties Took
Less Than 30 Days
To Enter Contract

15.6%

Share Of Closings
Over \$3m

154

Average Days On
Market

22.3%

Of Properties Took
Over 180 Days
To Enter Contract

Closed Sales

By Bed

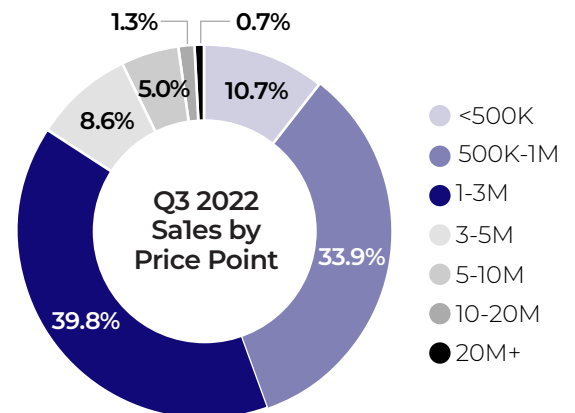
There were 4,031 sales in Manhattan, a decrease of 12.4% over this time last year. For condos, the greatest share of closings was for 2-bedroom homes with 37% of all transactions, followed by 1-bedroom homes with 36%. Condo prices were largely higher than last year, apartment from the median price of a 2-bedroom which dipped 4%. The greatest price increases were for 3-bedroom homes, where the median price was up 15% and average price jumped 19%. 1-bedrooms showed a similar pattern, with their median up 15% and average up 14%. Co-ops also showed price improvement, apart from larger 4+ bedroom residences where the median dropped 13% and average fell 31%. The greatest increases were for studios and 1-bedrooms, where the medians increased 8% and average prices increased 7% for both types.

Condo	○ Studio	●● 1 Bed	●● 2 Bed	●● 3 Bed	●● 4+ Bed
% Units	7%	36%	37%	15%	5%
Average Discount	3%	5%	5%	5%	7%
Median Price	\$650,000	\$1,127,250	\$1,999,000	\$3,835,000	\$8,637,669
YoY	4%	15%	-4%	15%	11%
Average Price	\$683,380	\$1,228,636	\$2,256,768	\$4,549,423	\$11,196,057
YoY	9%	14%	4%	19%	9%
Average PPSF	\$1,325	\$1,552	\$1,684	\$2,098	\$2,713
YoY	1%	14%	4%	14%	16%
Average SF	519	791	1,314	2,063	3,821
YoY	3%	-0.1%	-1%	5%	9%

Co-op	○ Studio	●● 1 Bed	●● 2 Bed	●● 3 Bed	●● 4+ Bed
% Units	14%	40%	29%	14%	4%
Average Discount	4%	3%	3%	5%	7%
Median Price	\$454,250	\$732,000	\$1,260,000	\$2,293,750	\$3,600,000
YoY	8%	8%	5%	7%	-13%
Average Price	\$465,646	\$792,045	\$1,433,708	\$2,506,914	\$4,589,022
YoY	7%	7%	2%	3%	-31%
Average PPSF	\$956	\$1,035	\$1,164	\$1,188	\$1,522
YoY	3%	5%	8%	-2%	3%
Average SF	519	757	1,200	1,926	2,721
YoY	8%	-1%	-3%	9%	-8%

By Price

The largest concentration of sales, totaling 39.8% of transactions, were priced between \$1-3 million. These homes had an average discount of 4.1% off their initial listing price. The next largest share of deals was for properties priced between \$500,000-1 million, with 33.9%. Their discount was 3.5%, the lowest of any price tranche. Sales for homes priced \$20 million and above totaled 0.7% of the market and had the highest discount rate, averaging 18.2%. Sales for homes priced between \$10-20 million totaled 1.3% of the market and had the next highest discount rate, averaging 8.2%. Homes priced between \$5-10 million made up 5% of sales and had an average discount of 4.6%. Sales under \$500,000 had an average discount of 5.5%.



