

kw NEW YORK CITY
KELLERWILLIAMS®

1ST QUARTER 2014

WELCOME TO KELLER WILLIAMS NYC'S MARKET REPORT – MANHATTAN Q1 2014

The first quarter of 2014 showed little signs of slowing down, even as much of New York remained in a perpetual deep freeze. The chronic lack of inventory over the past few years has led to a vast pool of unsatisfied buyers who will continue to feel upward pricing pressures as we head into the spring season. Translation? Buyers will need to act quickly, be prepared to make all-cash offers or one without a mortgage contingency, and be flexible with their requests if they want to maximize their chances of securing the "winning bid."

The Bottom Line: The overall dynamics of the marketplace will continue to favor the sell side as long as – There is no major disruption in the equity markets limiting buy side confidence and sellers continue to price their homes aggressively but not unrealistically.

I would like to personally thank Noah Rosenblatt – Data Guru, Jim Marks – Strategy Guru, Milan Pinkus – Research Guru, and Elizabeth Waterman – Support Guru, for making this report possible.



Regards,
Eric Barron
CEO

About Keller Williams Realty International: Currently the largest real estate company in North America with more than 700 offices and 95,000 agents. The Manhattan region has grown to 340 agents since its launch in 2011. Internationally, KWRI has expanded to 14 countries, including its most recent launches in Great Britain and Dubai.

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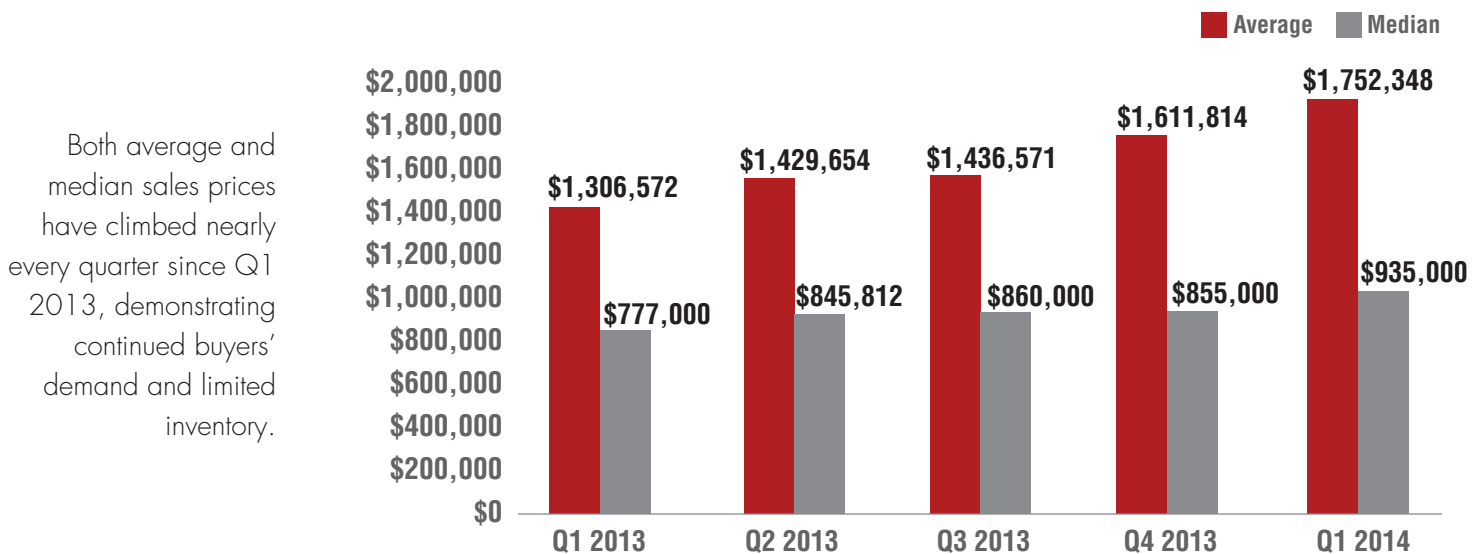
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MANHATTAN MARKET-WIDE

The first quarter of 2014 saw improved economic price movement among market-wide Manhattan Sales compared to last quarter. The average sales price of a Manhattan apartment experienced a quarter-over-quarter increase of 8.7%, rising from \$1.61 million to \$1.75 million, as well as a 20% year-over-year increase from \$1.31 million, while the median sales price drew a quarter-over-quarter increase of 9.4%, from \$855,000 to \$935,000. Impressively, the median number of days a property remained on the market dropped to 59 days, 42% lower than the prior year, demonstrating the continued strength and demand of the New York City housing market. Total new inventory on the market rose to 3,200 units, compared to 2,800 new units last quarter and 3,300 new units last year.

