

Q2 2023

Manhattan Market Report

SERHANT.

Letter From Coury



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Director of Research

The second quarter of 2023 not only demonstrated a strengthening market but also provided compelling evidence of the historically active nature of the first half of 2022. As a result, contract activity was down 20.7% year-over-year, but up 19.8% quarter-over-quarter. This quarterly improvement is indicative of the seasonal trends that Manhattan is accustomed to seeing. Investigating on a wider scale, this quarter's performance is in line with pre-pandemic behavior. 2021 and 2022 saw record-setting activity, resulting in skewed year-over-year comparisons. In addition, mortgage rates are over 4 points higher and have recently crossed the 7% mark for the first time since November 2022. The market conditions prompted potential sellers to refrain from listing their properties, opting to hold onto their low mortgage rates, consequently limiting options for buyers. As we look toward the third quarter and the summer, changes in the economy and interest rates will continue to dictate the direction of the market. The spike in signed activity from the second half of last year combined with a jump of nearly 6% in signed contract asking prices, show the resilient demand for Manhattan real estate.

Market Highlights:

Average Price

\$2,058,492

Year-Over-Year

-0.9%

Median Price

\$1,212,918

Year-Over-Year

-1.8%

Average PPSF

\$1,515

Year-Over-Year

0.9%

27.8%

Share of Inventory
Over \$3M

7%

Average Discount

15.7%

Of Properties Took
Less Than 30 Days To
Enter Contract

16.6%

Share of Closings
Over \$3M

187

Average Days on
Market






29.3%






Of Properties Took
Over 180 Days To
Enter Contract

Closed Sales

By Bed

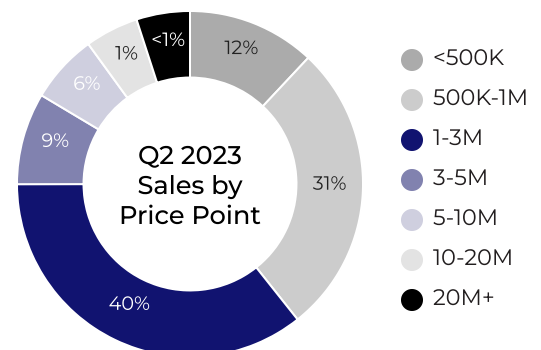
There were 2,737 sales in Manhattan, an increase of 29.0% quarter-over-quarter, and a decrease of 34.9% over this time last year. This figure is inline with contract activity last quarter, and is expected given the near-record level of closings in Q2 2022. 2-bedroom condos saw a significant jump in sales, reaching 34.6% market share, though their average price per square foot fell the most of any unit type. Studio condos saw a large increase in average price compared to last year, following a number of new development sales. Co-ops saw price increases this quarter, with 2-bedrooms seeing the largest increase in average price at 13.5% year-over-year.

					
Condo	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	7.3%	34.8%	34.6%	16.6%	6.7%
Average Discount	6%	6%	7%	8%	10%
Median Price	\$640,000	\$1,058,750	\$2,050,000	\$4,335,131	\$7,860,000
YoY	-0.4%	-7.9%	-7.8%	10.6%	6.7%
Average Price	\$745,872	\$1,189,004	\$2,373,995	\$4,667,470	\$9,299,157
YoY	11.4%	-6.2%	-2.8%	-2.6%	8.3%
Average PPSF	\$1,421	\$1,496	\$1,691	\$2,103	\$2,557
YoY	8.2%	-3.5%	-4.2%	-0.2%	1.4%
Average SF	536	809	1,355	2,163	3,469
YoY	3.9%	-0.5%	1.0%	2.7%	6.6%

