

the DOUGLAS ELLIMAN report



CO-OPS & CONDOS

• More sales than last year at this time

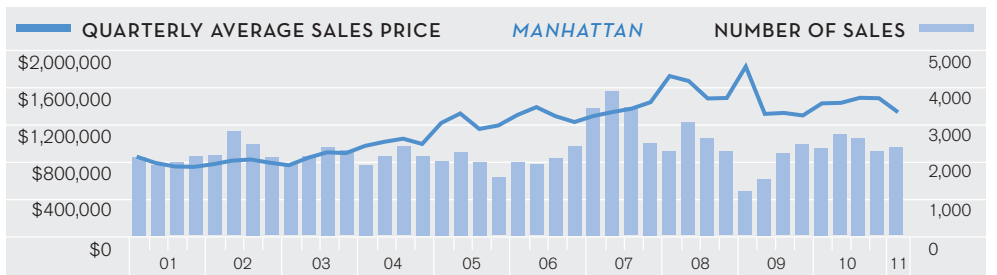
A total of 2,394 sales closed in the first quarter of 2011, 0.4% and 4.3% more than the prior year and prior quarters, respectively. The pending sales index jumped 12.5% above the last quarter of 2010.

• Price indicators slipped as federal tax credit impact wanes Median sales price declined 9.9% to \$728,071 from the same period last year. Price per square foot slipped 1.3% over the same period. The pending price index slipped from the prior quarter.

• Fewer listings available for sale

Listing inventory fell 5.3% to its lowest first quarter total in 3 years as the number of days to sell a property edged nominally higher by 4 days to 127, below the ten year average of 132.

MANHATTAN MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,331,306	-10.2%	\$1,482,650	-6.7%	\$1,426,994
Average Price per Sq Ft	\$1,025	-3.2%	\$1,058	-1.3%	\$1,038
Median Sales Price	\$782,071	-7.4%	\$845,000	-9.9%	\$868,000
New Development	\$1,340,000	26.3%	\$1,060,738	15.5%	\$1,160,000
Re-sale	\$725,000	-9.4%	\$800,000	-12.7%	\$830,000
Number of Sales	2,394	4.3%	2,295	0.4%	2,384
Days on Market (From Last List Date)	127	2.2%	125	3.3%	123
Listing Discount (From Last List Price)	4.5%		8.0%		5.3%
Listing Inventory	7,605	5.2%	7,232	-5.3%	8,027
Absorption Rate (mos)	9.5	0.0%	9.5	-5.9%	10.1
Pending Price Index (4Q 08 base)	0.90	-3.2%	0.93	7.1%	0.84
Pending Sales Index (4Q 08 base)	1.75	12.5%	1.59	-14.2%	2.04



There were more sales in the first quarter of 2011 than in any first quarter in 3 years or since the credit crunch in 2008. There were 2,394 sales in the quarter, 0.4% more than 2,384 in the same period a year ago and 4.3% more than 2,295 in the prior quarter. The pending sales index—an aggregate of collected contract data presented in index form—indicated a 10.1% increase from the prior quarter, but activity was 14.2% lower than the same period a year ago. Market share for new development sales slipped to 14.5% of all sales down from 16.6% during the same

period a year ago.

The primary price indicators declined over the past year reflecting the impact of the federal homebuyers tax credit. The first half of 2010 saw an increase in sales activity pressing prices higher as buyers sought to sign contracts by April 30th in 2010. This “poached” some demand from the sales activity normally seen over the summer and fall and drove prices higher. Once the stimulus was removed, the second half of the year saw weaker overall conditions in comparison. Median

sales price for the first quarter was \$782,071, down 9.9% from the same period last year. Price per square foot averaged \$1,025 in the first quarter, slipping 1.3% over the same period.

