

New Development Report

2017

First Quarter

MANHATTAN

\$2,538

AVERAGE PRICE
PER SQ. FT. ACTIVE

\$2,219

AVERAGE PRICE
PER SQ. FT.
CONTRACT SIGNED

\$2,170

AVERAGE PRICE
PER SQ. FT. CLOSED

5,249 ▼ -4% QoQ

AVAILABLE INVENTORY
(UNITS)*

BROOKLYN

\$1,471

AVERAGE PRICE
PER SQ. FT. ACTIVE

\$1,361

AVERAGE PRICE
PER SQ. FT.
CONTRACT SIGNED

\$1,278

AVERAGE PRICE
PER SQ. FT. CLOSED

665 ▼ -22% QoQ

AVAILABLE INVENTORY
(UNITS)*

*Available inventory includes all units currently on the market as well as those not yet released.

Summary Points

\$2,219 PSF

Pricing for Manhattan new development units entering into contract in Q1 2017 fell 2.8% quarter-over-quarter to **\$2,219 PSF** from \$2,285 in Q4 2016, but rose 4.9% year-over-year from \$2,114 PSF in Q1 2016. Avg. PPSF for closed new development units fell 5.4% quarter-over-quarter to \$2,170, and remained essentially flat year-over-year, rising just 0.5% from \$2,160 in Q1 2016. In Brooklyn, new development entering into contract averaged \$1,361 PSF, up 1.8% quarter-over-quarter and 2.7% year-over-year.

39.2%

39.2% of all Active new development listings in Manhattan are priced above \$5M, down from 42.4% in Q4 2016, and well below a high of 52% in Q1 2015. 13.3% of Active listings remain priced above \$10M, down from 15.6% at year-end 2016, reflecting downward repricing in the super luxury category.

\$5M

In Manhattan the total percentage of new development deals entering contract under **\$5M** remained flat quarter-over-quarter at 72.4%, but fell year-over-year from 78.5%. Conversely, the percentage of deals over \$5M remained flat quarter-over-quarter at 27.6%, but rose from 21.5% year-over-year, indicating a moderate increase in deal volume of luxury product as aspirational pricing has revised downward.

59%

The number of new development units in Manhattan entering contract in Q1 2017 increased 26.9% quarter-over quarter to approximately 330, up from approximately 260 units in what was a soft fourth quarter for new development in 2016. In Brooklyn, over 120 units entered into contract in Q1 2017, a **59%** quarter-over-quarter from approximately 75 units in Q4 2016.

5,249

The total number of available new development units decreased 4% quarter-over-quarter in Manhattan to 5,249, well below a high of nearly 9,200 units in 2006. In Brooklyn, available units decreased 22% quarter-over-quarter to approximately 660.

MANHATTAN

BROOKLYN

MEDIAN PRICE PER SQ. FT.		
Active	\$2,285	\$1,417
Contract Signed	\$2,118	\$1,303
Closed	\$1,928	\$1,229
AVERAGE PRICE PER SQ. FT.		
Active	\$2,538	\$1,471
Contract Signed	\$2,219	\$1,361
Closed	\$2,170	\$1,278
MEDIAN PRICE		
Active	\$4,037,500	\$1,820,000
Contract Signed	\$2,850,000	\$1,375,000
Closed	\$2,700,000	\$1,684,050
AVERAGE PRICE		
Active	\$6,296,875	\$2,315,187
Contract Signed	\$4,115,023	\$1,761,297
Closed	\$4,593,175	\$1,948,643
TOTAL INVENTORY (UNITS)		
Total	11,128	2015
Units Available	5,249	665
% Closed or Contract Signed	52.8%	67%

Introduction

HPDM is pleased to present our New Development Report for Q1 2017. This report focuses exclusively on the NYC new development condominium market, and aims to be the only report of its kind presenting a comprehensive picture of new development activity. New development is unique from the overall real estate market in that closings often do not occur for 12 to 18 months after a buyer enters into contract. Therefore, to fully understand this market it is critical to track active listings, listings in contract, closed listings, as well as total inventory. This report analyzes Q1 2017 as a whole and is also a snapshot of current new development market conditions.

In Manhattan, pricing for new development units entering into contract in Q1 2017 fell 2.8% quarter-over-quarter to \$2,219 PSF from \$2,285 in Q4 2016, but rose 4.9% year-over-year from \$2,114 PSF in Q1 2016. Avg. PPSF for closed new development units fell 5.4% quarter-over-quarter to \$2,170, and remained essentially flat year-over-year, rising just 0.5% from \$2,160 in Q1 2016. In Brooklyn, new development entering into contract averaged \$1,361 PSF, up 1.8% quarter-over-quarter and 2.7% year-over-year. Avg. PPSF for closed new development in Brooklyn rose 1.1% year-over-year to 1,278.