Market-Wide	Q1 2014	% Change	Q4 2013	% Change YOY	Q1 2013
Average Sales Price	\$1,752,348	8.7%	\$1,611,814	34.1%	\$1,306,572
Average Price per SF	\$1,337	5.4%	\$1,268	23.4%	\$1,083
Median Sales Price	\$935,000	9.4%	\$855,000	20.3%	\$777,000
Median Price per SF	\$1,188	4.6%	\$1,136	19.3%	\$996
Median Days on Market	59	-25.3%	79	-42.2%	102
Median Sales Discount			-5.2%		-5.8%
Median Sales Premium			3.5%		2.6%

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



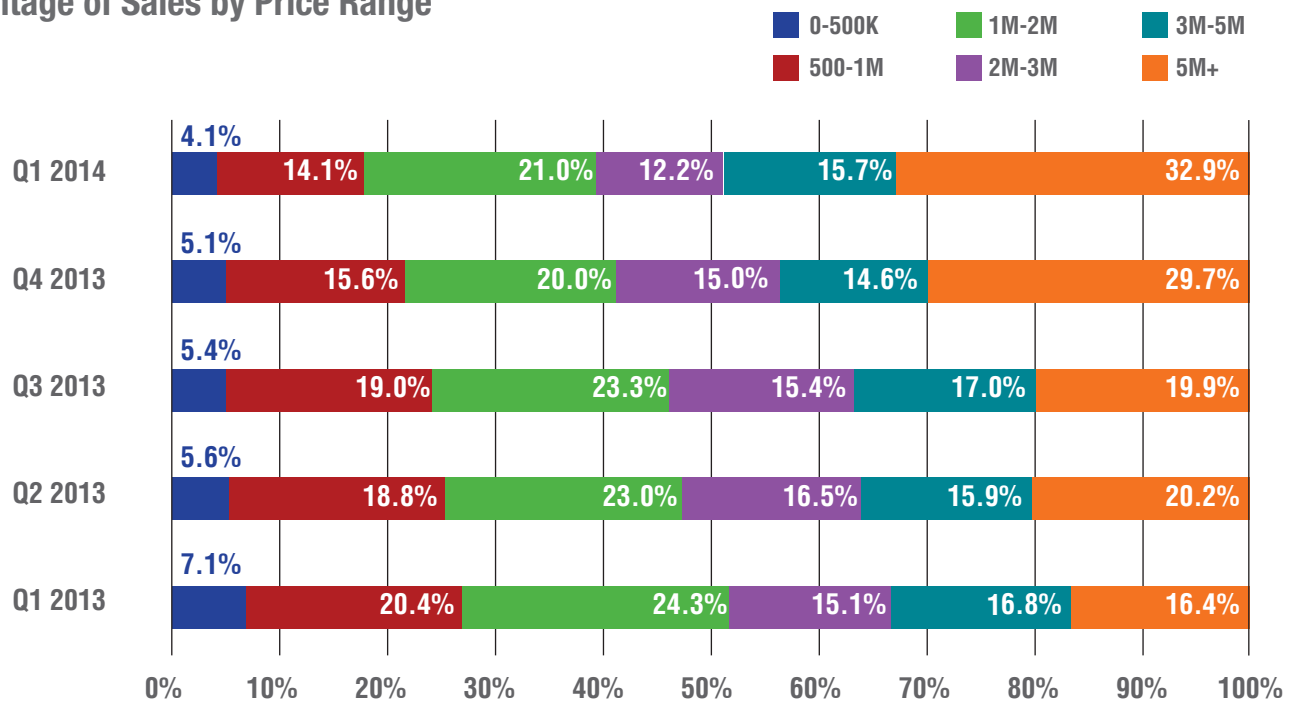
The following matrix displays a breakdown of median Manhattan apartment prices by apartment category:

Market-Wide	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$395,000	\$741,000	\$1,450,000	\$3,258,400
Q4 2013	\$385,000	\$680,000	\$1,500,000	\$2,945,353
Q3 2013	\$392,695	\$690,500	\$1,361,000	\$2,887,500
Q2 2013	\$405,750	\$700,000	\$1,392,500	\$2,645,000
Q1 2013	\$365,150	\$635,000	\$1,280,000	\$2,710,000

A breakdown of sales transactions in Q1 2014 by pricing category reveals Manhattan apartment sales priced over \$5 million represented the largest category of sales activity market-wide. In fact, the sales volume in this asset category has doubled compared to a year ago. We attribute this to continued buyer competition, greater activity in the high-end condo and new development submarkets and extremely limited inventory.

