

Q3 2023

Manhattan Market Report

SERHANT.

Letter From Coury



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Director of Research

In the third quarter, the Manhattan Real Estate Market grappled with notable challenges. Persistent elevated mortgage rates, reaching levels unseen in over two decades, and high prices created a unique landscape. Many homeowners, handcuffed to historically low mortgage rates, resisted the transition to rates with a 6 or 7 handle, leading to a significant 17.3% year-over-year decrease in new listings. Despite this, prices continued to sit near record-highs, with the average sold unit price climbing to \$2,016,887, marking a 4.5% increase year-over-year, and contract signed prices also rose by 6.6% to \$1,914,537. While the market for properties priced at \$3 million and above experienced a 10% decrease in activity from the previous year, the ultra-luxury price point, set at \$20 million plus, transitioned from just 2 transactions in the prior year to 9 during this period. Although the outlook suggests stubbornly high mortgage rates, the quarter's end saw an encouraging surge in new listings, possibly reflecting homeowners seeking to leverage the elevated property values—a trend that may continue in the future.

Market Highlights:

Average Price

\$2,016,887

Year-Over-Year

4.5%

Median Price

\$1,145,000

Year-Over-Year

-0.4%

Average PPSF

\$1,517

Year-Over-Year

4.3%

27.5%

Share of Inventory
Over \$3M

6%

Average Discount

11.9%

Of Properties Took
Less Than 30 Days To
Enter Contract

15.1%

Share of Closings
Over \$3M

167

Average Days on
Market






26.3%






Of Properties Took
Over 180 Days To
Enter Contract

Closed Sales

By Bed

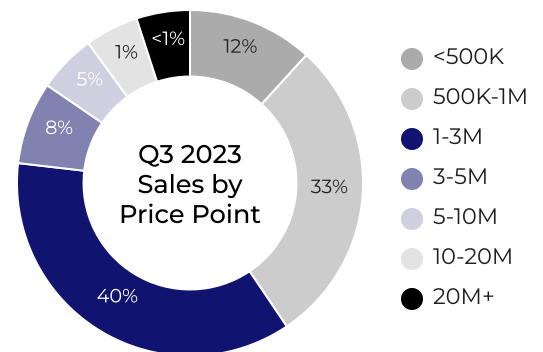
There were 2,902 sales in Manhattan, an increase of 5.5% quarter-over-quarter, and a 25.5% decline from this time last year. This figure is inline with contract activity last quarter, and is an expected decrease, as year-over-year comparisons continue to be against the record-setting year of 2022. Both 3-bedroom condos and those with four or more bedrooms saw the greatest improvement in sales quarter-over-quarter, as well as the lowest decreases compared to Q3 2022. Condos with four or more bedrooms also saw the greatest price increases. Co-ops generally declined regardless of unit type, but also saw larger properties perform better. Those with four or more bedrooms were the only group to see a decline in year-over-year average price per square foot, however.

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Condo					
% Units	8.0%	35.2%	32.3%	17.8%	6.7%
Average Discount	5%	6%	7%	9%	11%
Median Price	\$650,443	\$1,074,254	\$2,175,000	\$3,830,000	\$8,676,375
YoY	0.8%	-2.3%	8.8%	-0.5%	3.0%
Average Price	\$736,991	\$1,195,491	\$2,371,615	\$4,635,972	\$10,984,520
YoY	10.0%	-0.9%	4.0%	0.2%	4.0%
Average PPSF	\$1,402	\$1,524	\$1,695	\$2,088	\$2,849
YoY	6.0%	-0.2%	0.2%	-1.1%	6.7%
Average SF	525	793	1,337	2,113	3,622
YoY	1.9%	0.1%	1.4%	1.7%	-1.2%