Closed Sales

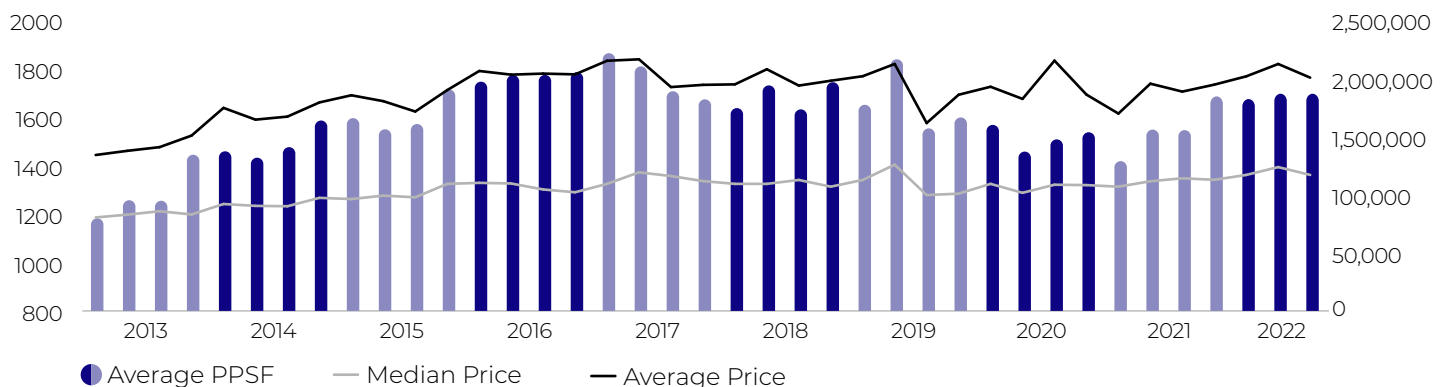
By Location

In total, 37% of condo sales were located Downtown. There, the median price increased 4% to \$2,347,988 and the average price-per-foot increased 8% to \$2,040. It was the only submarket with an average price-per-foot surpassing \$2,000. While Downtown was the most expensive, the Upper West Side noted the strongest appreciation with its median price up 7%, average price up 25%, and average price-per-foot up 19%. New development closings in the submarket contributed to the outsized increase. The steepest declines were in Lower Manhattan, where fewer new development closings occurred compared to last year, resulting in the declines. The area's median price dropped 26% and average fell 19%. Size played a slight role, dropping 10%. For co-ops, the Upper East Side and Downtown both captured 26% of sales. Prices in both markets improved, with their median prices up 7% and 5% and average prices up 4% and 3%, respectively.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8%	11%	17%	14%	5%	37%	7%
Average Discount	6%	6%	3%	7%	7%	3%	6%
Median Price	\$915,000	\$1,698,750	\$1,717,832	\$1,257,719	\$1,375,000	\$2,347,988	\$992,500
YoY	-8%	-4%	7%	-4%	8%	4%	-26%
Average Price	\$1,141,973	\$2,496,211	\$2,899,411	\$3,009,925	\$2,734,343	\$3,404,785	\$1,385,652
YoY	-12%	-6%	25%	20%	67%	5%	-19%
Average PPSF	\$1,076	\$1,544	\$1,818	\$1,588	\$1,727	\$2,040	\$1,243
YoY	-6%	3%	19%	2%	16%	8%	-15%
Average SF	1,040	1,379	1,396	1,083	1,342	1,457	1,051
YoY	-1%	0%	9%	-10%	28%	-8%	-10%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	9%	26%	20%	16%	2%	26%	2%
Average Discount	4%	5%	3%	4%	3%	2%	2%
Median Price	\$599,500	\$1,027,500	\$995,000	\$675,000	\$654,375	\$940,568	\$830,000
YoY	7%	7%	-7%	0.4%	25%	5%	16%
Average Price	\$724,220	\$1,772,987	\$1,387,594	\$855,848	\$675,452	\$1,340,096	\$980,815
YoY	14%	4%	-12%	0.3%	7%	3%	4%
Average PPSF	\$707	\$1,071	\$1,194	\$915	\$962	\$1,358	\$1,179
YoY	5%	4%	4%	5%	9%	3%	24%
Average SF	924	1,290	1,078	1,018	741	978	899
YoY	-1%	5%	-1%	4%	-18%	-6%	-16%






Historical Price Trends








Contracts Signed

By Bed

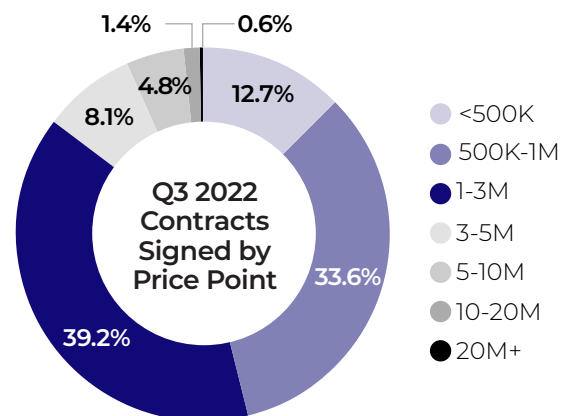
There were 2,508 contracts signed in the third quarter, a decline of 32.2% from last year as the continued impact of rapidly rising mortgage rates, financial market volatility and recession fears slowed the pace of transactions. For condos, 1-bedroom homes made up the largest share of contracts, with 40%, followed by 2-bedrooms with 34%. Prices were up for smaller homes, while mid-sized homes were relatively flat and larger 4+ bedroom condos saw prices slip. Studios had the greatest increases, with their median up 7% and average up 12%. For co-ops, the largest share of contracts was also for 1-bedroom homes, with 45% of all deals. 2-bedrooms followed with 27%. Prices were mixed, with studios and 2-bedrooms showing median and average improvements. Like condos, it was larger, 4+ bedroom co-ops that noted the greatest declines, with their median down 14% and average down 1%.

