

# New Development Report

# 2017

## Second Quarter

### MANHATTAN

\$2,576

AVERAGE PRICE  
PER SQ. FT. ACTIVE

\$2,172

AVERAGE PRICE  
PER SQ. FT.  
CONTRACT SIGNED

\$2,192

AVERAGE PRICE  
PER SQ. FT. CLOSED

5,936 ▲ 5.5% QoQ

AVAILABLE INVENTORY  
(UNITS)\*

### BROOKLYN

\$1,413

AVERAGE PRICE  
PER SQ. FT. ACTIVE

\$1,421

AVERAGE PRICE  
PER SQ. FT.  
CONTRACT SIGNED

\$1,342

AVERAGE PRICE  
PER SQ. FT. CLOSED

622 ▼ -6% QoQ

AVAILABLE INVENTORY  
(UNITS)\*

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

# Summary Points

## \$2,172 PSF

In Manhattan, average pricing decreased modestly for the second straight quarter. New development units entering into contract fell 2.1% quarter-over-quarter to **\$2,172 PSF** from \$2,219 in Q1 2017, but rose 2.0% year-over-year from \$2,129 PSF in Q2 2016. Avg. PPSF for closed new development units rose 1.0% quarter-over-quarter to \$2,192, and fell 2.1% year-over-year from \$2,239 in Q2 2016.

## 10.4%

In Brooklyn pricing continued to rise for the second consecutive quarter. New development entering into contract averaged \$1,421 PSF, up 4.4% quarter-over-quarter and 3.8% year-over-year. This is the second quarter in which pricing has eclipsed the \$1,400 PSF level, the first being Q3 2016. Avg. PPSF for closed new development in Brooklyn rose **10.4%** year-over-year to \$1,342.

## \$1,207

Outside of Billionaire's Row, Harlem experienced the largest quarter-over-quarter Avg. PPSF increase in Manhattan at 9.8% for sold units (contract signed and closed), rising to **\$1,207**. This is a result of sales at 2231 Adam Clayton Powell Boulevard, 306 West 116th, and 285 West 110th Street.

## 36.4%

In Manhattan, over 350 units entered into contract in Q2 2017, an increase of 6.1% quarter-over-quarter and a decrease of 22.8% year-over-year from just over 450 units in Q2 2016. In Brooklyn, over 115 units entered into contract in Q2 2017, remaining flat quarter-over-quarter, but increasing **36.4%** year-over-year. These numbers include units that entered into contract and closed within the same quarter.

## 5,936

The total number of available new development units increased 5.5% quarter-over-quarter, and 34.6% year-over-year in Manhattan to **5,936**. The approval of several new condominium offering plans including Waterline Square and 217 West 57th helped boost the total. Additionally, large-scale projects such as One Manhattan Square, Gramercy Square, 125 Greenwich, and Hudson Yards have added to the total in recent quarters. Just over 2,600 units are expected to launch sales in 2017, well below a high of nearly 9,200 units in 2006. In Brooklyn, available units decreased 6.5% quarter-over-quarter, and 28% year-over-year to approximately 620, highlighting a lean Brooklyn condominium pipeline.

### MANHATTAN

### BROOKLYN

MEDIAN PRICE PER SQ. FT.		
Active	\$2,287	\$1,396
Contract Signed	\$2,025	\$1,312
Closed	\$2,057	\$1,319
AVERAGE PRICE PER SQ. FT.		
Active	\$2,576	\$1,413
Contract Signed	\$2,172	\$1,421
Closed	\$2,192	\$1,342
MEDIAN PRICE		
Active	\$3,905,000	\$1,797,500
Contract Signed	\$2,475,000	\$1,295,000
Closed	\$2,900,000	\$1,318,021
AVERAGE PRICE		
Active	\$6,682,379	\$2,194,886
Contract Signed	\$3,759,785	\$1,690,346
Closed	\$4,416,978	\$1,796,901
TOTAL INVENTORY (UNITS)		
Total	11,465	1,807
Units Available	5,936	622
% Closed or Contract Signed	48.2%	65.6%

# Introduction

HPDM is pleased to present our New Development Report for Q2 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 Q2 2017 as a whole and is a snapshot of current new development market conditions.