METHODOLOGY:

- All data is provided by proprietary Halstead Property Development Marketing research.
- This report tracks new development projects only, defined as those new to the market and currently selling sponsor units. Buildings that have fully sold out of sponsor units are not included, even though they may have recently been built. Resale data is not included in this report.
- All listings were compiled as of 3/20/17.
- **Total Inventory** is defined as all units within new development projects that are currently listed as Active, Contract Signed, or Closed, as well as those units not yet released to the market. **Available Units** is defined as new development units that are currently listed as Active as well as those not yet released to the market. These numbers include units released prior to 2017, provided they are in a project that has not sold out all sponsor units. By including currently unreleased units that are not yet listed as Active this data provides a unique and comprehensive analysis of the current new development market.

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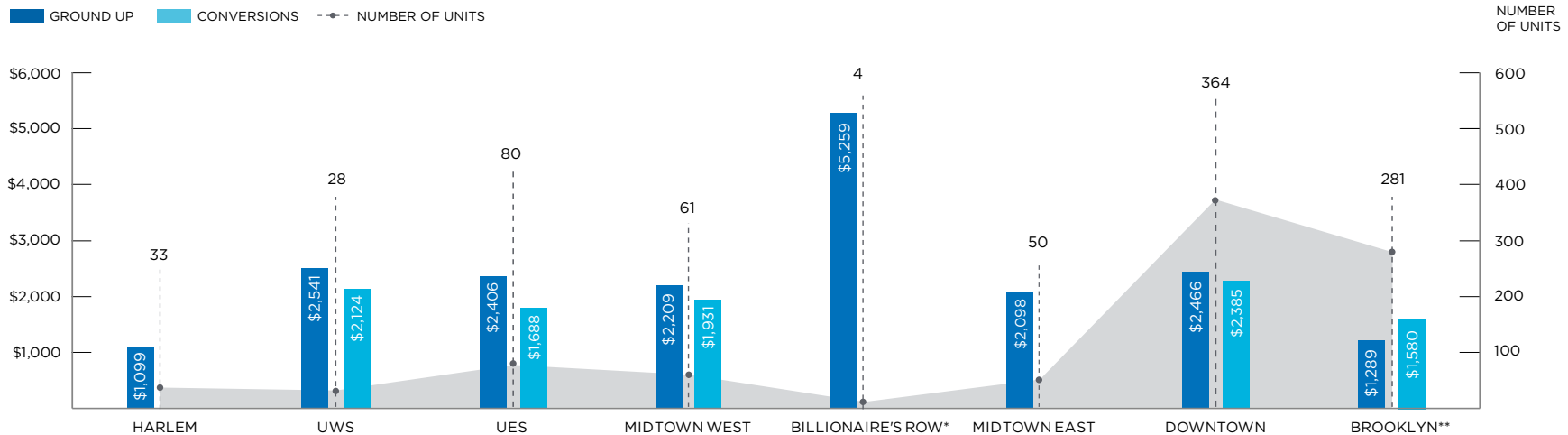
21 WEST 20TH 21 WEST 20TH STREET, FLATIRON
21W20.com

Market Overview

Downtown saw the most development activity in Manhattan in Q1 2017 with more than 360 units either entering into contract or closing. Next to Billionaire's Row, Midtown East shows the highest Avg. Active Price per Sq. Ft. at \$2,689 with Downtown only slightly lower at \$2,683 per Sq. Ft. The highest Avg. Price per Sq. Ft. for Contract Signed deals in Q1 2017 occurred in Midtown East, with an average of \$2,532 PSF, up 21% year-over-year from \$2,094 PSF in Q1 2016, due primarily to sales at 252 East 57th Street.

CONTRACT SIGNED AND CLOSED

GROUND-UP VS. CONVERSIONS — AVG. PRICE PER SQ. FT.



ACTIVE, CONTRACT SIGNED, CLOSED — AVG. PRICE PER SQ. FT.