The chart below displays the breakdown of Manhattan apartment sales market-wide by pricing category for the past five consecutive quarters, from Q1 2013 to Q1 2014.

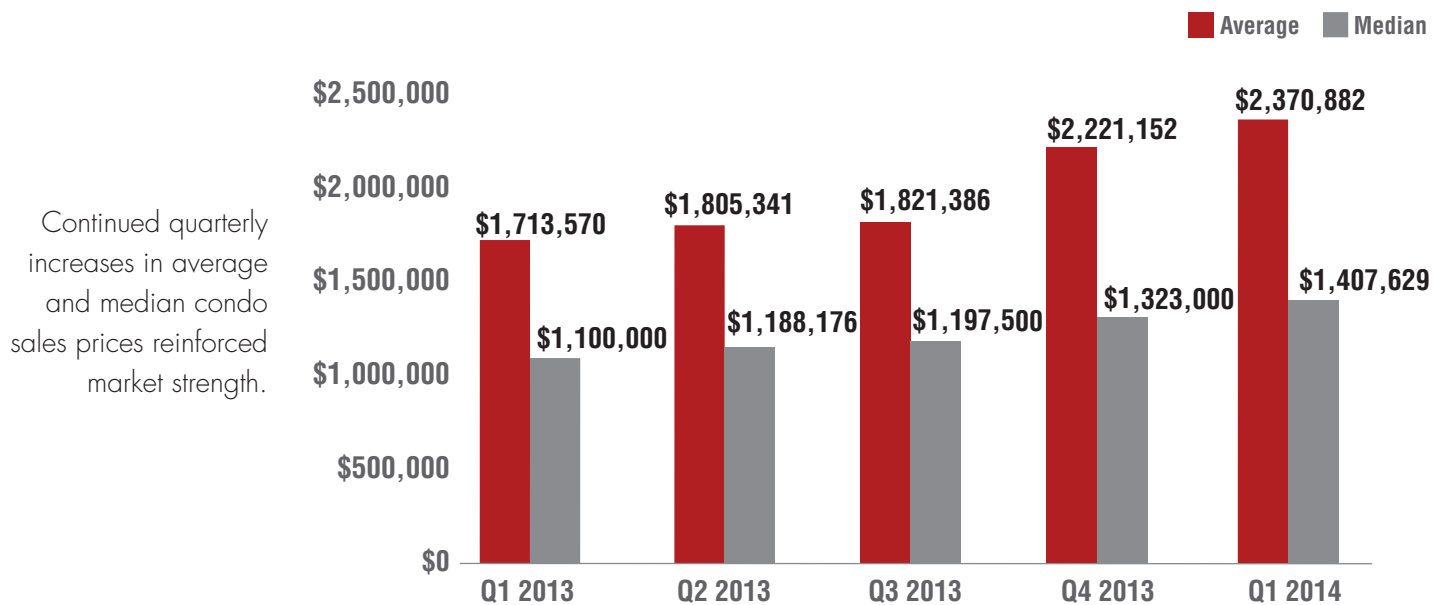
Percentage of Sales by Price Range



MANHATTAN CONDOS

The end of 2013 marked the first time that the average price of a Manhattan condo surpassed \$2 million and the first quarter of 2014 didn't disappoint. The average condo sold for \$2.37 million, up 7% from last quarter and an astounding 38% from a year ago. Average and median price per square foot also saw price improvements. Lastly, increased strength in the condo market led to a mere 48 median days on the market, nearly half as long to sell an apartment compared to a year ago.

Condo Sales	Q1 2014	% Change	Q4 2013	% Change YOY	Q1 2013
Average Sales Price	\$2,370,882	6.7%	\$2,221,152	38.4%	\$1,713,570
Average Price per SF	\$1,542	5.2%	\$1,466	23.7%	\$1,247
Median Sales Price	\$1,407,629	6.4%	\$1,323,000	28.0%	\$1,100,000
Median Price per SF	\$1,377	3.1%	\$1,336	17.5%	\$1,172
Median Days on Market	48	-25%	64	-48.7%	93
Median Sales Discount			-4.9%		-6.1%
Median Sales Premium			2.8%		1.8%



The following matrix displays a breakdown of median Manhattan condo prices by apartment category:

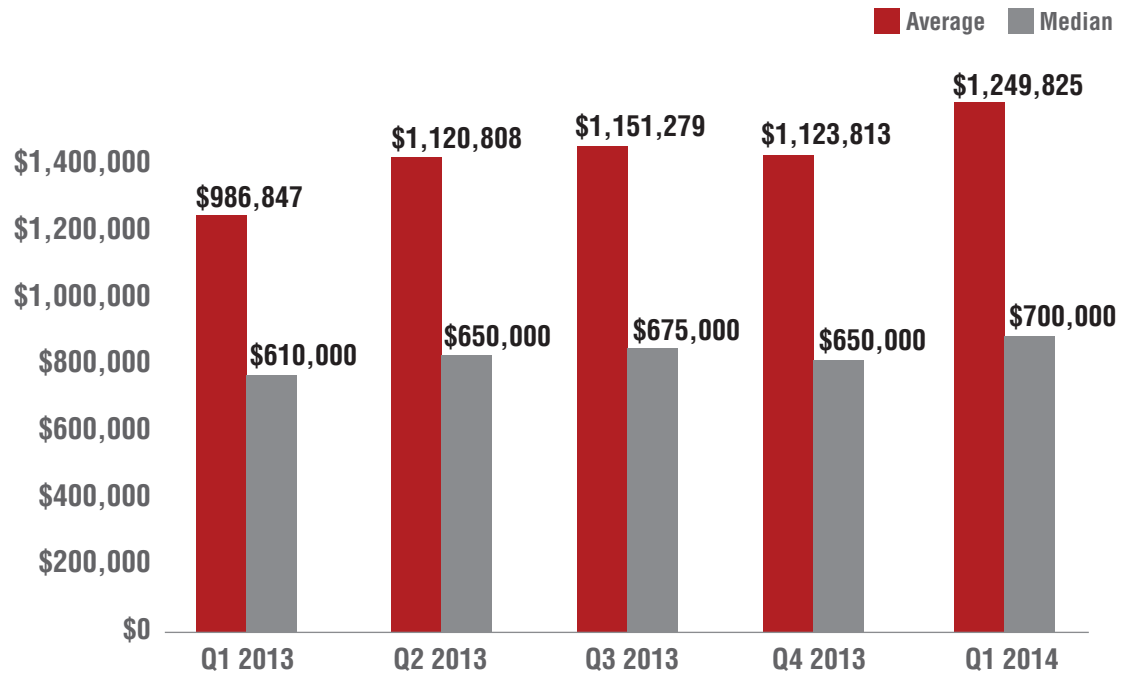
Condos	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$593,500	\$989,574	\$1,700,150	\$3,512,963
Q4 2013	\$560,000	\$899,500	\$1,830,000	\$3,467,141
Q3 2013	\$562,250	\$875,695	\$1,712,500	\$3,490,000
Q2 2013	\$580,000	\$889,500	\$1,682,412	\$3,011,918
Q1 2013	\$566,500	\$820,000	\$1,650,700	\$3,250,000

MANHATTAN CO-OPS

Co-op sales demonstrated continued strength in Q1 2014 with an average sales price of \$1.25 million, up 11% since Q4 2013 and 27% since Q1 2013. Median sales prices exhibited similar trends, up 8% from the previous quarter and 15% from the previous year, to \$700,000. The median days on the market dropped to 69 days, in line with the overall market trend of quicker absorption rates.

COOP Sales	Q1 2014	% Change	Q4 2013	% Change YOY	Q1 2013
Average Sales Price	\$1,249,825	11.2%	\$1,123,813	26.6%	\$986,847
Average Price per SF	\$851	-2.7%	\$ 874	6.5%	\$798
Median Sales Price	\$700,000	7.7%	\$650,000	14.7%	\$610,000
Median Price per SF	\$846	0.6%	\$841	8.5%	\$780
Median Days on Market	69	-22.5%	89	-34.9%	106
Median Sales Discount			-5.8%		-5.7%
Median Sales Premium			4.7%		3.7%

Median co-op sales prices rebounded 8% from Q4 2013 to Q1 2014, although average price per square foot decreased, indicating a shift toward larger units and buyers seeking greater value.