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Co-op					
% Units	14.4%	40.3%	28.5%	12.5%	4.2%
Average Discount	4%	5%	6%	7%	8%
Median Price	\$459,895	\$675,000	\$1,295,000	\$2,100,000	\$4,112,500
YoY	2.4%	-8.2%	0.6%	-8.6%	14.2%
Average Price	\$478,735	\$769,571	\$1,533,660	\$2,610,793	\$5,010,493
YoY	4.0%	-3.9%	5.9%	3.3%	8.5%
Average PPSF	\$976	\$1,080	\$1,199	\$1,286	\$1,440
YoY	4.2%	3.2%	3.2%	5.8%	-4.4%
Average SF	510	753	1,253	1,888	2,826
YoY	0.6%	-1.2%	4.2%	-0.4%	3.2%

By Price

Most apartments closed this quarter were sold between \$1M and \$3M. The average price per square foot of these properties increased 2.3% year-over-year, but overall the average and median prices held steady. The luxury sector saw the least declines compared to Q3 2022, with the \$5M-10M and \$10M-20M brackets declining only 8.1% and 2.3%, respectively. For the remaining price brackets, behavior was mixed. Affordability improvement was seen in properties below \$1M, while the ultra-high-end properties sold for \$20M or more were significantly more expensive than usual but activity was down 20% from this period last year.