*Billionaire's Row comprised of: 157 W 57th, 20 W 53rd, 432 Park Ave, 21 E 61st, 22 CPS, 53 W 53rd

**Brooklyn neighborhoods tracked: Bedford Stuyvesant, Boerum Hill, Brooklyn Heights, Bushwick, Carroll Gardens, Clinton Hill, Crown Heights, Downtown Brooklyn, DUMBO, Greenpoint, Park Slope, Prospect Heights, Redhook, Williamsburg

Market Overview by Quarter

The graph below depicts pricing for Contract Signed and Closed units by quarter. Midtown West experienced the largest quarter-over-quarter increase in Average PPSF at 13.9%, rising to \$1,970 PSF, due largely to sales at 16 West 40th Street and 460 West 42nd Street. The Upper West Side experienced the second largest quarter-over-quarter increase, rising 2.3% to \$2,303 PSF in Q1 2017. Meanwhile, Avg. PPSF in Brooklyn remained essentially flat quarter-over-quarter at \$1,311.

CONTRACT SIGNED, CLOSED — AVG. PRICE PER SQ. FT.



*Billionaire's Row comprised of: 157 W 57th, 20 W 53rd, 432 Park Ave, 21 E 61st, 22 CPS, 53 W 53rd

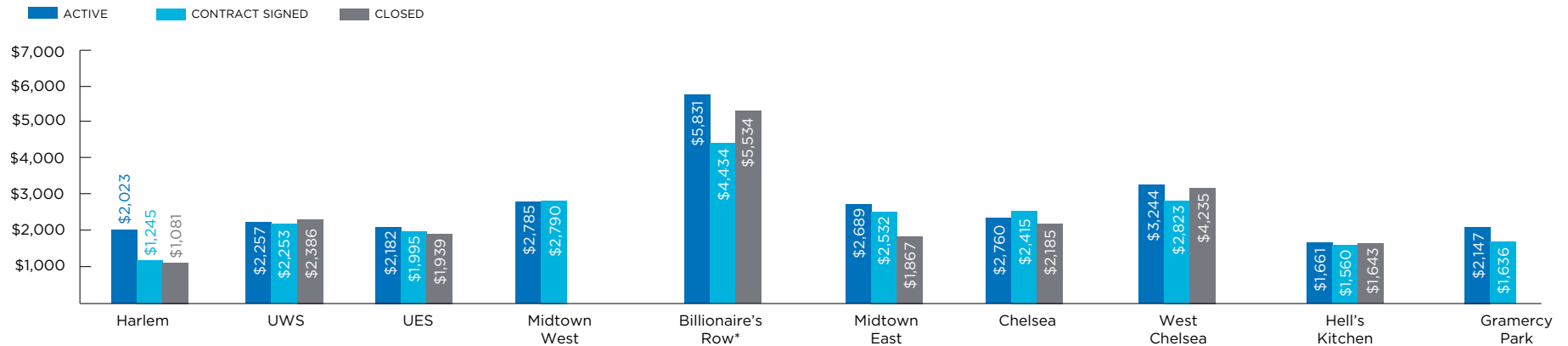
**Brooklyn neighborhoods tracked: Bedford Stuyvesant, Boerum Hill, Brooklyn Heights, Bushwick, Carroll Gardens, Clinton Hill, Crown Heights, Downtown Brooklyn, DUMBO, Greenpoint, Park Slope, Prospect Heights, Redhook, Williamsburg.

Manhattan Neighborhood Insight

Outside of Billionaire's Row, the highest average Contract Signed pricing in Manhattan for Q1 2017 was \$3,130 PSF, achieved in the West Village, followed by West Chelsea at \$2,823. The highest average Closed pricing outside of Billionaire's Row occurred in West Chelsea at \$4,235 PSF due to sales at 551 West 21st Street, followed by the West Village at \$3,416 PSF.