In Manhattan, pricing for new development units entering into contract in Q2 2017 fell 2.1% quarter-over-quarter to \$2,172 PSF from \$2,219 in Q1 2017, but rose 2.0% year-over-year from \$2,129 PSF in Q2 2016. Avg. PPSF for closed new development units rose 1.0% quarter-over-quarter to \$2,192, and fell 2.1% from \$2,239 in Q2 2016. In Brooklyn, new development entering into contract averaged \$1,421 PSF, up 4.4% quarter-over-quarter and 3.8% year-over-year. Avg. PPSF for closed new development Brooklyn rose 10.4% year-over-year to \$1,342.

## 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 be newly built. Resale data is not included in this report.
- All listings were compiled as of 6/19/17.
- **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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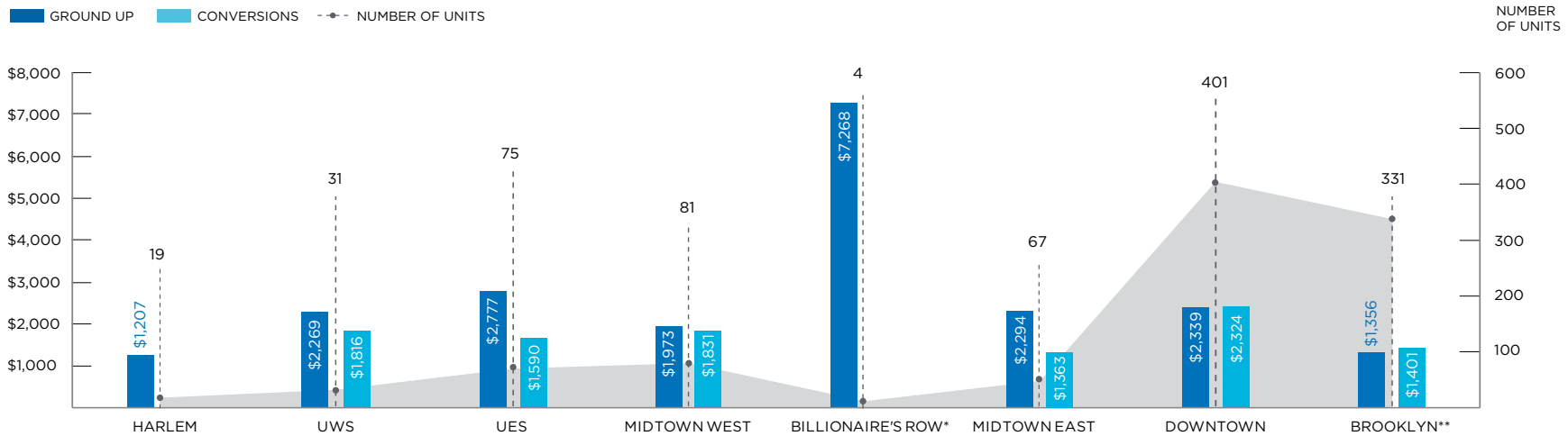
**ONE PARK** 320 ADOLPHUS AVENUE, CLIFFSIDE PARK, NEW JERSEY  
[OneParkCondosNJ.com](http://OneParkCondosNJ.com)

# Market Overview

Downtown saw the most development activity in Manhattan in Q2 2017 with more than 400 units either entering into contract or closing. Next to Billionaire's Row, Downtown shows the highest Avg. Active Price per Sq. Ft. at \$2,678. The highest Avg. Price per Sq. Ft. for Contract Signed deals in Q2 2017 occurred Downtown, with an average of \$2,442 PSF, up 6.8% year-over-year from \$2,286 PSF in Q2 2016.

