

*4th Quarter 2016*

## OVERVIEW

After hitting record prices earlier this year, the Manhattan market appeared to normalize throughout 2016 as average sales prices inched up 1.68% from last quarter to \$2,036,212, while the median price declined 2.06% to \$1,070,000. The year-over-year changes tell a similar story, with average prices up 2.31% and median prices down 7.14%. The overriding theme this year has been the record number of luxury new development closings, which temporarily and artificially pushed market wide statistics up as real-time conditions weakened. As new development bulk closings slowly taper down, we expect future market reports to more closely resemble the broader resale market, which has seen market dynamics swing towards the buy side compared to last year. Industry experts agree that how much leverage buyers gained in this latest down cycle depends on price sector, the luxury sector experienced a harder hit than lower price points.

Median price per square foot, which came in at \$1,362 for the third quarter and is considered a broader gauge of the resale marketplace, saw a 3.16% decline from last quarter, and shows as flat since this period last year. The more volatile average price per square foot figure showed a 3.33% decline from last quarter and a 15% decrease from the year ago quarter.

Real-time market indicators showed a softening marketplace for 2016's final quarter as days on market climbed to 64 days, a 25.49% increase from last quarter. Compared to last year, the time it takes sellers to move property came in 7 days higher, which represents a 10.34% increase.

## CONDO

In the Manhattan condo market, the above mentioned renewed strength in luxury new development closings pushed the average price 13.13% higher to \$2,839,493 from the same period last year. Looking at last quarter, condo prices continued the up-trend with a 3.21% increase. The median sales price figures were also positive, albeit modest, with 2.87% and 3.38% gains on a year-over-year and quarterly basis, respectively. Year-over-year and quarterly increases in the price per square foot of 3% and 3.72% confirm the theme – lagging sales data continues to come in strong as real-time conditions weakened. This is most evident in days on market trends which rose 27.69% and 25.76% on a year-over-year and quarter-to-quarter basis respectively. These notable increases suggest the strong demand trend may be fading with sales data yet to fully record the cycle.