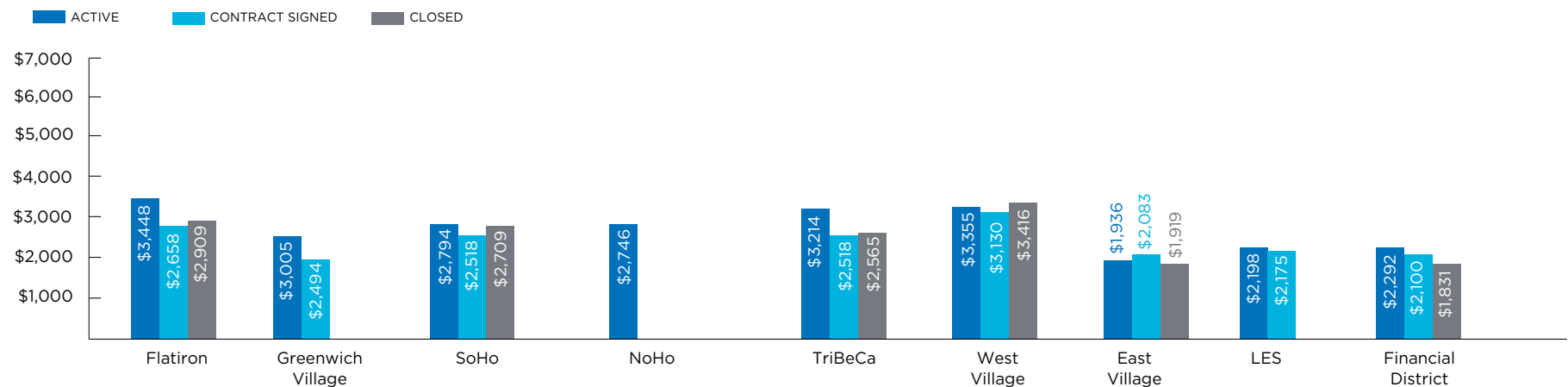
UPTOWN AND MIDTOWN

MANHATTAN — ACTIVE, CONTRACT SIGNED, CLOSED — AVG. PRICE PER SQ. FT.



DOWNTOWN

MANHATTAN — ACTIVE, CONTRACT SIGNED, CLOSED — AVG. PRICE PER SQ. FT.



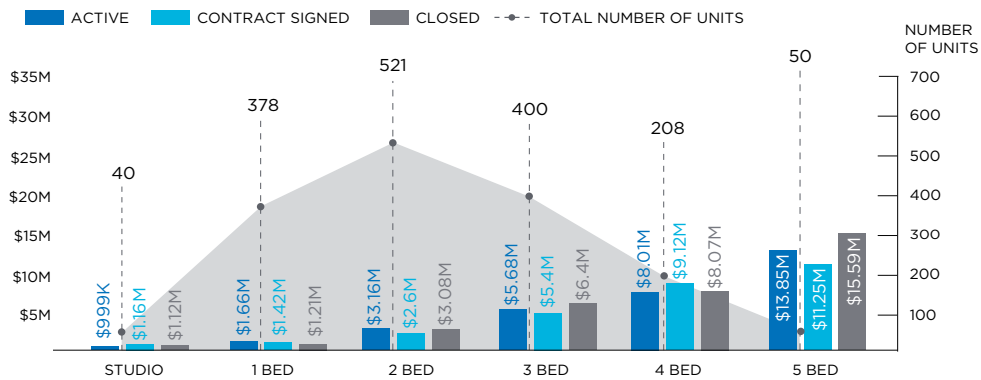
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Analysis by Unit Type

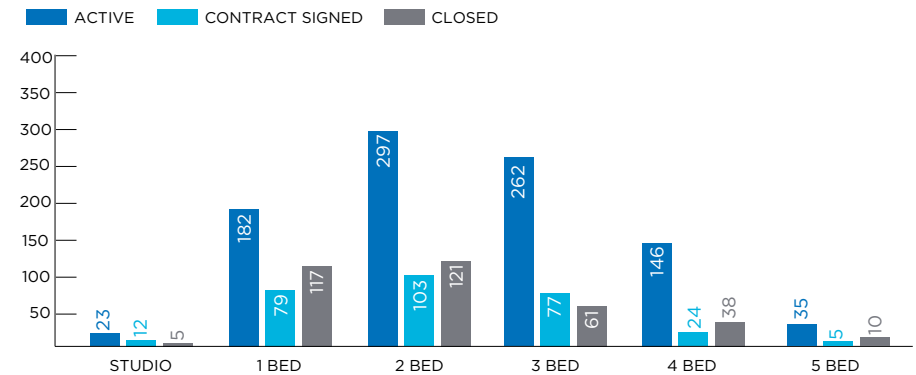
MANHATTAN AND BROOKLYN

In Q1 2017 two bedroom units continued to experience the most deal volume by unit type in Manhattan, with over 220 two bedroom units entering into contract or closing. Similarly, in Brooklyn two bedroom units saw the most deal volume by unit type in Q1 2017 with more than 105 units entering into contract or closing. Median Contract Signed pricing for two bedrooms in Manhattan remained flat quarter-over-quarter at \$2.6M, while dropping 10% year-over-year from \$2.89M in Q1 2016. In Brooklyn, median Contract Signed pricing for two bedrooms declined 5.4% year-over-year to \$1.38M, down from \$1.46M in Q1 2016. In Manhattan, two bedrooms show the most Active listings at nearly 300, with three bedrooms close behind at 262. Two bedrooms also comprise the most Active listings in Brooklyn with 53, while three and one bedrooms follow closely with 45 and 42 units respectively.