Closed Sales

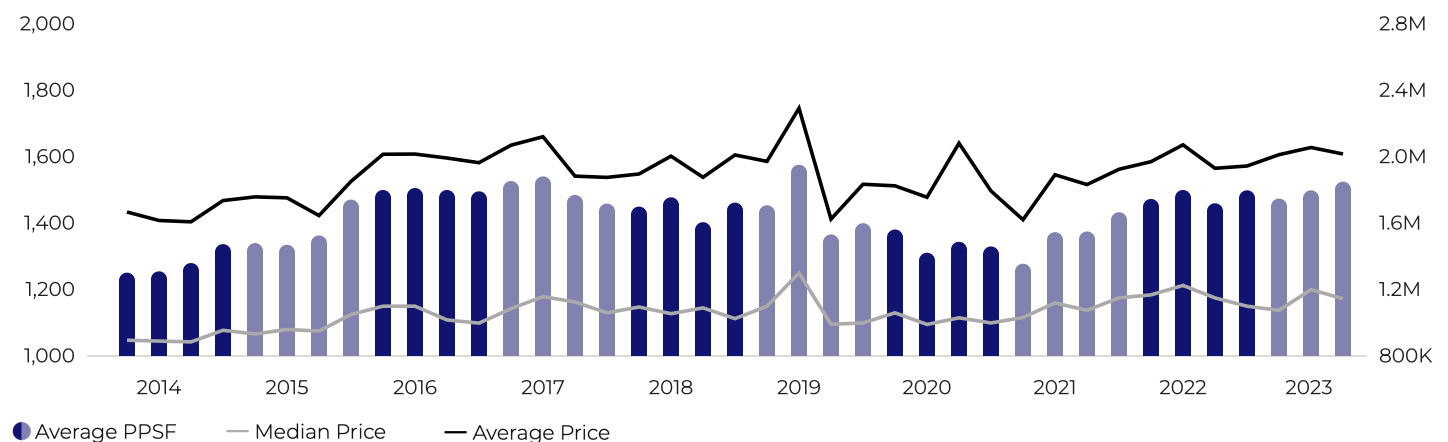
By Location

Most sales were Downtown with 28.8% of transactions, a slightly lower than usual market share. Prices in the submarket continued to climb, up nearly 10% in average and median price year-over-year. Lower Manhattan, with the smallest market share, saw the largest decline from Q3 2022, with 34.4% fewer closings. Prices in Upper Manhattan fell the most, with the average price declining 15.4% and the median price declining 10.9%, year-over-year. Properties on the Upper East Side were notably more expensive, with an 11.7% increase in average price per square foot from this time last year.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	7.0%	13.9%	16.3%	14.1%	5.6%	36.1%	6.9%
Average Discount	8%	8%	6%	9%	10%	5%	8%
Median Price	\$724,000	\$1,912,500	\$1,730,000	\$1,350,000	\$1,397,000	\$2,260,000	\$990,000
YoY	-19.4%	13.6%	-1.1%	14.2%	4.6%	-4.8%	-0.3%
Average Price	\$866,075	\$3,743,026	\$2,723,367	\$2,775,854	\$2,352,551	\$3,258,791	\$1,425,168
YoY	-22.3%	31.9%	-5.7%	-3.6%	-1.9%	-2.3%	0.6%
Average PPSF	\$942	\$1,860	\$1,737	\$1,642	\$1,606	\$2,066	\$1,281
YoY	-11.8%	15.5%	-4.7%	6.1%	-4.0%	1.2%	2.5%
Average SF	954	1,741	1,426	1,248	1,329	1,437	1,063
YoY	-5.0%	21.7%	1.5%	17.1%	8.8%	-2.3%	-2.0%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	9.2%	25.7%	21.5%	15.2%	2.5%	22.9%	3.1%
Average Discount	6%	7%	5%	7%	3%	5%	2%
Median Price	\$508,125	\$990,000	\$915,000	\$650,629	\$505,000	\$1,100,000	\$975,000
YoY	-13.5%	-3.6%	-8.5%	-3.6%	-1.9%	17.3%	-22.6%
Average Price	\$665,604	\$1,601,262	\$1,485,823	\$1,009,460	\$570,869	\$1,681,458	\$1,207,354
YoY	-6.3%	-9.3%	4.3%	21.5%	-7.7%	28.7%	-8.8%
Average PPSF	\$669	\$1,031	\$1,182	\$918	\$933	\$1,558	\$1,345
YoY	-2.3%	-3.6%	-0.8%	1.7%	1.5%	14.9%	-0.7%
Average SF	1,015	1,167	1,294	1,088	778	1,066	999
YoY	8.6%	-7.9%	20.1%	13.3%	11.3%	10.1%	-4.8%






Historic Price Trends








Contracts Signed

By Bed

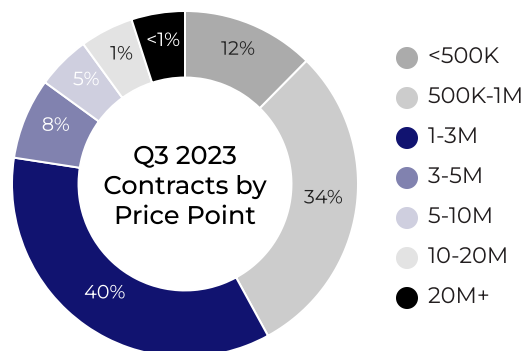
There were 2,049 contracts signed in the third quarter of 2023, a 12.6% decrease from last year. This decline was anticipated due to the record year of 2022, along with a limited inventory and high mortgage rates. Last asking prices were up significantly for condos, while co-ops had less notable improvement. Interestingly, studios and units with 4 or more bedrooms were the only types to see increases in year-over-year average price per square foot. On the other hand, 1-bedroom units accounted for the most contract activity, but experienced limited price changes compared to Q3 2022.

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Condo					
% Units	9.8%	35.6%	34.0%	14.5%	6.1%
Median Price	\$625,000	\$1,150,000	\$2,199,500	\$4,000,000	\$7,950,000
YoY	-5.7%	4.5%	2.3%	-3.1%	17.9%
Average Price	\$739,412	\$1,302,840	\$2,413,896	\$5,236,640	\$11,972,415
YoY	1.4%	4.1%	0.6%	9.3%	23.7%
Average PPSF	\$1,423	\$1,588	\$1,762	\$2,130	\$2,760
YoY	2.4%	0.6%	0.3%	0.0%	6.0%
Average SF	531	815	1,334	2,228	3,930
YoY	-1.8%	0.9%	-1.0%	4.7%	12.8%

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Co-op					
% Units	16.3%	39.7%	28.4%	12.3%	3.3%
Median Price	\$430,000	\$699,000	\$1,250,000	\$2,095,000	\$2,995,000
YoY	-1.1%	0.6%	-3.5%	-4.8%	-15.0%
Average Price	\$448,046	\$778,972	\$1,418,105	\$2,584,023	\$3,938,897
YoY	-10.5%	2.0%	-2.1%	6.1%	-16.8%
Average PPSF	\$962	\$1,059	\$1,094	\$1,356	\$1,656
YoY	-2.6%	6.4%	-0.9%	11.8%	12.7%
Average SF	496	770	1,256	1,833	2,679
YoY	-6.1%	0.5%	3.1%	-0.7%	-6.8%