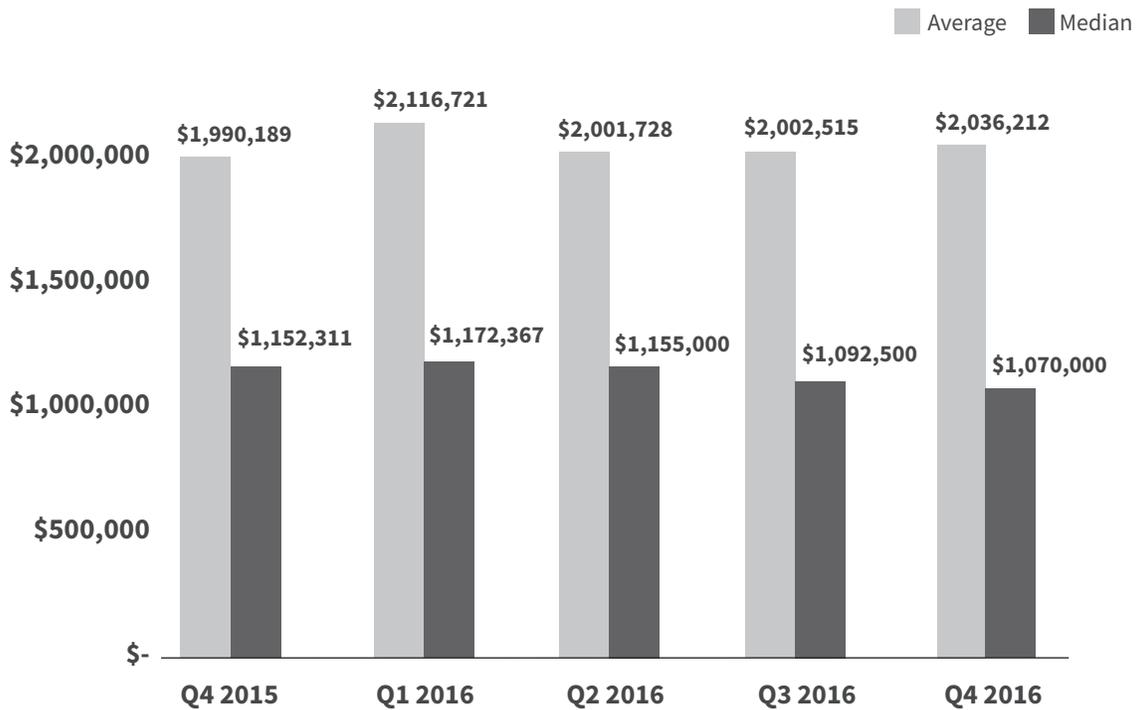
## COOP

The more stable Manhattan co-op market remained relatively unchanged from last year, with the average price coming in 3.60% lower at \$1,221,098. Year-over-year, the average price declined a scant 0.96%. The median sales price showed mixed results, with the year-over-year figure rising 2% and the quarter-to-quarter figure falling 2.67% to \$765,000. Coop days on market came in at 54, which like condos represents a year-over-year and quarter-to-quarter increase of 3.85% and 25.58%, respectively.

Looking ahead, as the hectic pace of luxury new developments sales begin to taper off, we expect more downward pressure on prices. While Manhattan remains a “seller’s market” for lower price sectors, today’s buyers generally have more options and higher negotiability than they had in past few years. Although contract activity remains sluggish, as we enter 2017 market forces appear more balanced after years of strongly favoring sellers.

MANHATTAN MARKET-WIDE

Market Wide	Q4 2016	% Change	Q3 2016	% Change YOY	Q4 2015
Average Sales Price	\$2,036,212	1.7%	\$2,002,515	2.3%	\$1,990,189
Average Price per SF	\$1,522	-3.3%	\$1,574	-15.8%	\$1,807
Median Sales Price	\$1,070,000	-2.1%	\$1,092,500	-7.1%	\$1,152,311
Median Price per SF	\$1,362	0.5%	\$1,355	-3.2%	\$1,406
Median Days on Market	64	25.5%	51	10.3%	58
Median Sales Discount			-5.6%		-5.1%
Median Sales Premium			3.1%		2.7%