					
Co-op	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	16.6%	39.5%	27.6%	12.5%	3.8%
Average Discount	6%	7%	8%	10%	11%
Median Price	\$435,000	\$705,000	\$1,300,000	\$2,222,500	\$4,500,000
YoY	-1.1%	0.9%	2.2%	5.8%	0.4%
Average Price	\$482,025	\$804,762	\$1,648,682	\$2,736,358	\$5,544,337
YoY	4.1%	4.6%	13.5%	11.9%	8.1%
Average PPSF	\$953	\$1,046	\$1,203	\$1,374	\$1,502
YoY	-0.9%	7.2%	5.0%	9.7%	-7.2%
Average SF	546	811	1,296	1,994	2,958
YoY	7.1%	-1.9%	4.4%	3.0%	-11.5%

By Price

Most apartments closed between \$1M and \$3M this quarter. These units had relatively flat prices, with an average price per square foot decline of 1.7% year-over-year. The \$5M-10M range captured 1-2% more market share than usual, though the luxury range of \$20M+ was down to just 0.4% of sales. Sales ranging from \$3M to \$5M had the highest increases in average and median price, climbing 5.9% and 8.1% compared to Q2 2022.



Closed Sales

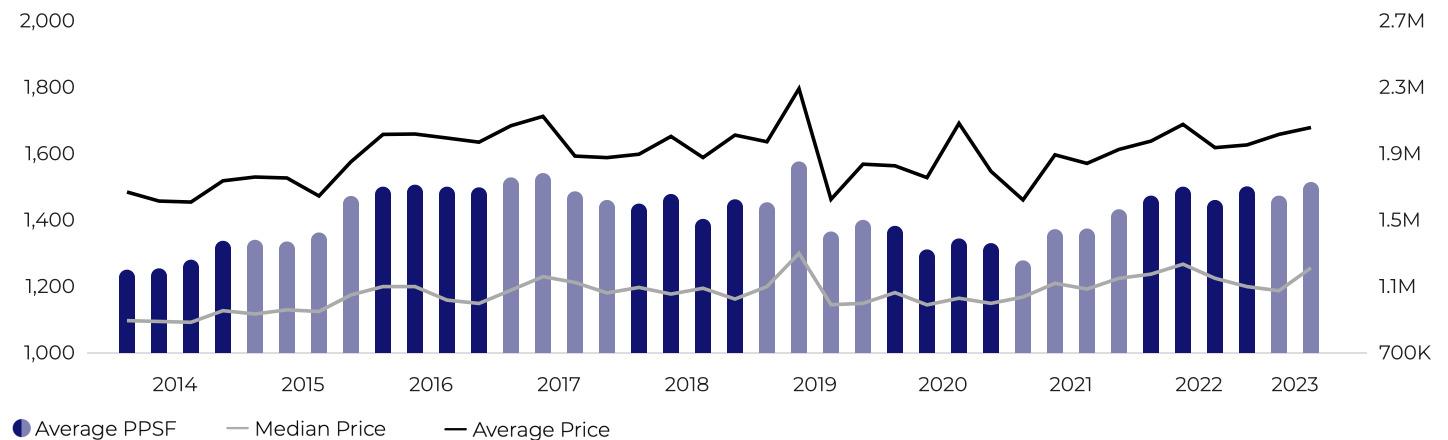
By Location

Downtown saw the most closings, with 29.3% of sales this quarter. The average price per square foot of units in this submarket increased 3.5% year-over-year, and they also commanded the highest average price. Prices for both condos and co-ops in Midtown West declined significantly, a result of fewer new development sales and limited market share. For co-ops, the Upper East Side saw the largest market share and also the highest prices. These units were also slightly more affordable year-over-year.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	7.1%	15.6%	16.3%	14.5%	5.4%	33.2%	7.9%
Average Discount	6%	7%	6%	8%	9%	7%	8%
Median Price	\$772,500	\$2,175,000	\$1,654,250	\$1,450,000	\$1,232,500	\$2,495,000	\$1,063,661
YoY	-18.7%	12.8%	-13.6%	2.5%	-24.5%	6.2%	-11.2%
Average Price	\$1,068,729	\$3,469,144	\$2,889,593	\$2,649,212	\$1,872,888	\$3,472,574	\$1,361,137
YoY	-16.3%	-3.2%	-8.7%	-25.8%	-22.8%	11.6%	-26.5%
Average PPSF	\$1,027	\$1,801	\$1,742	\$1,626	\$1,593	\$2,047	\$1,223
YoY	-12.4%	6.4%	-7.1%	-2.3%	-9.5%	1.9%	-15.5%
Average SF	966	1,528	1,460	1,325	1,090	1,559	1,091
YoY	-6.9%	2.1%	1.5%	12.8%	-11.9%	7.1%	-5.7%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	6.5%	27.1%	19.0%	16.9%	2.3%	26.1%	2.0%
Average Discount	7%	9%	8%	8%	7%	7%	6%
Median Price	\$465,000	\$995,000	\$975,000	\$720,000	\$442,500	\$987,500	\$944,500
YoY	-17.7%	-2.5%	8.9%	5.9%	-28.6%	6.8%	7.9%