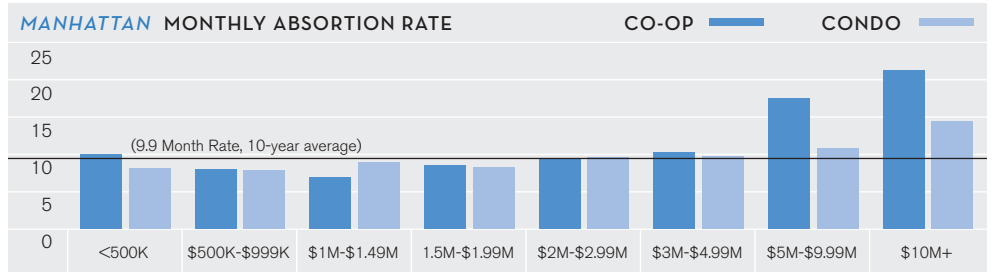
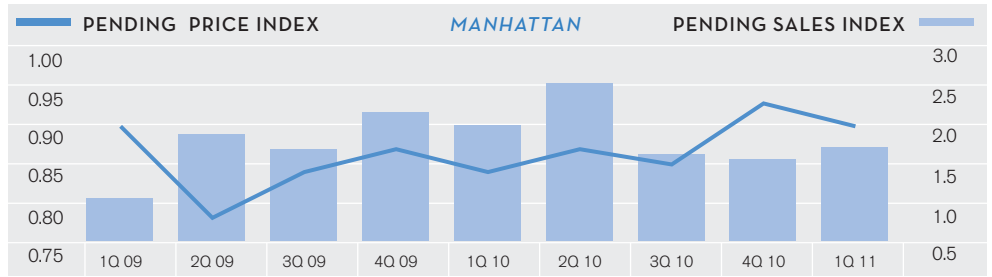
The amount of active listing inventory is at its lowest level for a first quarter since 2007. There were 7,605 listings in the first quarter of 2011, 5.3% below the 8,027 listings in the same period last year. The combination of declining inventory and modest gains in sales activity effected the monthly absorption rate—the number of

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months to sell all active listing inventory at the current pace of sales—which fell to 9.5 months from 10.1 months in the same period last year. The current rate is slightly faster than the 9.9 average absorption rate of the past 10 years or 40 quarters.

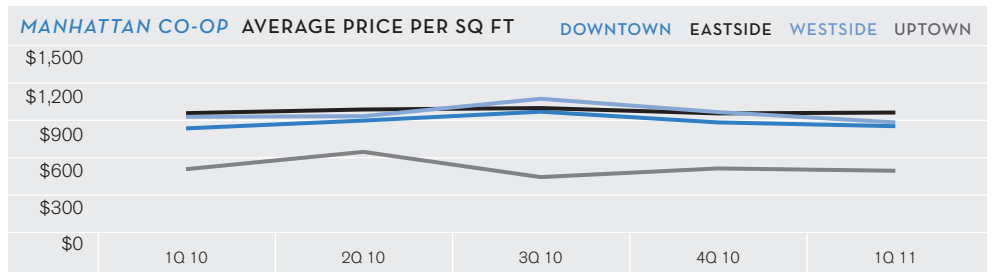
Mortgage lending remains unusually tight and unemployment, while generally improving, remains elevated. Both factors have kept sales activity from posting significant gains. Although Wall Street bonuses declined, overall compensation actually increased 5%. This resulted in an increased visibility at the high end of the housing market. The performance of this regional economic engine is a key reason that the Manhattan housing market continues to outperform the US housing market.



CO-OPS

- Number of sales surged yet listing inventory edged higher** Co-ops sales jumped 28.7% to 1,430 from 1,111 in the same period last year yet listing inventory increased 5% as more sellers looked to take advantage of the spring market.
- All price indicators declined from prior year and prior quarter** Median sales price fell 6.2% to \$642,500 from \$685,000 in the prior year quarter as the impact of the tax credit expiration continued.
- Days on market expanded as listing discount declined** Co-op apartments took an average of 119 days to sell or 9 days longer than last year. Despite the increase, the difference between asking price and sales price declined.