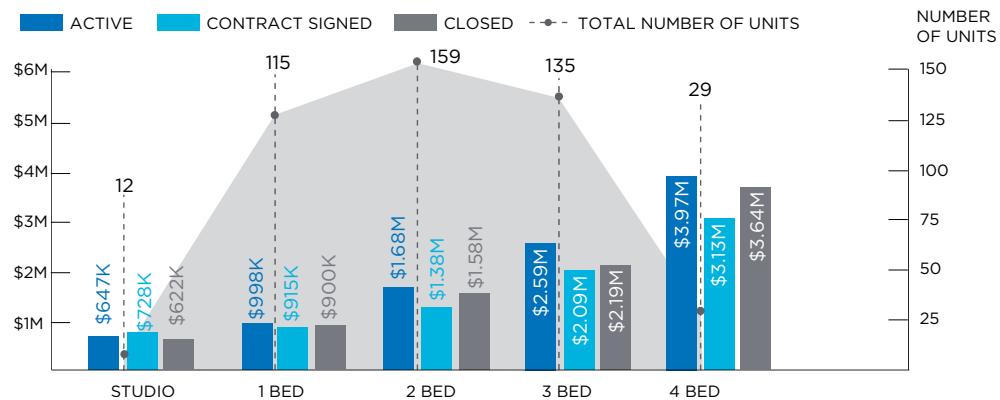
MANHATTAN — MEDIAN PRICE PER UNIT TYPE



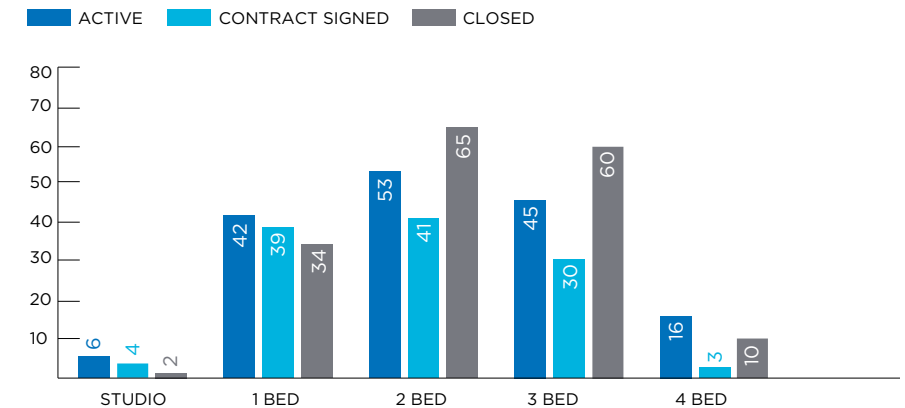
MANHATTAN — TOTAL UNITS BY BEDROOM



BROOKLYN — MEDIAN PRICE PER UNIT TYPE



BROOKLYN — TOTAL UNITS BY BEDROOM



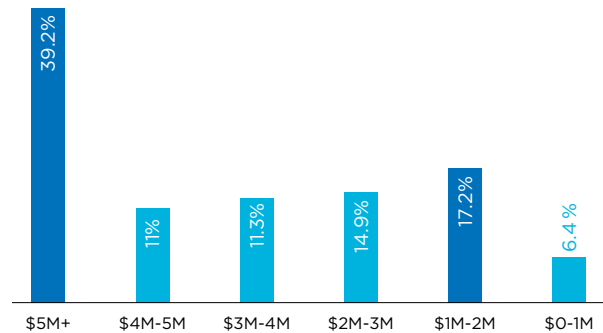
Price Point Analysis

MANHATTAN AND BROOKLYN

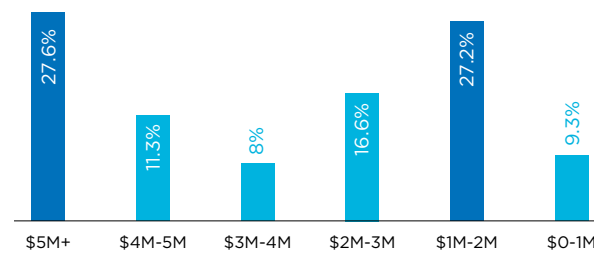
39.2% of all Active new development listings in Manhattan are priced above \$5M, down from 42.4% at the end of 2016, and well below a high of 52% in Q1 2015. 13.3% of Active listings remain priced above \$10M, down from 15.6% at year-end 2016.