Average Price	\$620,915	\$1,833,334	\$1,455,181	\$1,001,222	\$578,671	\$1,474,420	\$1,297,773
YoY	-15.9%	4.1%	4.8%	6.3%	-22.9%	7.4%	42.2%
Average PPSF	\$637	\$1,081	\$1,155	\$943	\$881	\$1,467	\$1,396
YoY	-11.8%	-4.3%	1.8%	6.1%	-7.2%	11.0%	46.9%
Average SF	938	1,325	1,223	1,133	916	1,121	1,064
YoY	-	1.8%	13.1%	-4.0%	4.7%	-3.1%	-4.1%






Historic Price Trends








Contracts Signed

By Bed

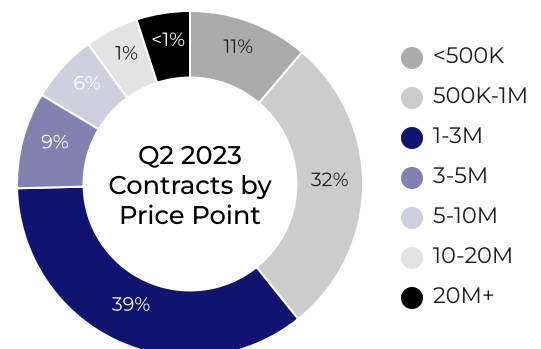
There were 2,975 contracts signed in the second quarter of 2023, a 20.7% decline from last year, and a 19.8% increase from first quarter. Mortgage rates continue to be the primary factor driving this year-over-year slowdown, though it's important to recognize that 2021 and 2022 were record-setting years of activity. 2-bedrooms captured the most market share for condos this quarter, accounting for 34.4% of transactions. Prices for these units were generally higher than last year. 1-bedrooms were the highest market share for co-ops, and saw the largest price declines of any unit type.

					
Condo	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	7.2%	33.5%	34.4%	16.9%	8.0%
Median Price	\$695,000	\$1,100,000	\$2,304,000	\$4,395,000	\$8,072,500
YoY	3.7%	-4.8%	3.6%	17.2%	-3.8%
Average Price	\$742,159	\$1,245,044	\$2,544,572	\$5,055,737	\$10,485,740
YoY	5.4%	-0.5%	2.1%	9.7%	-8.0%
Average PPSF	\$1,420	\$1,550	\$1,832	\$2,219	\$2,653
YoY	0.3%	-2.3%	1.3%	3.5%	-4.7%
Average SF	532	803	1,340	2,171	3,691
YoY	5.6%	1.1%	0.8%	6.8%	-0.5%

					
Co-op	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	15.4%	38.4%	28.4%	13.0%	4.8%
Median Price	\$445,000	\$700,000	\$1,325,000	\$2,299,000	\$3,995,000
YoY	-2.2%	-6.5%	2.3%	0.2%	7.2%
Average Price	\$479,787	\$779,197	\$1,519,469	\$2,771,063	\$5,418,133
YoY	3.0%	-5.4%	3.4%	12.8%	13.2%
Average PPSF	\$1,023	\$1,051	\$1,156	\$1,313	\$1,588
YoY	6.7%	0.3%	0.1%	6.5%	15.2%
Average SF	505	754	1,242	2,044	2,815
YoY	1.2%	-3.8%	3.8%	12.3%	1.7%

By Price

The \$1M-3M price point saw the most contracts signed this quarter. These units saw no significant change in price year-over-year. Luxury properties priced \$5M and higher captured more market share than usual this quarter at over 8%, indicating buyers at that level were not swayed by interest rates. In particular, the \$5M-10M range saw more year-over-year contracts signed, while all other price brackets declined.