## 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: 432 Park Ave, 53 W 53rd, 520 Park Avenue

\*\*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. Outside of Billionaire's Row, Harlem experienced the largest quarter-over-quarter increase in Average PPSF at 9.8%, rising to \$1,207, due to sales at 2231 Adam Clayton Powell Boulevard, 306 West 116th, and 285 West 110th Street. Midtown East experienced the second largest quarter-over-quarter increase, rising 7.3% to \$2,252 PSF in Q2 2017, due largely to closings at 252 East 57th Street. Meanwhile, Avg. PPSF in Brooklyn rose 3.9% quarter-over-quarter.

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



\*Billionaire's Row comprised of: 432 Park Ave, 53 W 53rd, 520 Park Avenue

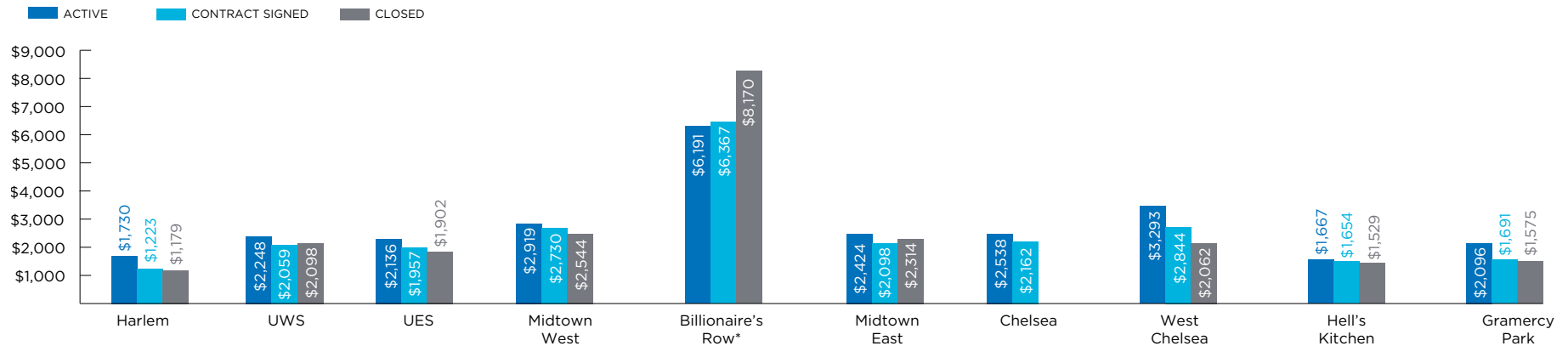
\*\*Brooklyn neighborhoods tracked: Bedford Stuyvesant, Boerum Hill, Brooklyn Heights, Bushwick, Carroll Gardens, Clinton Hill, Crown Heights, Downtown Brooklyn, DUMBO, Greenpoint, Park Slope, Prospect Heights, Redhook, Williamsburg.

# Manhattan Neighborhood Insight

Outside of Billionaire's Row, the highest average Contract Signed pricing in Manhattan for Q2 2017 was \$3,162 PSF, achieved in the Flatiron district with sales at 45 East 22nd, followed closely by Greenwich Village at \$3,121. The highest average Closed pricing outside of Billionaire's Row occurred in the West Village at \$3,547 PSF due to sales at The Greenwich Lane, followed by Midtown West at \$2,544 PSF.