In Manhattan the total percentage of new development deals entering contract under \$5M remained flat quarter-over-quarter at 72.4%, but fell year-over-year from 78.5%. Conversely, the percentage of deals over \$5M remained flat quarter-over-quarter at 27.6%, but rose from 21.5% year-over-year.

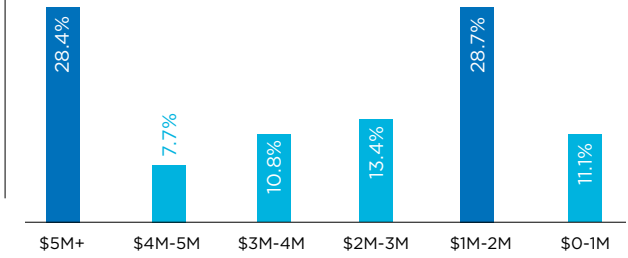
Q1 2017 PRICE POINT MANHATTAN — ACTIVE



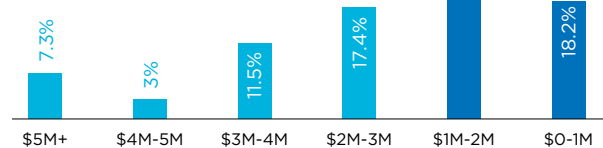
MANHATTAN — CONTRACT SIGNED



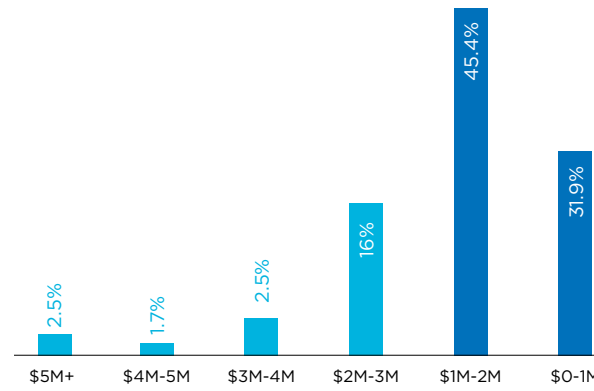
MANHATTAN — CLOSED



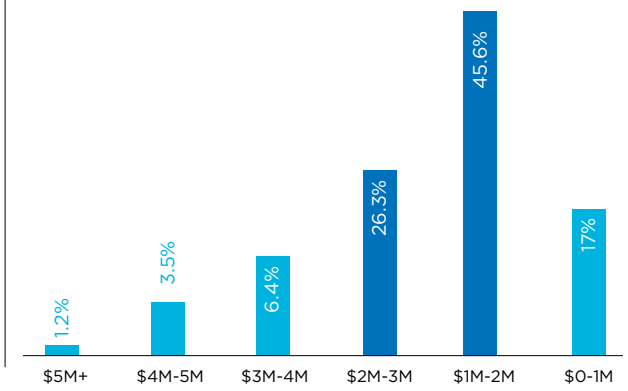
Q1 2017 PRICE POINT BROOKLYN — ACTIVE



BROOKLYN — CONTRACT SIGNED



BROOKLYN — CLOSED





OOSTEN
theoosten.com

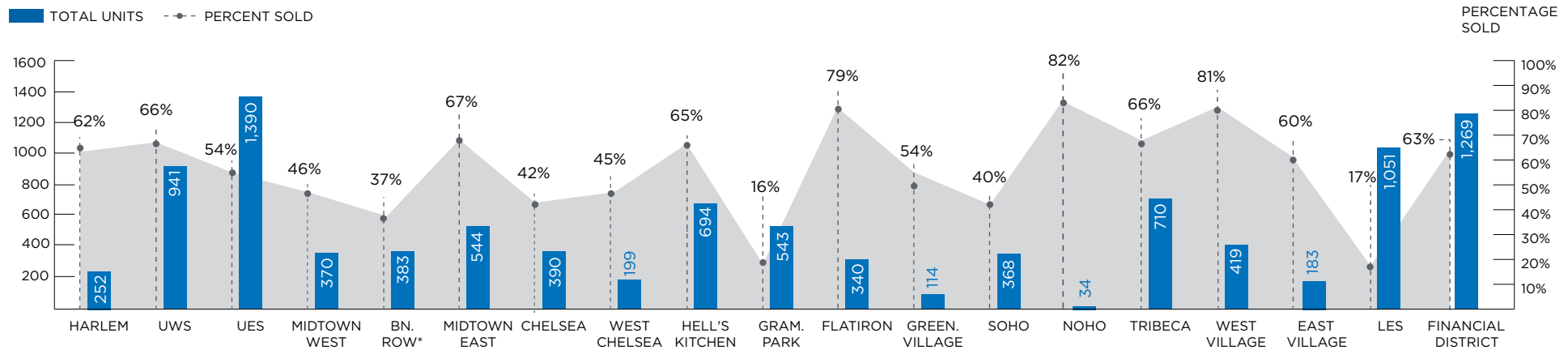
Total Inventory

MANHATTAN AND BROOKLYN

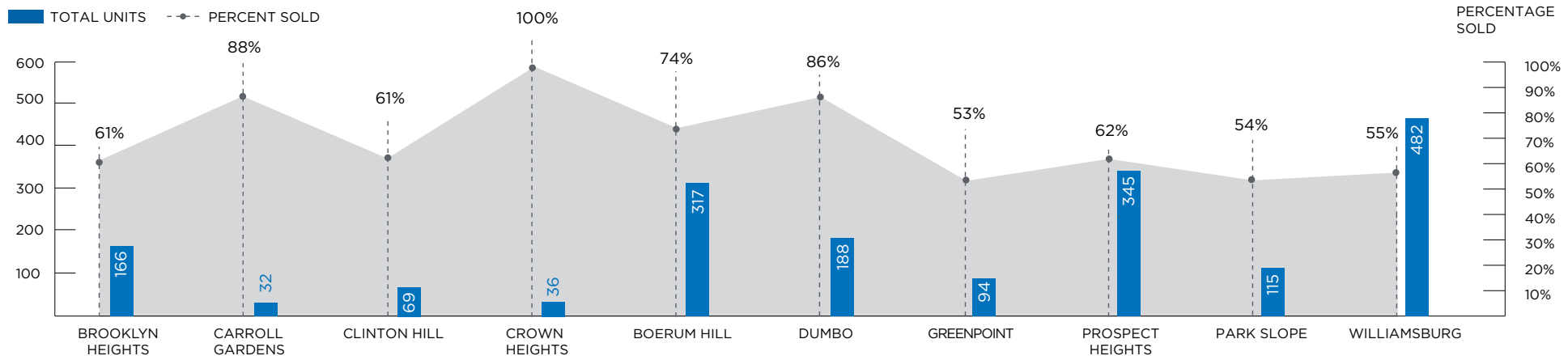
The largest amount of total inventory in Manhattan is concentrated in the Upper East Side, followed closely by the Financial District and the