Contracts Signed

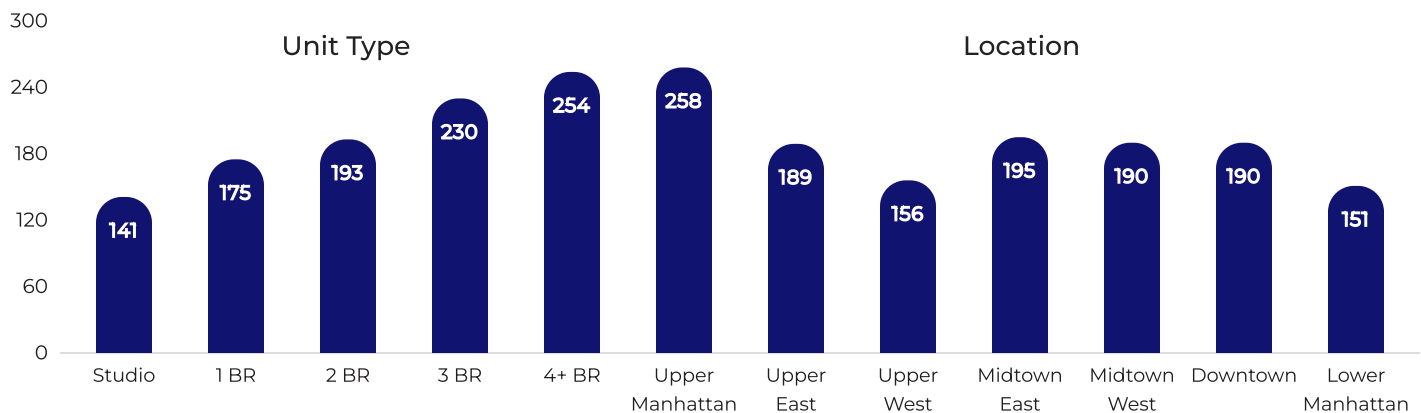
By Location

The Financial District & Battery Park City was the only submarket to see an increase in transactions this quarter, up 14.6% year-over-year. Downtown accounted for the most activity, with 28.4% of contracts signed, and had the largest median price increase of 14.0% year-over-year. Condos saw the most significant price changes from Q2 2022, while co-ops were less exaggerated.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	7.2%	12.5%	16.1%	14.7%	6.2%	36.9%	6.4%
Median Price	\$750,000	\$2,199,000	\$1,890,000	\$1,550,000	\$1,437,500	\$2,695,000	\$1,037,500
YoY	-23.5%	16.9%	3.6%	21.3%	-4.2%	13.8%	-9.8%
Average Price	\$956,813	\$3,107,280	\$3,319,924	\$2,811,505	\$2,331,186	\$3,795,671	\$1,346,385
YoY	-27.6%	-19.7%	12.8%	29.3%	-7.2%	17.1%	-17.9%
Average PPSF	\$1,033	\$1,689	\$1,844	\$1,872	\$1,653	\$2,188	\$1,277
YoY	-9.1%	-6.8%	-3.2%	15.5%	-10.9%	4.5%	-7.9%
Average SF	923	1,702	1,535	1,267	1,264	1,612	1,021
YoY	-16.4%	3.7%	8.5%	17.4%	6.1%	11.6%	-7.2%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8.1%	25.1%	20.2%	15.1%	1.9%	22.2%	7.2%
Median Price	\$512,500	\$999,000	\$995,000	\$650,000	\$495,000	\$953,500	\$1,060,000
YoY	-14.4%	0.4%	-4.6%	-6.5%	-25.0%	0.4%	-13.5%
Average Price	\$733,534	\$1,791,510	\$1,587,153	\$997,012	\$575,121	\$1,491,944	\$1,398,218
YoY	4.2%	3.4%	10.3%	12.4%	-18.8%	12.5%	4.7%
Average PPSF	\$670	\$1,076	\$1,233	\$914	\$919	\$1,391	\$1,340
YoY	-3.9%	-1.1%	3.3%	-0.8%	-9.9%	2.9%	-3.2%
Average SF	951	1,236	1,395	1,078	817	1,074	1,035
YoY	2.0%	-0.7%	29.6%	5.8%	8.5%	1.4%	-0.4%