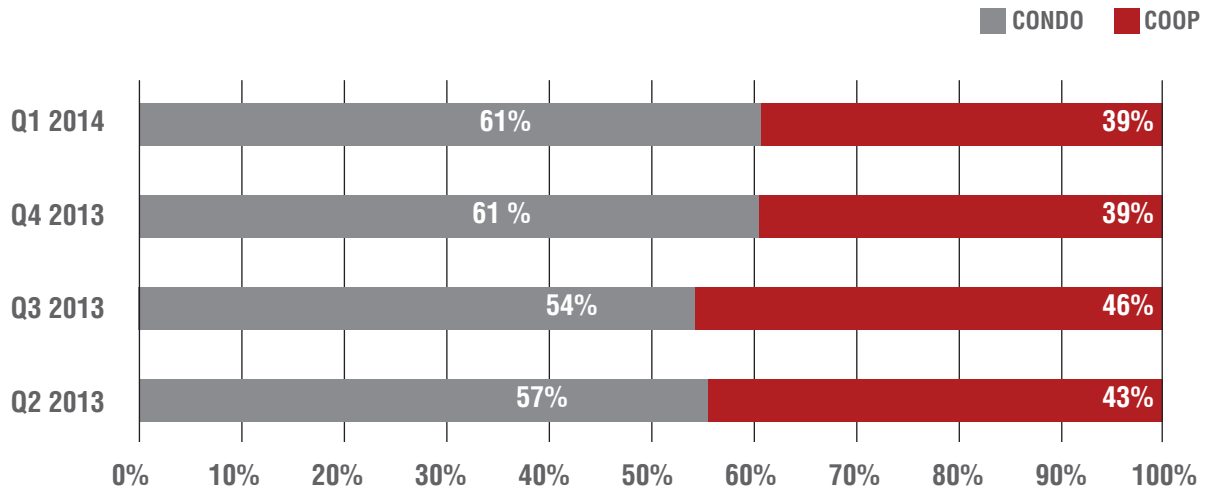


The following matrix displays a breakdown of median Manhattan co-op prices by apartment category:

COOPs	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$350,000	\$610,000	\$1,237,500	\$2,500,000
Q4 2013	\$350,000	\$588,500	\$1,158,550	\$2,300,000
Q3 2013	\$335,000	\$587,500	\$1,150,000	\$2,362,500
Q2 2013	\$334,000	\$578,000	\$1,135,000	\$2,330,000
Q1 2013	\$306,250	\$542,000	\$999,000	\$1,868,500

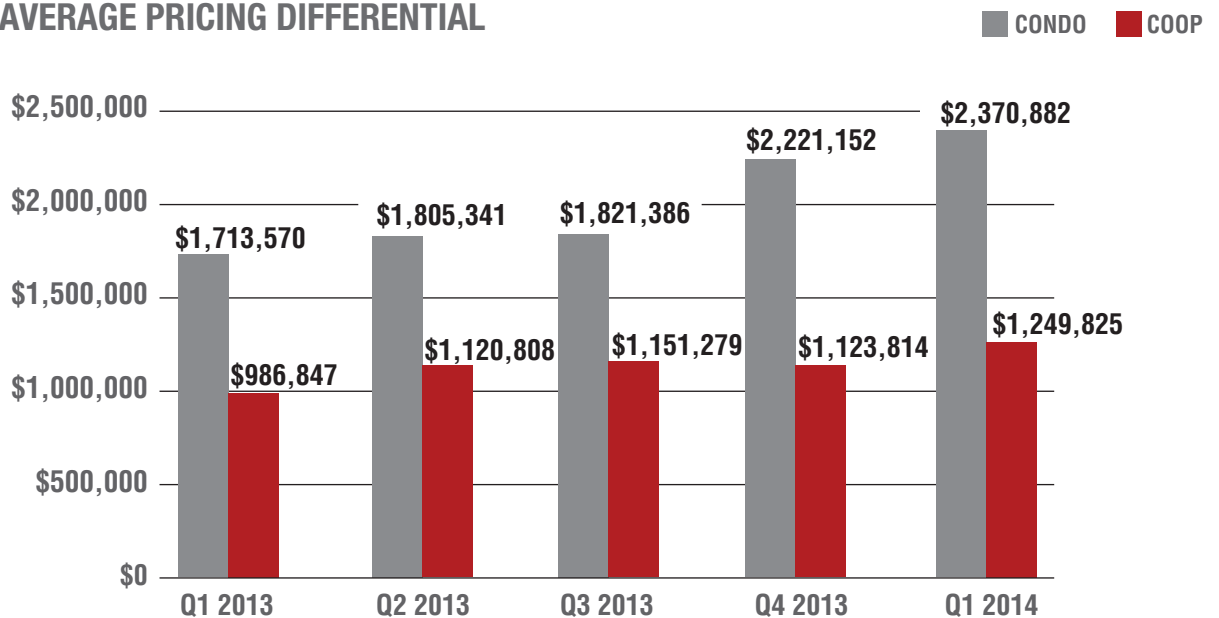
MANHATTAN CONDO/CO-OP DIFFERENTIALS

Cooperatives sales represented fewer sales transactions than condos, accounting for approximately 39% of closed sales volume with generally positive and substantial price movements in both categories during Q1 2014. The following chart displays the breakdown of Manhattan apartment sales market-wide by category for the past four consecutive quarters, between Q2 2013 and Q1 2014.