Lower East Side. In Brooklyn the highest total inventory is found in Williamsburg, Prospect Heights, and Boerum Hill. The graphs below present total inventory by neighborhood along with the corresponding percentage of units sold.

Total Inventory is defined as all new development units, both currently listed as either Active, Contract Signed, or Closed, as well as those units not yet released to the market. Available Units is defined as new development units that are either currently listed as Active or those not yet released to the market. These numbers include units released prior to 2017, provided they are in a project that has not sold out all sponsor units. This data provides a comprehensive look at new development inventory by including unreleased units.

MANHATTAN TOTAL INVENTORY



BROOKLYN TOTAL INVENTORY



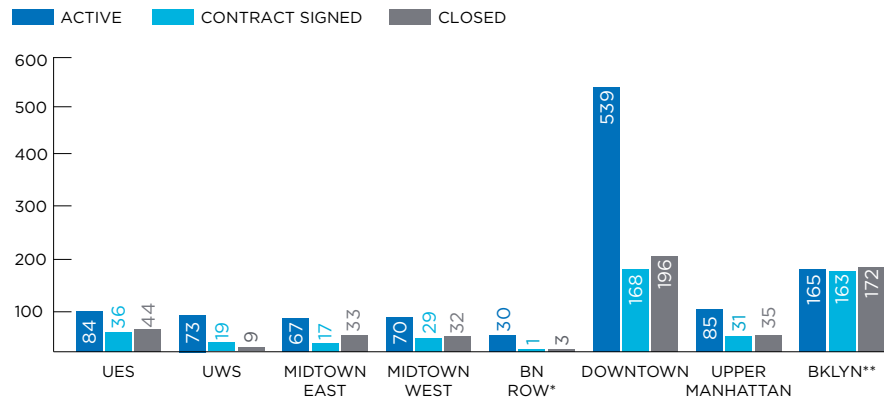
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Further Insight