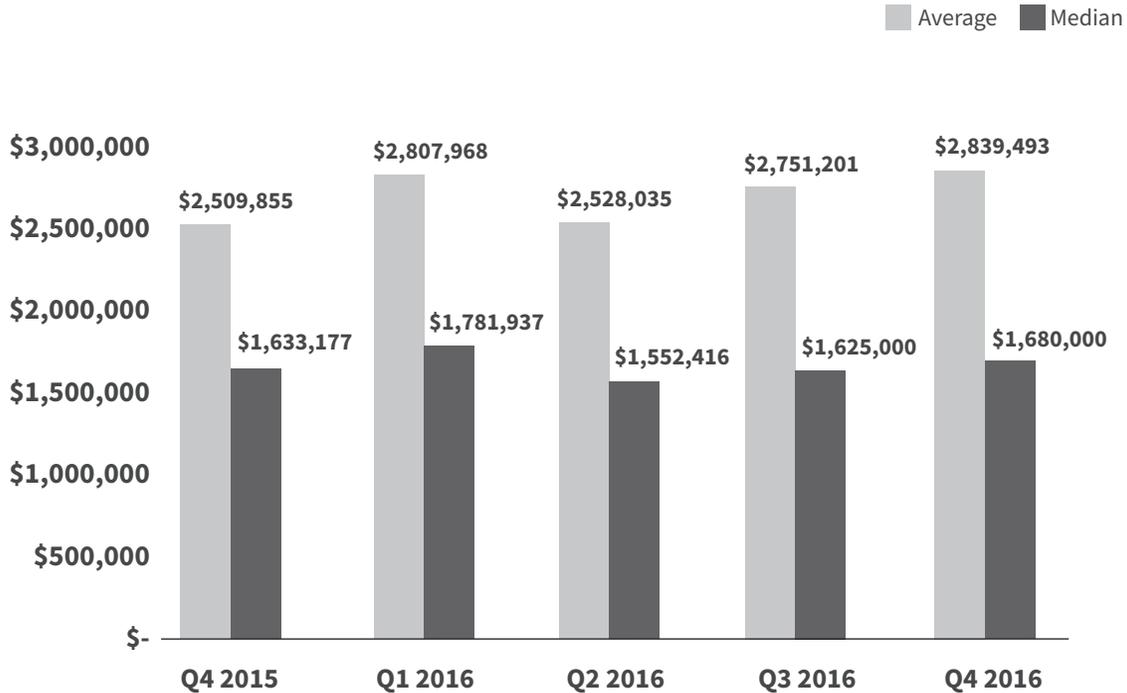


Market-Wide	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$515,000	\$823,750	\$1,686,637	\$4,200,000
Q1 2016	\$525,000	\$825,000	\$1,787,075	\$3,923,317
Q2 2016	\$535,000	\$850,000	\$1,655,000	\$3,900,000
Q3 2016	\$530,000	\$820,000	\$1,600,000	\$3,725,000
Q4 2016	\$515,000	\$825,000	\$1,650,000	\$4,480,300

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

MANHATTAN CONDOS

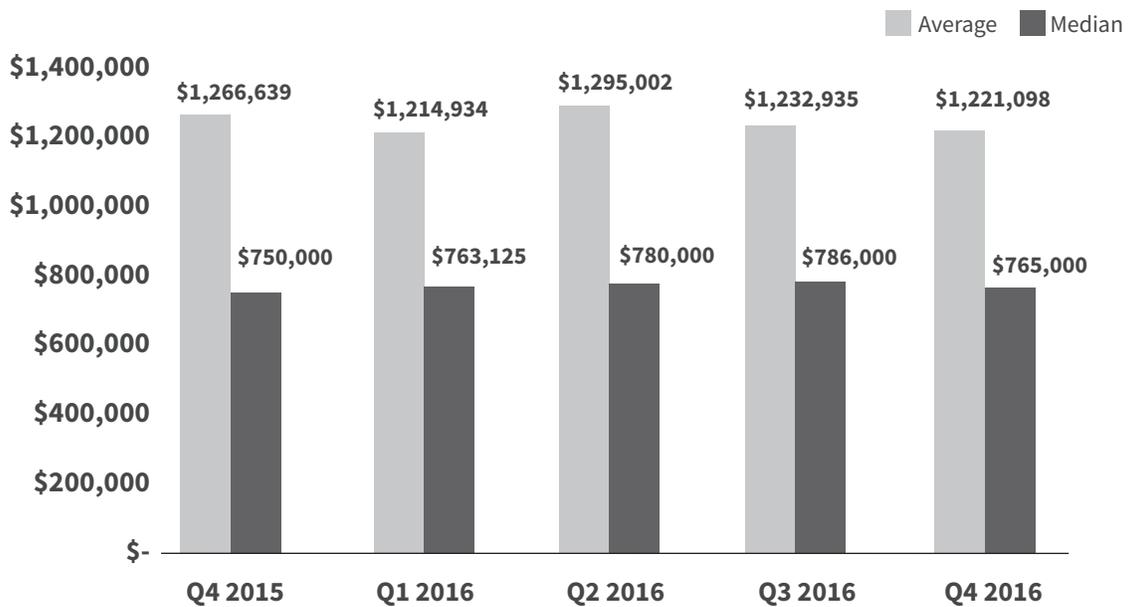
Condo	Q4 2016	% Change	Q3 2016	% Change YOY	Q4 2015
Average Sales Price	\$2,839,493	3.2%	\$2,751,201	13.1%	\$2,509,855
Average Price per SF	\$1,766	2.8%	\$1,718	-15.7%	\$2,094
Median Sales Price	\$1,680,000	3.4%	\$1,625,000	2.9%	\$1,633,177
Median Price per SF	\$1,621	3.7%	\$1,563	3.0%	\$1,574
Median Days on Market	83	25.8%	66	27.7%	65
Median Sales Discount			-5.9%		-5.3%
Median Sales Premium			2.1%		2.0%