By Price

Most contracts were signed between \$1M and \$3M this quarter, with 39.7% of transactions. These properties had limited price movement compared to last year. Units for \$20M or higher saw significant improvements, but only accounted for 0.4% of contract activity. The \$3M-5M bracket saw the largest year-over-year decline of 18.8%, and saw a decrease in average price per square foot. Last asking price across all groups was generally down year-over-year, a trend which should be closely monitored going forward.



Contracts Signed

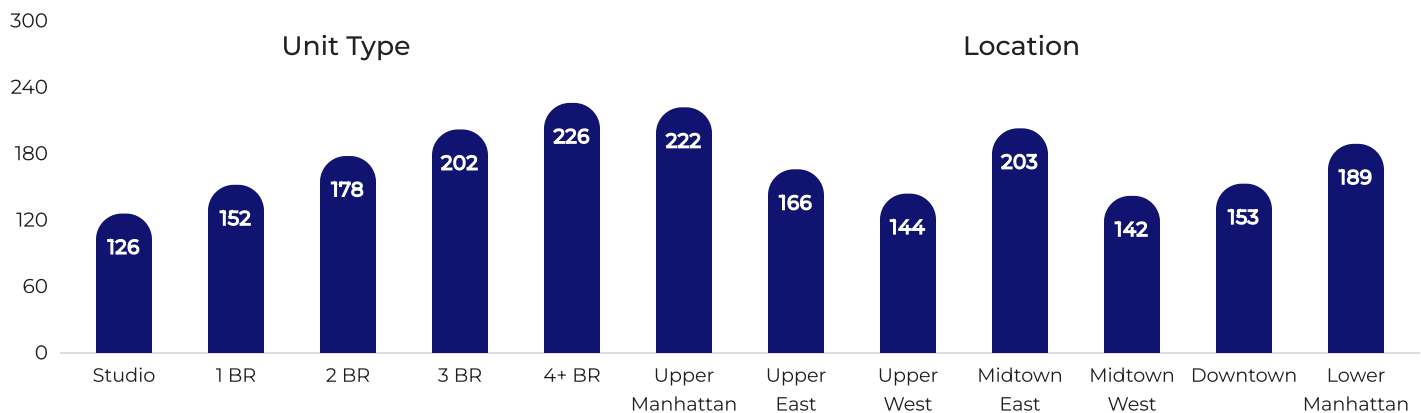
By Location

Most contracts were signed for properties Downtown, followed by the Upper East Side and Upper West Side, respectively. Upper Manhattan saw the largest increase in average price per square foot, jumping 14.2% year-over-year, while Downtown and Lower Manhattan were the only two submarkets to decrease significantly. Midtown East saw a large average price increase from last year, due to new development transactions in the area.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8.3%	11.2%	16.8%	15.8%	6.2%	33.3%	8.3%
Median Price	\$1,069,550	\$1,650,000	\$1,650,000	\$1,410,000	\$1,397,000	\$2,397,500	\$900,000
YoY	19.1%	4.9%	10.1%	13.8%	7.9%	-5.9%	-24.4%
Average Price	\$1,554,758	\$2,695,092	\$2,571,401	\$4,028,213	\$2,210,509	\$3,291,802	\$1,353,290
YoY	41.1%	6.8%	8.9%	126.0%	-7.4%	-3.7%	-18.1%
Average PPSF	\$1,267	\$1,616	\$1,726	\$1,874	\$1,707	\$2,108	\$1,261
YoY	20.7%	0.1%	-1.2%	18.5%	2.0%	-2.9%	-6.4%
Average SF	1,141	1,439	1,316	1,398	1,169	1,556	992
YoY	2.2%	6.2%	3.5%	30.3%	6.4%	3.5%	-11.8%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	9.0%	25.2%	18.9%	18.6%	2.1%	22.5%	3.8%
Median Price	\$512,500	\$977,000	\$942,000	\$662,500	\$575,000	\$972,500	\$1,120,000
YoY	11.4%	11.7%	1.6%	7.7%	15.0%	2.5%	-13.5%
Average Price	\$601,729	\$1,512,868	\$1,282,828	\$884,309	\$618,000	\$1,454,978	\$1,354,756
YoY	3.6%	3.2%	-1.2%	1.1%	11.5%	4.9%	-8.3%
Average PPSF	\$667	\$1,042	\$1,190	\$884	\$851	\$1,459	\$1,382
YoY	4.2%	0.1%	6.1%	1.5%	-5.4%	8.4%	-0.8%
Average SF	889	1,251	1,209	999	809	1,067	1,051
YoY	-0.4%	16.5%	19.8%	-3.4%	26.0%	-3.0%	-8.3%