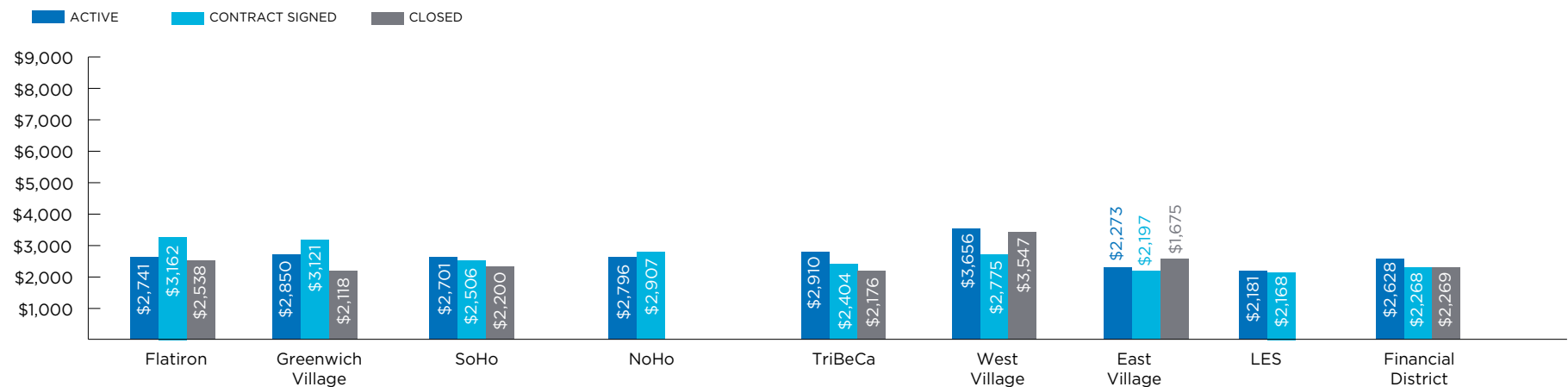
## UPTOWN AND MIDTOWN

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



## DOWNTOWN

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



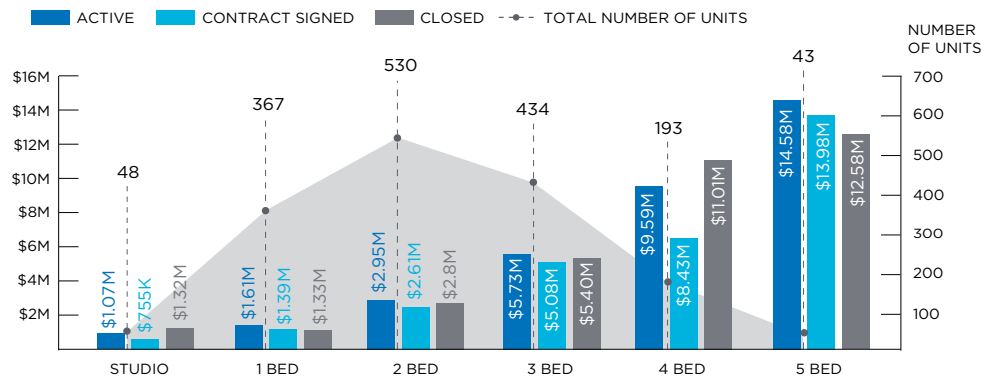
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# Analysis by Unit Type