Condo	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$687,318	\$1,065,000	\$2,040,235	\$4,744,049
Q1 2016	\$650,000	\$1,100,000	\$2,325,000	\$5,294,900
Q2 2016	\$660,000	\$1,065,000	\$2,052,500	\$4,850,000
Q3 2016	\$684,500	\$1,017,500	\$1,980,000	\$4,836,687
Q4 2016	\$701,000	\$1,095,000	\$2,112,500	\$5,142,162

MANHATTAN COOPS

Coop	Q4 2016	% Change	Q3 2016	% Change YOY	Q4 2015
Average Sales Price	\$1,221,098	-1.0%	\$1,232,935	-3.6%	\$1,266,639
Average Price per SF	\$1,095	-2.6%	\$1,124	1.6%	\$1,078
Median Sales Price	\$765,000	-2.7%	\$786,000	2.0%	\$750,000
Median Price per SF	\$1,013	-1.9%	\$1,033	8.4%	\$935
Median Days on Market	54	25.6%	43	3.9%	52
Median Sales Discount			-5.0%		-4.95%
Median Sales Premium			3.7%		3.6%



Coops	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$419,000	\$695,000	\$1,330,750	3,040,000.00
Q1 2016	\$440,000	\$695,000	\$1,325,000	2,506,250.00
Q2 2016	\$430,000	\$693,572	\$1,300,000	3,000,000.00
Q3 2016	\$443,000	\$715,000	\$1,345,000	2,401,000.00
Q4 2016	\$450,000	\$715,000	\$1,300,000	2,700,000.00

## NEIGHBORHOOD BREAKDOWN

Below is a snapshot of the market broken down by major Manhattan neighborhood from 4th quarter 2015 to 4th quarter 2016.

Upper Manhattan	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$350,000	\$427,500	\$727,500	\$972,500
Q1 2016	\$340,000	\$456,734	\$705,000	\$975,125
Q2 2016	\$525,000	\$430,000	\$712,500	\$1,210,000
Q3 2016	\$340,000	\$481,650	\$677,500	\$1,100,000
Q4 2016	\$360,000	\$486,800	\$640,000	\$790,000

Upper West Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$505,000	\$855,330	\$1,850,000	\$3,873,350
Q1 2016	\$505,000	\$810,000	\$1,665,000	\$3,070,000
Q2 2016	\$480,000	\$853,500	\$1,541,000	\$2,950,000
Q3 2016	\$477,500	\$892,766	\$1,551,000	\$3,300,000
Q4 2016	\$439,933	\$835,000	\$1,795,000	\$3,400,000

Upper East Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$415,000	\$785,000	\$1,619,213	\$3,750,000
Q1 2016	\$440,000	\$813,300	\$1,564,033	\$3,525,000
Q2 2016	\$448,000	\$775,000	\$1,625,000	\$3,475,000
Q3 2016	\$475,000	\$775,000	\$1,600,000	\$3,200,000
Q4 2016	\$417,500	\$715,000	\$1,572,500	\$4,400,000

Midtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$485,000	\$892,500	\$1,857,719	\$4,603,750
Q1 2016	\$485,000	\$880,000	\$2,158,690	\$3,750,000
Q2 2016	\$490,000	\$945,500	\$1,958,705	\$3,675,000
Q3 2016	\$507,500	\$850,000	\$1,690,000	\$4,350,000
Q4 2016	\$512,500	\$875,000	\$1,750,000	\$4,505,756

Downtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q4 2015	\$665,000	\$991,000	\$2,096,252	\$5,495,000
Q1 2016	\$618,000	\$1,095,000	\$2,315,000	\$5,737,973
Q2 2016	\$600,000	\$996,000	\$2,200,000	\$6,065,481
Q3 2016	\$637,000	\$949,000	\$2,225,000	\$5,060,702
Q4 2016	\$592,500	\$931,000	\$2,141,913	\$6,112,554