Average Days on Market








Active Listings

By Bed

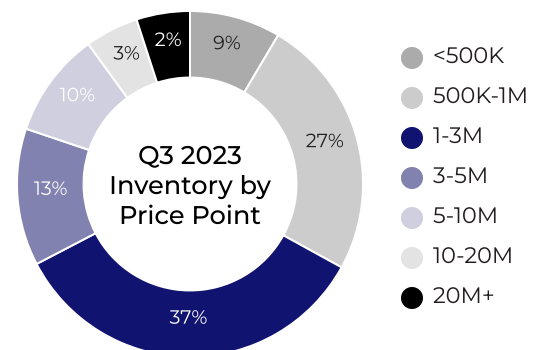
Inventory at the end of the quarter continued to stay near 6,800 active listings, a nearly 5% decline from last year, and a small improvement from last quarter, though no solution to the current market shortage. Most properties listed were one- or two-bedroom units, with 30.1% and 31.2% of inventory, respectively. Very limited price changes were seen from last year in these two groups, suggesting sellers have not been under pressure to lower their asking price.

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Condo					
% Units	6.7%	27.3%	33.1%	20.2%	12.7%
Median Price	\$722,500	\$1,198,000	\$2,400,000	\$4,475,000	\$8,675,000
YoY	1.0%	0.3%	0.2%	-0.4%	-1.7%
Average Price	\$814,552	\$1,382,259	\$2,772,169	\$5,881,408	\$13,025,156
YoY	-4.5%	1.5%	1.9%	-1.8%	-1.0%
Average PPSF	\$1,417	\$1,630	\$1,905	\$2,385	\$2,998
YoY	-4.1%	1.6%	-0.2%	-1.1%	-1.6%
Average SF	578	856	1,415	2,279	3,911
YoY	-0.5%	-	3.1%	-0.7%	1.7%

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
Co-op					
% Units	13.3%	32.9%	29.2%	15.9%	8.7%
Median Price	\$475,000	\$725,000	\$1,375,000	\$2,665,000	\$4,995,000
YoY	-4.0%	-0.7%	-	6.6%	-13.9%
Average Price	\$520,485	\$821,022	\$1,713,934	\$3,334,401	\$7,836,310
YoY	-3.5%	-0.6%	-0.3%	3.4%	-6.7%
Average PPSF	\$1,035	\$1,053	\$1,244	\$1,464	\$1,961
YoY	1.9%	-0.2%	-0.6%	0.2%	0.3%
Average SF	504	783	1,305	2,056	3,476
YoY	-3.4%	-2.5%	1.7%	-4.9%	-4.4%

By Price

Most properties listed at the end of Q3 2023 were asking \$1M to \$3M, followed by the \$500K-1M price point. Year-over-year inventory fell the most for properties listed at \$20M or more by roughly 7%. The median price for inventory grew 3.7% year-over-year to \$1,550,000.