					
Condo	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	8%	40%	34%	15%	4%
Median Price	\$665,000	\$1,096,000	\$2,100,000	\$4,000,000	\$6,772,500
YoY	7%	6%	3%	0.1%	-0.4%
Average Price	\$748,324	\$1,235,060	\$2,372,643	\$4,654,860	\$9,407,863
YoY	12%	6%	-2%	1%	-8%
Average PPSF	\$1,389	\$1,568	\$1,747	\$2,088	\$2,586
YoY	8%	6%	2%	-1%	1%
Average SF	559	809	1,344	2,121	3,479
YoY	7%	1%	-0.4%	2%	-6%

					
Co-op	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	13%	45%	27%	12%	3%
Median Price	\$435,000	\$682,500	\$1,285,000	\$2,195,000	\$3,550,000
YoY	4%	-2%	4%	10%	-14%
Average Price	\$481,107	\$761,050	\$1,447,489	\$2,360,690	\$5,046,345
YoY	6%	0%	3%	-7%	-1%
Average PPSF	\$996	\$995	\$1,094	\$1,152	\$1,433
YoY	3%	2%	0%	-8%	-10%
Average SF	500	756	1,213	1,796	2,950
YoY	4%	-3%	1%	-6%	-9%

By Price

The greatest share of contracts, with 39.2%, were priced between \$1-3 million. They spent an average of 147 days on the market, up from 127 in Q2. The next largest share of contracts was priced between \$500,000-1 million, with 33.6%. They spent an average of 134 days listed, up from 119 in Q2. The slowest moving properties were those priced \$20 million and above: they made up 0.2% share of contracts and averaged 408 days listed. That was followed by listings priced between \$5-10 million at 254 days and \$10-20 million at 231 days. Properties priced between \$3-5 million spent 205 days listed, while those priced up to \$500,000 spent 155 days on the market.