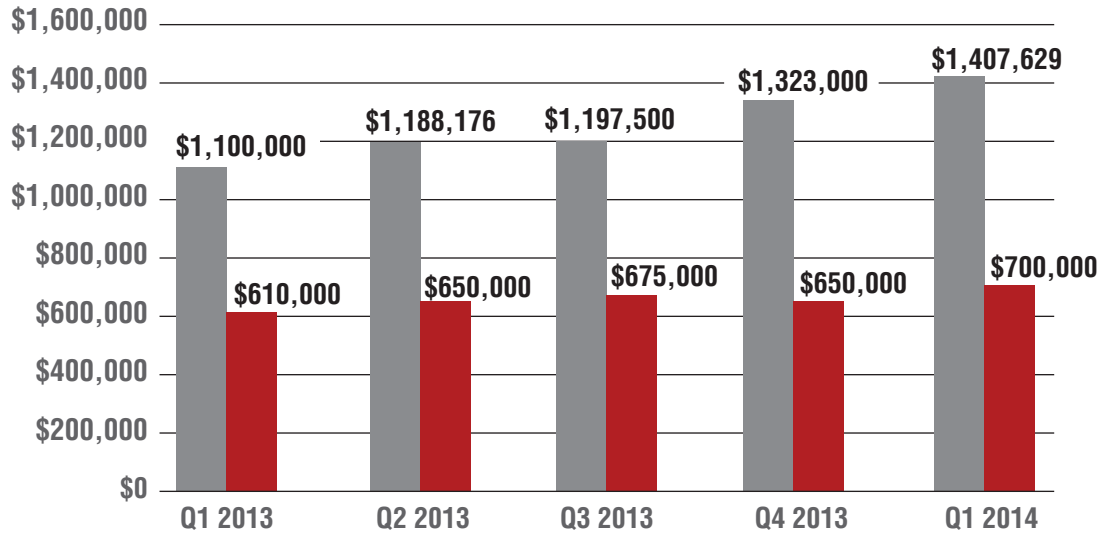
Manhattan cooperatives generally account for the majority of market transactions given their greater abundance, however, condos typically sell for a premium due to lessened financial constraints in the purchase process. The increased price gap (in dollars) between condos and co-ops from Q3 2013 to Q1 2014 is likely attributed to the combination of strong demand, particularly with luxury new developments that arrived to market, along with limited inventory and favorable fiscal conditions affecting the condo market.