	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,044,730	-13.0%	\$1,200,589	-7.8%	\$1,133,715
Average Price Per Sq Ft	\$896	-3.4%	\$928	-1.3%	\$908
Median Sales Price	\$642,500	-6.2%	\$685,000	-6.2%	\$685,000
Number of Sales	1,430	20.6%	1,186	28.7%	1,111
Days on Market (From Last List Date)	119	0.8%	118	8.2%	110
Listing Discount (From Last List Price)	2.4%		5.8%		3.8%
Listing Inventory	3,998	8.4%	3,687	5.0%	3,809
Absorption Rate (mos)	8.4	-9.7%	9.3	-18.4%	10.3



Quintile	Current Qtr	% Chg Prior Year Qtr
5/5	\$1,900,000	-11.6%
4/5	\$925,000	-7.4%
3/5	\$625,000	-6.7%
2/5	\$466,250	-6.6%
1/5	\$310,000	-2.8%

Apt. Mix	% of Total	Median Price
Studio	16%	\$347,500
1 bedroom	40%	\$535,000
2 bedroom	34%	\$995,000
3 bedroom	8%	\$1,745,000
4+ bedroom	2%	\$5,700,000

All price indicators in the first quarter were below the levels seen in the same period last year. The price per square foot of a Manhattan co-op sale was \$896, 1.3% less than \$908 in the prior year quarter. The decline in the price indicators was partially attributable to the decline in market share of high-end co-op apartment sales. The 3 or more bedroom co-op market comprised 10% of all co-op sales in the first quarter, down from 13% in the prior year quarter and down from 14% in the prior quarter. In addition to the shift in the mix to 2-bedrooms and studios, the 3-bedroom market was the only segment to post

double digit year over year declines in median sales price.

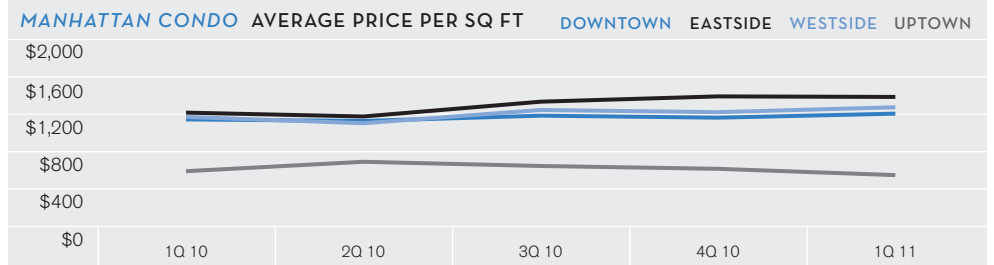
The number of sales increased 28.7% over the year to 1,430, the largest quarterly total in more than 3 years, outpacing the 5% year over year gain in listing inventory. As a result, the monthly

absorption rate fell sharply to 8.4 months from 10.3 months last year at this time. A lower absorption rate suggests that the market has been improving its efficiency with the increase in purchase activity outpacing the increase in listings coming on the market.

CONDOS

- All price indicators posted gains from prior year** Price per square foot increased 5.4% to \$1,216 from \$1,154 in the prior year quarter.
- Number of sales dropped as supply was limited** Number of sales fell 24.3% from the same period last year as listing inventory fell 14.5% to second lowest level in more than 5 years.
- Properties took slightly longer to sell and listing discount grew** Days on market averaged 140 days, 5 days longer than in the prior year quarter as average listing discount increased to 7.7%.

CONDO MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,756,414	-1.6%	\$1,784,296	3.9%	\$1,690,399
Average Price Per Sq Ft	\$1,216	1.5%	\$1,198	5.4%	\$1,154
Median Sales Price	\$1,150,000	15.2%	\$997,885	8.0%	\$1,065,000
Number of Sales	964	-13.1%	1,109	-24.3%	1,273
Days on Market (From Last List Date)	140	6.1%	132	3.7%	135
Listing Discount (From Last List Price)	7.7%		10.4%		6.7%
Listing Inventory	3,607	1.7%	3,545	-14.5%	4,218
Absorption Rate (mos)	11.2	16.7%	9.6	13.1%	9.9



All price indicators increased in the first quarter when compared to the same period last year. The median sales price of a Manhattan condo was \$1,150,000, 8% higher than \$1,065,000 in the prior year quarter. The increase was largely due to a jump in market share of 2-bedroom apartments in the first quarter to 44% of all condo sales from 34% in the same period last year, the highest market share in two years. There were 2.1% to 14.2% price increases across all size categories with the exception of the most volatile category of 4+ bedrooms, which fell 17.7% over the same period.