Average Days on Market








Active Listings

By Bed

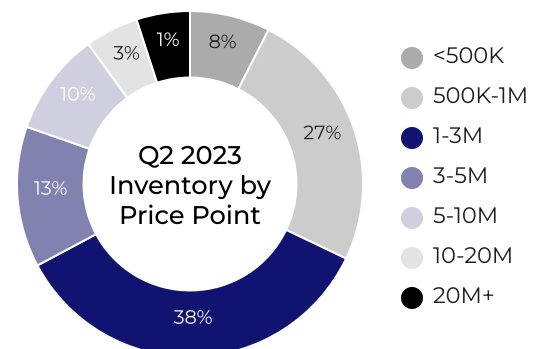
Inventory fell to just over 6,400 listings this quarter, a decrease of 6.7% year-over-year. Most active listings were co-ops, with 50.7% market share. These properties saw a 5.4% median price increase from Q2 2022, and had limited change in affordability. Condos listed at the end of the quarter had slight price increases compared to last year, but were down quarter-over-quarter, suggesting sellers have begun correcting as mortgage rates remain high. New listings were down 20.0% year-over-year as well, adding to the market slowdown from last year.

					
Condo	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	7.3%	26.6%	33.5%	20.5%	12.1%
Median Price	\$700,000	\$1,198,500	\$2,395,000	\$4,485,000	\$8,500,000
YoY	-4.0%	-0.1%	-0.7%	-0.8%	3.0%
Average Price	\$811,120	\$1,373,622	\$2,755,817	\$5,883,062	\$13,324,469
YoY	-3.6%	-0.7%	-0.1%	1.1%	0.9%
Average PPSF	\$1,458	\$1,639	\$1,887	\$2,393	\$3,063
YoY	-0.9%	0.1%	-2.2%	0.0%	0.1%
Average SF	559	839	1,418	2,262	3,868
YoY	-5.1%	-1.4%	2.5%	0.1%	2.0%

					
Co-op	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	12.5%	33.5%	29.6%	15.8%	8.7%
Median Price	\$481,500	\$749,000	\$1,449,999	\$2,699,000	\$5,497,000
YoY	4.9%	7.0%	0.0%	4.3%	-6.0%
Average Price	\$530,701	\$838,640	\$1,766,477	\$3,403,016	\$7,885,716
YoY	-0.2%	2.8%	-3.1%	0.3%	-7.7%
Average PPSF	\$1,056	\$1,062	\$1,269	\$1,518	\$1,883
YoY	5.4%	-	-2.4%	5.2%	-8.5%
Average SF	508	785	1,327	2,075	3,503
YoY	-4.5%	-0.9%	2.7%	-4.1%	-3.6%

By Price

Most properties for sale were priced between \$1M and \$3M, however, this price point also saw the largest decrease in new listings year-over-year. The median price of these units was 3.2% higher than last year, though the average price was flat. The \$3M-5M and \$5M-10M ranges saw median price declines of 2.5% and 3.0%, respectively.