CONDO/COOP AVERAGE PRICING DIFFERENTIAL



CONDO/COOP MEDIAN PRICING DIFFERENTIAL

■ CONDO ■ COOP



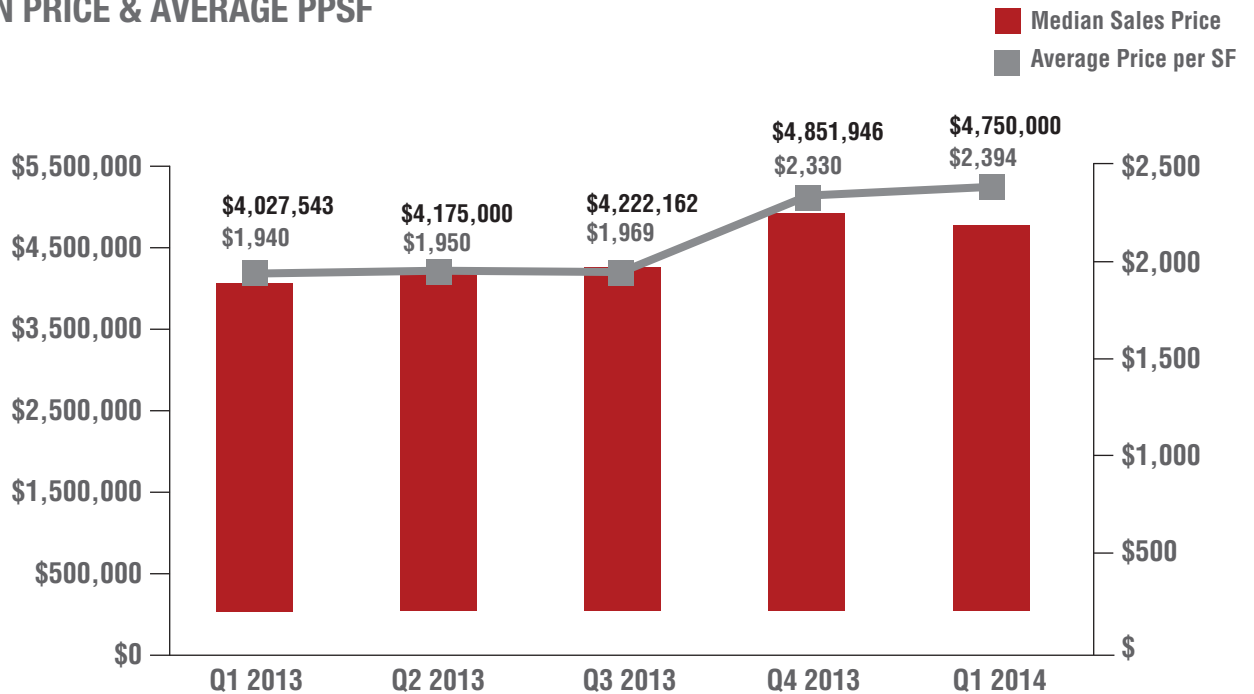
LUXURY MARKET

Luxury sales are a unique subset of the Manhattan residential market, consisting of the top ten percent of apartment sales by price, excluding townhouses. These sales are typically from high-end products such as larger two- and three-or-more bedrooms. In Q1 2014, the entry level price for luxury was approximately \$3.0 million and average price increased 3% quarter-over-quarter from \$6.1 million to \$6.3 million. Median prices, however, decreased 2%, from \$4.85 million to \$4.75 million.

Luxury Market Sales	Q1 2014	% Change	Q4 2013	% Change YOY	Q1 2013
Average Sales Price	\$6,300,199	3.0%	\$6,117,821	23.1%	\$5,118,584
Average Price per SF	\$2,394	2.7%	\$2,330	23.4%	\$1,940
Median Sales Price	\$4,750,000	-2.1%	\$4,851,945	17.9%	\$4,027,543
Median Price per SF	\$1,980	-6.3%	\$2,114	14.5%	\$1,729
Median Days on Market	35	-50.7%	71	-63.9%	97
Median Sales Discount			-9.2%		-5.90%
Median Sales Premium			3.7%		2.6%

LUXURY MEDIAN PRICE & AVERAGE PPSF

Median prices in the luxury market increased 18% from a year ago and average price-per-square-foot neared \$2,400, though this number is likely skewed by a few high-end sales in Q1 2014.



MANHATTAN TOWNHOUSES

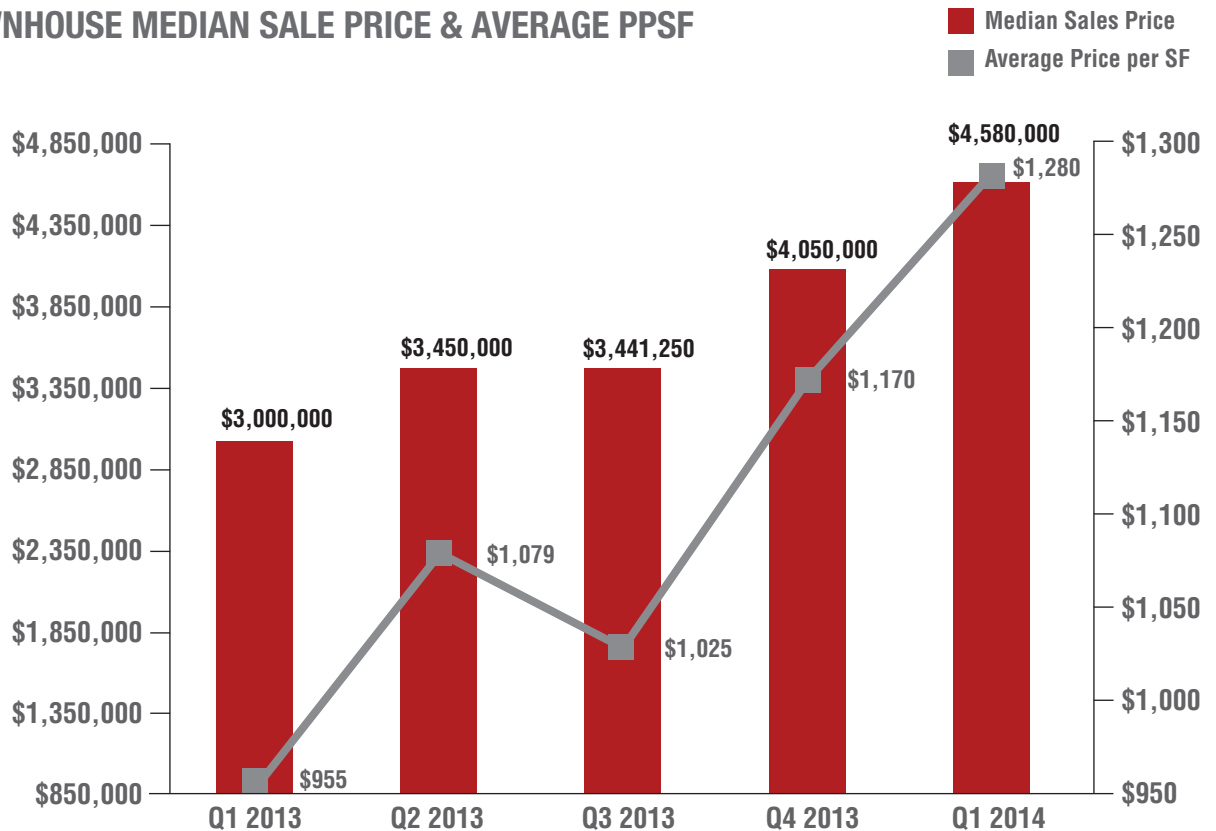
The Manhattan townhouse market is intriguing, as it is the residential asset class with the least amount of available product year-to-year and represents some of the most notable addresses in New York City. As a result, it is not a historically active market, with approximately 30-60 transactions per quarter. Analysis of such small sample sets typically yields behavioral fluctuations on a quarterly or yearly basis, especially considering the unique nature of each individual townhouse.