QUINTILES Median Sales Price by No. of Sales	Current Qtr	% Chg Prior Year Qtr
5/5	\$3,696,247	6.4%
4/5	\$1,882,381	14.1%
3/5	\$1,152,541	2.4%
2/5	\$745,375	-1.9%
1/5	\$505,000	3.8%

CO-OP APT. MIX	% of Total	Median Price
Studio	8%	\$495,000
1-bedroom	31%	\$725,000
2-bedroom	44%	\$1,451,006
3-bedroom	11%	\$2,850,000
4+ bedroom	6%	\$4,650,000

Days on market took 5 days longer in the first quarter of 2010, averaging 140 days from 135 days in the prior year quarter. The constraint on inventory allowed older sales to be absorbed pushing the average days on market higher for

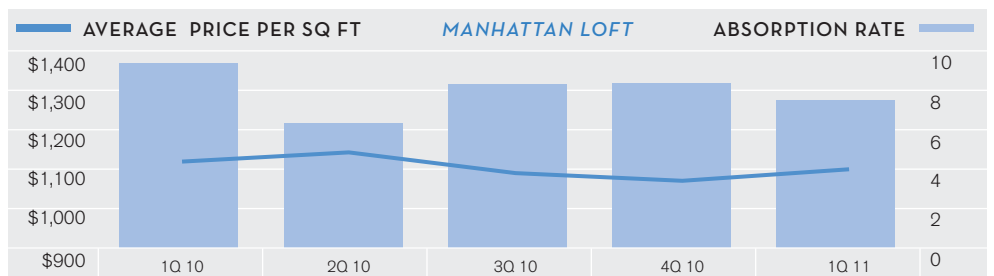
properties that closed in the quarter.

Listing inventory in the first quarter fell 14.5% to 3,607 units from the prior year quarter, the second lowest level of active inventory in more than five years.

LOFTS

- More sales activity than same time last year** Sales increased 5% to 189 from 180 in the same period a year ago and 11.8% more than 169 in the prior quarter.
- Price indicators were mixed** From the first quarter last year, the median sales price increased 7.1% to \$1,500,000 and the average price per square foot fell 1.8% to \$1,101.
- Inventory fell as properties sold more quickly** There were 15.6% fewer listings in the first quarter than last year at this time as days on market declined by 15 days to 131.

LOFT MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$1,889,996	-9.4%	\$2,086,120	-7.4%	\$2,040,263
Average Price Per Square Foot	\$1,101	2.8%	\$1,071	-1.8%	\$1,121
Median Sales Price	\$1,500,000	-4.0%	\$1,563,013	7.1%	\$1,400,000
Number of Sales	189	11.8%	169	5.0%	180
Days on Market (From Last List Date)	131	0.0%	131	-10.3%	146
Listing Discount (From Last List Price)	5.3%		5.8%		3.3%
Listing Inventory	469	0.4%	467	-15.6%	556
Absorption Rate (mos)	7.4	-10.8%	8.3	-20.4%	9.3



Note: This sub-category analyzes all co-op & condo loft sales available. The data is also contained within the co-op & condo markets presented.

LUXURY

• **Price indicators were mixed**

From the same quarter last year, median sales price fell 13.8% to \$3,950,000 as price per square foot increased 1% to \$1,899.