Active Listings

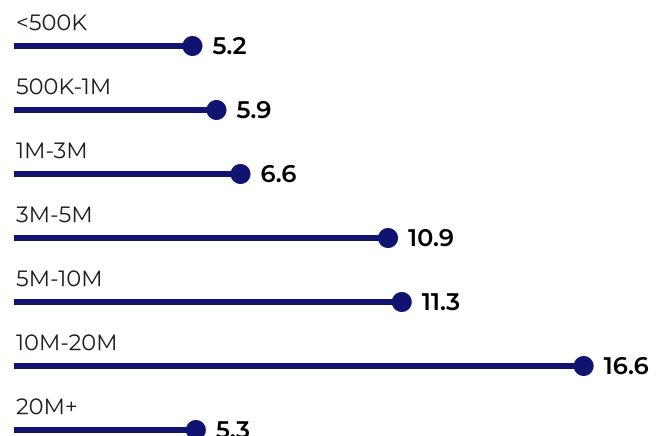
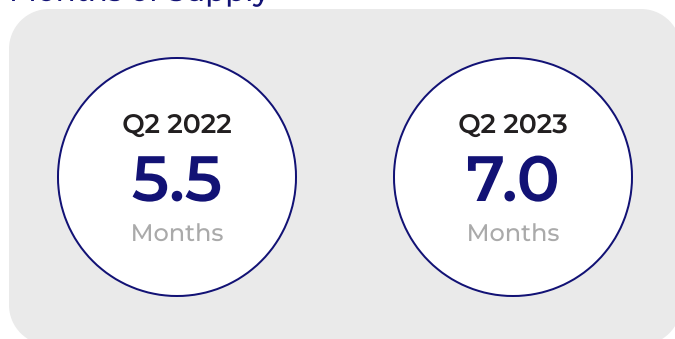
By Location

Most inventory was located Downtown or on the Upper East Side, with 24.5% and 21.6% market share, respectively. Midtown West inventory saw the largest price increases, climbing 15.1% in median price compared to last year, but had the smallest market share. Condos in Midtown East had the highest average price at just over \$5.9M, an 8.8% increase from Q2 2022. The Upper East Side again had the highest median and average priced co-ops.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	7.6%	13.7%	16.7%	19.0%	6.0%	28.1%	9.0%
Median Price	\$1,095,000	\$2,595,000	\$2,395,000	\$2,250,000	\$1,725,000	\$3,342,500	\$1,350,000
YoY	11.7%	-4.3%	-20.0%	15.4%	15.1%	7.1%	-1.8%
Average Price	\$1,538,382	\$4,259,565	\$4,114,630	\$5,913,339	\$2,761,995	\$4,616,472	\$2,076,045
YoY	10.7%	-3.1%	-14.9%	8.8%	16.3%	0.2%	-7.7%
Average PPSF	\$1,189	\$1,964	\$2,119	\$2,357	\$1,938	\$2,242	\$1,494
YoY	0.1%	-1.6%	-6.3%	2.5%	6.0%	-1.1%	-2.2%
Average SF	1,184	1,896	1,664	1,780	1,242	1,942	1,244
YoY	6.0%	-0.3%	-9.1%	6.3%	7.9%	4.5%	-3.9%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	9.3%	29.4%	18.0%	17.3%	1.9%	21.0%	3.0%
Median Price	\$579,000	\$1,625,000	\$1,290,000	\$775,000	\$599,000	\$1,195,000	\$990,000
YoY	8.2%	16.1%	-0.4%	1.0%	3.3%	8.6%	-20.0%
Average Price	\$741,065	\$3,217,037	\$2,126,266	\$1,285,379	\$933,672	\$1,954,738	\$1,295,531
YoY	13.7%	9.2%	-2.6%	-10.6%	29.3%	5.1%	-14.4%
Average PPSF	\$705	\$1,371	\$1,366	\$1,046	\$1,132	\$1,524	\$1,304
YoY	-0.7%	-0.4%	-2.6%	-4.5%	10.4%	1.8%	2.3%
Average SF	956	1,623	1,467	1,188	976	1,429	1,036
YoY	5.8%	7.6%	4.9%	-0.8%	16.5%	-0.8%	-40.1%

Months of Supply



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