Contracts Signed

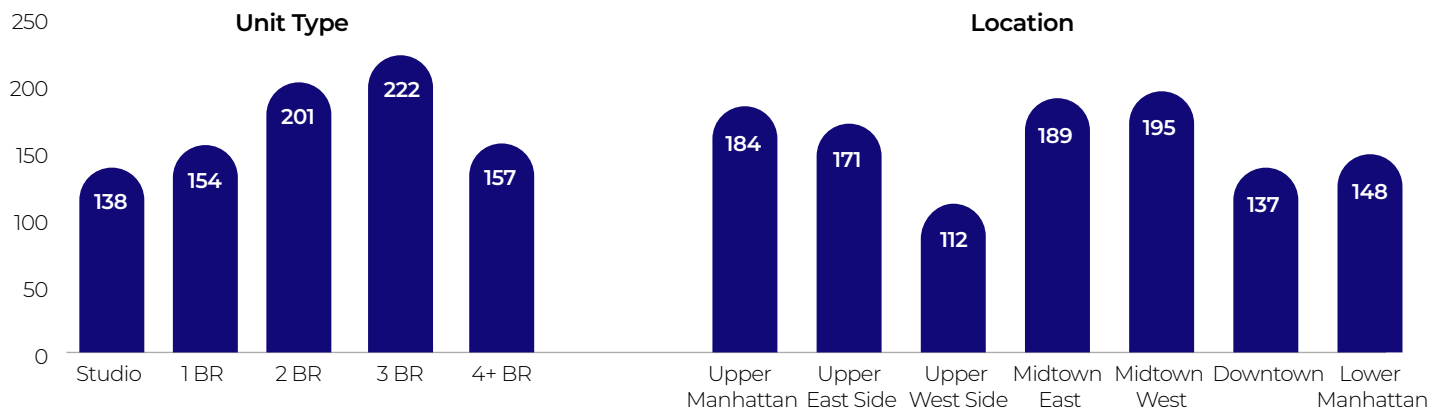
By Location

Downtown was the top condo market with 35% of all contracts. There, the median price dropped 2% and the average price was down 11%. Size played a factor, falling 10%. Midtown West was the only submarket with an average price increase, jumping 11% as several high-priced Hudson Yards condos traded. The Upper West Side saw the greatest pullback, with its median price down 16% and average price down 15%. Upper and Lower Manhattan condos saw minimal adjustments and had 8% and 9% of condo contracts, correspondingly. For co-ops, the greatest number of contracts were signed on the Upper East Side, with 26%, followed by Downtown with 25%. Downtown prices noted slight improvements, with its median price up 6% and average up 1%. The Upper East Side noted a slight pullback, with its median down 5% and average down 8%. Lower Manhattan showed significant improvement, but the limited number of trades resulted in greater skews and is not indicative of a larger trend.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8%	12%	14%	16%	6%	35%	9%
Median Price	\$919,000	\$1,525,000	\$1,499,000	\$1,239,000	\$1,295,000	\$2,495,000	\$1,170,000
YoY	6%	-10%	-16%	3%	-3%	-2%	-4%
Average Price	1,134,410	2,252,659	2,346,383	1,775,284	2,427,102	3,344,555	1,547,363
YoY	-3%	-15%	-15%	-12%	11%	-11%	-5%
Average PPSF	\$1,056	\$1,577	\$1,738	\$1,562	\$1,657	\$2,149	\$1,379
YoY	0%	1%	-4%	0%	-5%	3%	2%
Average SF	1,151	1,320	1,268	1,096	1,137	1,485	1,063
YoY	6%	-14%	-10%	0%	2%	-10%	-7%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	10%	26%	18%	17%	2%	25%	2%
Median Price	\$465,000	\$850,000	\$925,000	\$599,000	\$499,000	\$899,000	\$1,295,000
YoY	-9%	-5%	0%	-14%	-12%	6%	36%
Average Price	579,565	1,437,357	1,281,898	860,057	499,522	1,297,256	1,512,368
YoY	-17%	-8%	-4%	-13%	-41%	1%	45%
Average PPSF	\$634	\$1,018	\$1,124	\$863	\$920	\$1,326	\$1,410
YoY	-6%	-6%	-3%	-5%	-16%	5%	44%
Average SF	886	1,028	1,020	1,015	551	1,012	1,183
YoY	-11%	-17%	2%	1%	-38%	-5%	-4%






Average Days on Market








Active Listings

By Bed

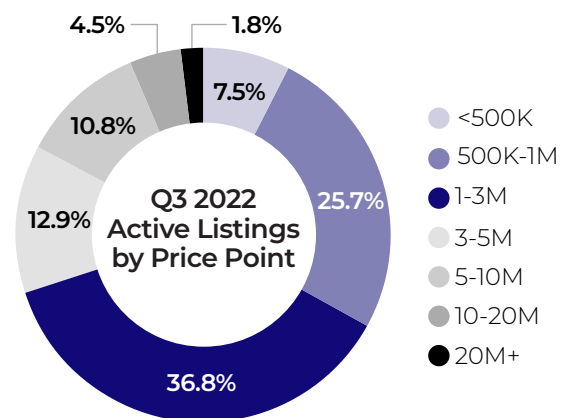
There were 8,043 active listings on the market at the end of the third quarter, up 5% from last year but down 2.7% from Q2. For condos, the largest share of inventory was for 2-bedroom homes, with 33% of all listings. 1-bedrooms totaled 30%, followed by 3-bedrooms at 21%. Condo prices were largely stable; the greatest increases were for 3-bedroom homes. Their median price was up 7% and average price was up 8%. Studios saw a massive 41% increase in their average price due to a 36% jump in average size as larger, flexible studio spaces with interior rooms were listed. For co-ops, prices were largely up, albeit at a slower pace than past quarters. Studios showed a similar pattern to their condo counterparts, while 1- and 2-bedrooms showed similar levels of price appreciation. The biggest downward adjustment was for larger, 4+ bedroom homes, where the average asking price fell 6%.