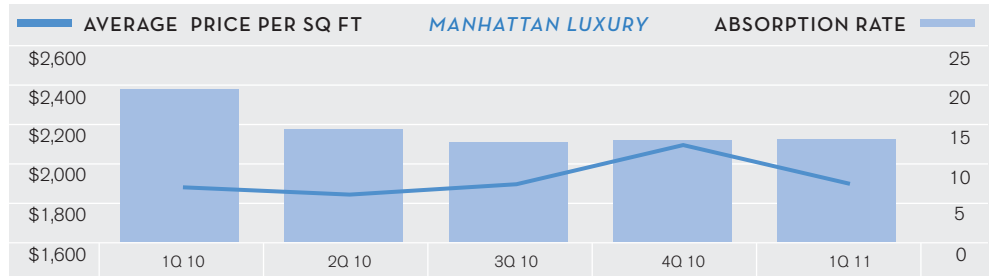
• **Listing inventory fell sharply**

The amount of active inventory fell 31.8% from the same period last year, the second lowest total since Lehman, after the fourth quarter of 2010.

• **Property sold more quickly**

The average days on market was 128 in the first quarter, more than 2 months faster than the same period a year ago.

LUXURY MARKET MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Sales Price	\$5,114,866	-16.7%	\$6,141,426	-7.8%	\$5,550,494
Average Price Per Square Foot	\$1,899	-9.6%	\$2,101	1.0%	\$1,881
Median Sales Price	\$3,950,000	-9.2%	\$4,350,000	-13.8%	\$4,582,125
Number of Sales	239	3.9%	230	1.7%	235
Days on Market (From Last List Date)	128	-9.9%	142	-33.7%	193
Listing Discount (From Last List Price)	5.6%		11.0%		3.6%
Listing Inventory	1,025	4.7%	979	-31.8%	1,502
Absorption Rate (mos)	12.9	0.8%	12.8	-32.8%	19.2



Note: This sub-category analyzes the top 10% of all co-op & condo sales. Data is also contained within the co-op and condo markets presented.

IN-FOCUS

• **A small number of sales go for more than list price**

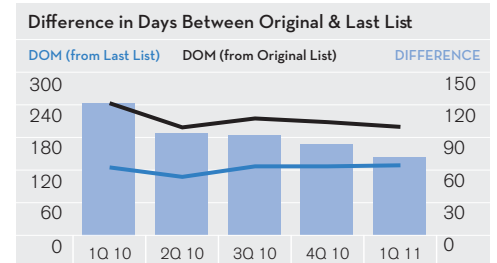
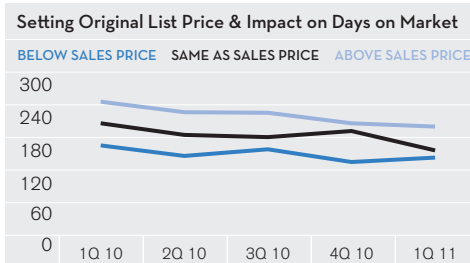
In the first quarter, 6.8% of all sales exceeded the list price at time of contract.

• **Original list price does influence the time it takes to sell**

In the first quarter, a property that sold for what it was listed for sold an average of 43 days faster than one priced above market levels.

• **Total listing time to the market dropped as sellers prices became more realistic**

While days on market, using the last price change, is stable, days on market from original list date has dropped by 50 days.



In any market, weak or active, there are usually properties that sell for more than asking price at the time of the contract. During the third quarter of 2008, just prior to the onset of the credit crunch at the end of that quarter, 15.5% of all properties sold "above list", 36.1% sold "equal to list" and 48.3% sold "below list". In the second quarter of 2009, one of the weakest points in the post-Lehman housing market, 2.7% of sales

were "above list". In the most recent quarter, 6.8% of all sales exceeded list price compared to 7.6% equal to list price and 85.6% below list price.

The original list price impacts the marketing time of the property, regardless of what price changes subsequently occur. In the first quarter of 2011, the average days on market for a property that was originally priced at market value sold 43

days faster than if priced above market value. Overpricing a property has long proved to be counterproductive for the seller. While days on market from the last date the price was changed, if ever, to contract date has remained relatively stable over the past year, the days on market from the original list date to contract date declined 50 days.

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