MANHATTAN AND BROOKLYN

NEW DEVELOPMENT LISTINGS BY NEIGHBORHOOD

Downtown Manhattan continued to experience the most new development activity by volume in Q1 2017, followed by Brooklyn and the Upper East Side. In Manhattan, over 330 units entered into contract in Q1 2017, an increase of 11.4% year-over-year from just under 300 units in Q1 2016. In Brooklyn, over 120 units entered into contract in Q1 2017, an 8.8% year-over-year increase from just over 110 units in Q1 2016. These numbers include units that entered into contract and closed within the same quarter.

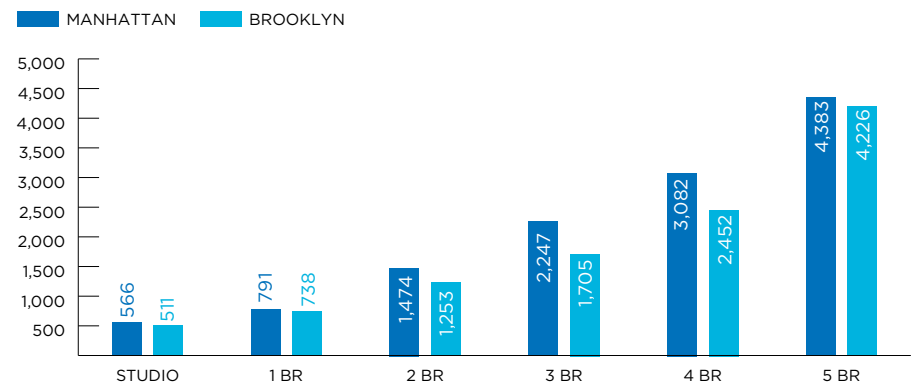


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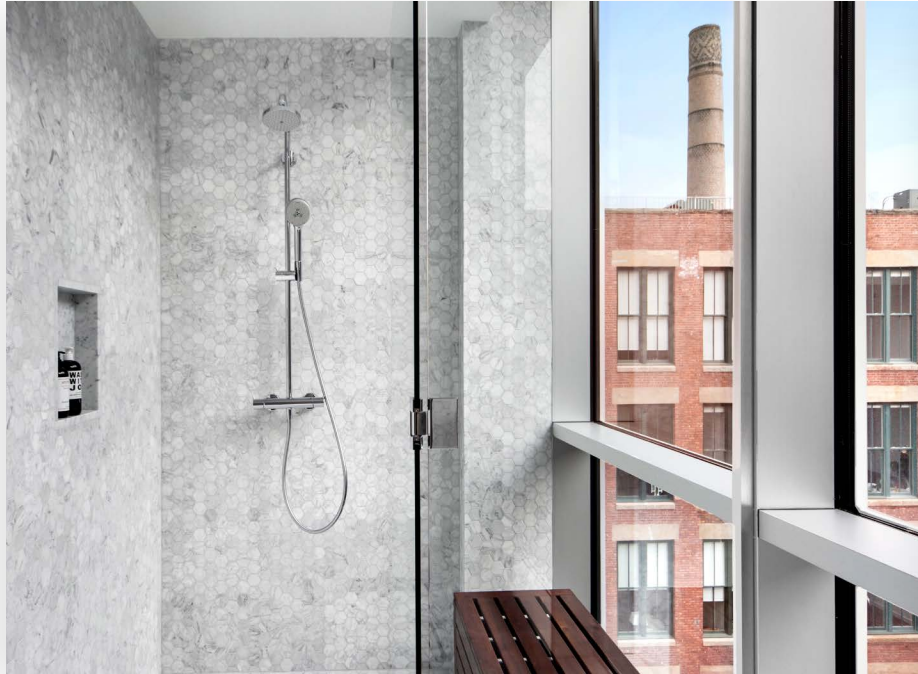
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MEDIAN SIZE (SQ. FT.) BY UNIT TYPE

Two bedroom units in Brooklyn remain more efficiently sized than those in Manhattan, while one bedrooms are becoming more similarly sized in each borough. Median size for two bedroom units in Brooklyn is 1253 sq.ft., while the median for two bedroom units in Manhattan is 1474 sq. ft. Median size for one bedroom units in Brooklyn is 738 sq.ft., while the median for one bedroom units in Manhattan is 791 sq. ft.



Contact



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For questions or comments regarding this report please contact research@hpdnny.com