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Condo					
% Units	6%	30%	33%	21%	11%
Median Price	\$700,000	\$1,165,000	\$2,395,000	\$4,587,500	\$8,895,000
YoY	4%	6%	2%	7%	-7%
Average Price	\$1,025,966	\$1,327,844	\$2,730,147	\$6,034,037	\$13,874,861
YoY	41%	-2%	1%	8%	1%
Average PPSF	\$1,507	\$1,593	\$1,927	\$2,427	\$3,061
YoY	4%	1%	0.2%	6%	2%
Average SF	690	840	1,381	2,292	3,877
YoY	36%	0%	0%	1%	-2%

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Co-op					
% Units	10%	36%	31%	14%	9%
Median Price	\$475,000	\$729,000	\$1,395,000	\$2,500,000	\$5,325,000
YoY	4%	4%	8%	6%	1%
Average Price	\$673,793	\$833,867	\$1,739,603	\$3,109,291	\$8,143,288
YoY	40%	7%	3%	-3%	-6%
Average PPSF	\$1,034	\$1,072	\$1,200	\$1,419	\$1,873
YoY	4%	7%	4%	4%	1%
Average SF	693	798	1,282	2,087	3,544
YoY	48%	1%	2%	2%	-1%

By Price

There were 2,956 properties listed between \$1-3 million, making up 36.8% of the market. Listings priced between \$500,000-1 million followed, with 2,067 properties, or 25.7% of the market. 600 homes were priced under \$500,000, equaling 7.5%. Homes priced between \$3-5 million made up 12.9% of the total, and the \$5-10 million tranche totaled 10.8%. The months of supply, or time it would take all active listings to sell, was 9.8, up from 4.9 months last year as the market slowed following the rush of activity in 2021. The lowest level of supply, with 6.4 months, was for listings under \$500,000. The greatest supply was for homes priced between \$5-10 million with 24.7. While lower price points are more balanced, the entire market has tipped back to favoring buyers over sellers.



Active Listings

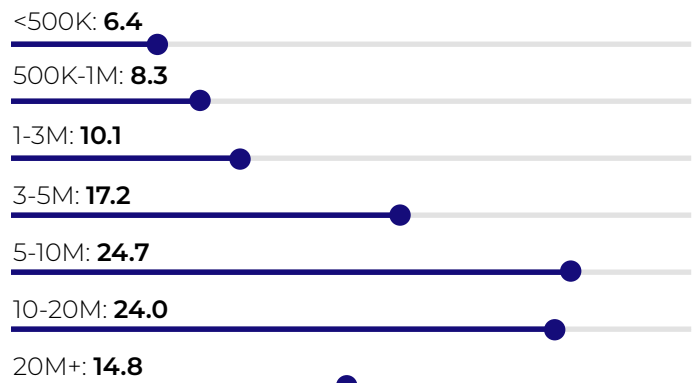
By Location

Downtown had the largest share of condo listings, with 28%. Midtown East was second, with 20%, followed by the Upper West Side, with 14%. Condo prices were largely flat from this time last year, with few exceptions. Downtown was the only area to see both its median and average prices rise. The average price in all other submarkets declined. The greatest drop was on the Upper East Side, where it fell 15%. Midtown West followed with its average price down 10%. The Upper East Side, Upper West Side, and Midtown West also saw their average price-per-foot figures decline. For co-ops, prices showed greatest improvement than condos. The greatest increases were Downtown where the median increased 21% and average increased 19%. Size played a role, up 15%. Midtown West was the only market where all price metrics were lower, with its median down 16%, average down 11%, and average price-per-foot down 8%.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	9%	13%	14%	20%	7%	28%	9%
Median Price	\$995,000	\$2,589,000	\$2,850,000	\$1,750,000	\$1,650,000	\$3,297,500	\$1,430,000
YoY	5%	4%	9%	0%	3%	4%	0.4%
Average Price	\$1,441,255	\$4,134,558	\$4,574,387	\$5,004,258	\$2,905,903	\$4,854,536	\$2,252,630
YoY	-1%	-15%	-3%	-1%	-10%	8%	-3%
Average PPSF	\$1,195	\$1,964	\$2,188	\$2,225	\$1,889	\$2,326	\$1,586
YoY	4%	-3%	-1%	4%	-3%	5%	2%
Average SF	1,130	1,905	1,823	1,575	1,302	1,898	1,276
YoY	-1%	-5%	0%	-3%	0%	1%	-6%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	10%	29%	17%	20%	2%	20%	2%
Median Price	\$525,000	\$1,400,000	\$1,175,000	\$812,500	\$587,500	\$1,175,000	\$1,070,000
YoY	4%	10%	27%	4%	-16%	21%	19%
Average Price	\$670,233	\$2,909,528	\$2,177,321	\$1,374,655	\$715,507	\$1,923,555	\$1,408,220
YoY	14%	-2%	0%	1%	-11%	19%	19%
Average PPSF	\$687	\$1,323	\$1,354	\$1,073	\$990	\$1,475	\$1,283
YoY	4%	1%	8%	4%	-8%	12%	28%
Average SF	968	1,566	1,338	1,190	849	1,477	1,298
YoY	10%	1%	7%	3%	-3%	15%	-7%

Months of Supply



Research

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