Nevertheless, the average townhouse sales price rose 15% from the previous quarter, from \$4.5 million to \$5.2 million, and the median townhouse sales price increased 13% from \$4.05 million to \$4.58 million. Average and median price-per-square-foot also increased to \$1,280 and \$1,245, respectively, as the median number of days rose to 149, an increase of 2% since Q4 2013.

Market Wide	Q1 2014	% Change	Q4 2013	% Change YOY	Q1 2013
Average Sales Price	\$5,209,663	15.1%	\$4,526,512	47.0%	\$3,542,962
Average Price per SF	\$1,280	9.4%	\$1,170	34.1%	\$955
Median Sales Price	\$4,580,000	13.1%	\$4,050,000	52.7%	\$3,000,000
Median Price per SF	\$1,245	31.9%	\$944	61.1%	\$773
Median Days on Market	149	2.1%	146	-51.8%	309
Median Sales Discount			-5.1%		-5.8%
Median Sales Premium			3.5%		2.6%

MANHATTAN TOWNHOUSE MEDIAN SALE PRICE & AVERAGE PPSF

Median townhouse prices increased over 50% while average price-per-square-foot increased 34% since Q1 2013.



NEIGHBORHOOD BREAKDOWN

Each major Manhattan neighborhood showed mixed but generally positive pricing trends during the first quarter of 2014.

Upper Manhattan	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$218,000	\$350,000	\$643,750	\$1,600,000
Q4 2013	\$247,000	\$360,000	\$507,500	\$850,500
Q3 2013	\$266,414	\$330,000	\$615,000	\$954,000
Q2 2013	\$384,000	\$431,500	\$549,500	\$920,000
Q1 2013	\$249,000	\$405,000	\$463,838	\$950,000

Upper West Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$425,000	\$790,562	\$1,451,006	\$2,675,000
Q4 2013	\$400,000	\$692,410	\$1,451,006	\$2,632,176
Q3 2013	\$415,000	\$730,000	\$1,361,000	\$2,700,000
Q2 2013	\$376,750	\$707,500	\$1,325,000	\$2,425,000
Q1 2013	\$415,000	\$690,000	\$1,306,250	\$2,867,842

Upper East Side	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$332,500	\$680,000	\$1,375,000	\$3,790,000
Q4 2013	\$370,000	\$602,000	\$1,375,000	\$3,200,000
Q3 2013	\$332,500	\$600,000	\$1,300,000	\$3,300,000
Q2 2013	\$330,000	\$608,750	\$1,350,000	\$2,607,500
Q1 2013	\$330,000	\$585,000	\$1,196,444	\$2,695,000

Midtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$404,000	\$800,000	\$1,697,500	\$2,335,000
Q4 2013	\$430,000	\$737,500	\$1,599,500	\$2,838,278
Q3 2013	\$429,500	\$749,000	\$1,527,500	\$2,850,000
Q2 2013	\$415,000	\$765,000	\$1,472,500	\$2,737,500
Q1 2013	\$400,000	\$660,000	\$1,300,000	\$2,425,000

Downtown	Median Studio	Median 1 BR	Median 2 BR	Median 3+ BR
Q1 2014	\$625,000	\$910,000	\$1,750,000	\$3,531,481
Q4 2013	\$540,000	\$855,000	\$1,816,333	\$3,300,000
Q3 2013	\$552,499	\$850,000	\$1,615,000	\$3,987,500
Q2 2013	\$559,693	\$850,000	\$1,700,000	\$3,387,500
Q1 2013	\$555,000	\$779,500	\$1,860,000	\$3,400,000



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