Active Listings

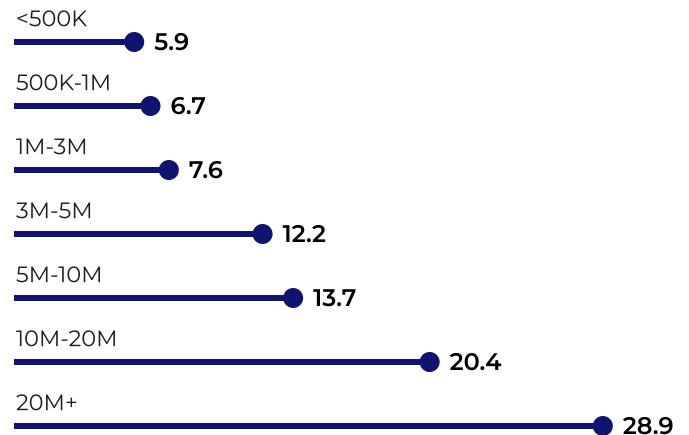
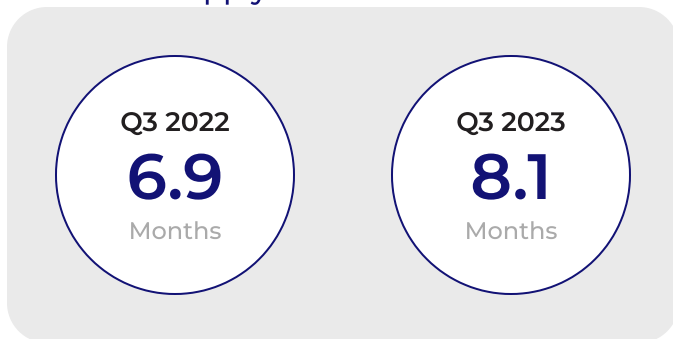
By Location

Upper Manhattan saw a 12.4% decrease in year-over-year inventory, the most of any submarket, and also had a 27.4% decrease in new listings for the quarter. The Upper West Side grew modestly by 1.8%, the only region to see an increase. Downtown had the most active listings and also the most expensive at \$2,066/SF on average, though new listings were down 20.0% year-over-year. Midtown West was the only submarket to see an increase in new listings from last year, though inventory here still fell 4.4% for the year.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	7.8%	13.7%	16.4%	18.6%	6.9%	28.0%	8.7%
Median Price	\$990,000	\$2,595,000	\$2,517,500	\$2,200,000	\$1,625,000	\$3,280,000	\$1,287,500
YoY	-0.7%	-3.9%	-14.7%	15.8%	-1.5%	-0.8%	-7.7%
Average Price	\$1,596,527	\$4,248,960	\$4,164,700	\$5,674,870	\$2,606,365	\$4,896,769	\$2,164,060
YoY	12.6%	-3.4%	-11.2%	13.8%	-4.4%	-1.1%	0.9%
Average PPSF	\$1,220	\$1,966	\$2,127	\$2,322	\$1,905	\$2,263	\$1,491
YoY	1.9%	-1.2%	-4.0%	3.2%	2.9%	-1.8%	-0.9%
Average SF	1,183	1,889	1,739	1,797	1,182	2,012	1,286
YoY	6.2%	-2.1%	-4.7%	12.0%	-7.1%	4.1%	-1.3%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	10.9%	28.4%	17.4%	17.9%	2.1%	21.0%	2.4%
Median Price	\$532,000	\$1,595,000	\$1,250,000	\$775,000	\$575,000	\$1,100,000	\$1,045,000
YoY	1.3%	13.9%	4.2%	-3.0%	-2.1%	2.3%	13.9%
Average Price	\$673,107	\$3,104,094	\$2,117,702	\$1,530,971	\$882,851	\$1,949,749	\$1,347,049
YoY	3.1%	4.8%	2.9%	6.8%	20.7%	5.3%	-1.3%
Average PPSF	\$680	\$1,369	\$1,319	\$1,116	\$1,068	\$1,545	\$1,317
YoY	-3.3%	1.0%	-2.7%	0.5%	7.2%	3.3%	5.0%
Average SF	900	1,613	1,445	1,232	931	1,495	1,082
YoY	-4.9%	0.6%	5.5%	5.4%	2.5%	2.3%	-37.3%

Months of Supply



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