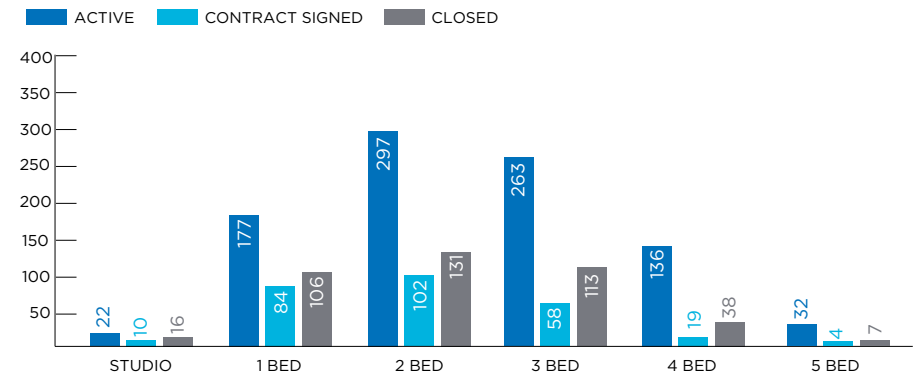
## MANHATTAN AND BROOKLYN

In Q2 2017 two-bedroom units continued to experience the most deal volume by unit type in Manhattan, with over 230 two-bedroom units entering into contract or closing. In Brooklyn, one-bedroom units saw the most deal volume with more than 130 units entering into contract or closing. Median Contract Signed pricing for two-bedrooms in Manhattan remained flat quarter-over-quarter at \$2.61M, while dropping 1.8% year-over-year from \$2.66M in Q2 2016. In Brooklyn, median Contract Signed pricing for one-bedrooms rose 1.5% year-over-year to \$890,000, up from \$877,000 in Q2 2016. In Manhattan, two-bedrooms show the most Active listings at nearly 300, with three-bedrooms close behind at just over 260. Two-bedrooms also comprise the most Active listings in Brooklyn with 59, while three and one-bedrooms follow closely with 47 and 43 units respectively.

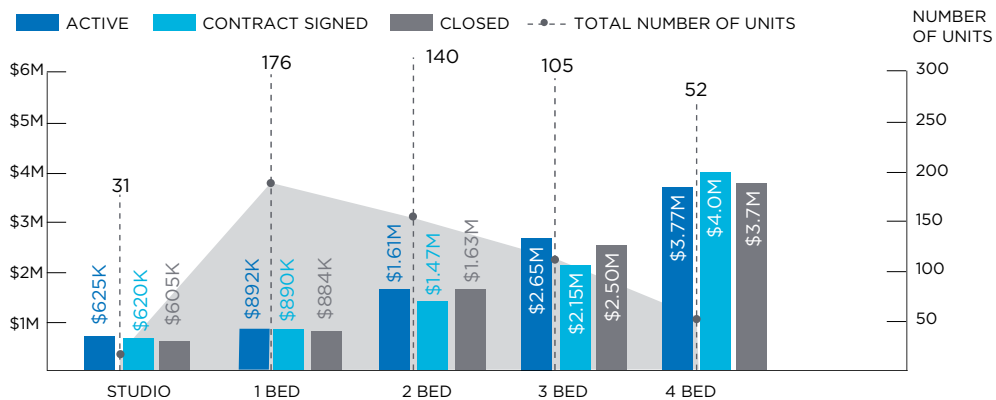
### MANHATTAN — MEDIAN PRICE PER UNIT TYPE



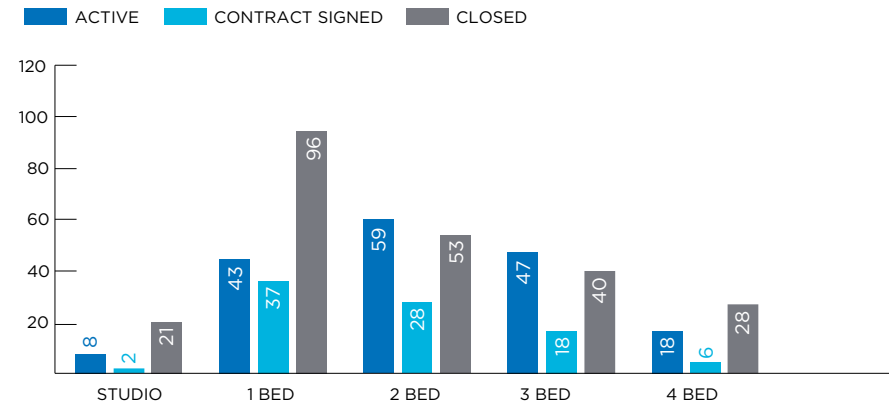
### MANHATTAN — TOTAL UNITS BY BEDROOM



### BROOKLYN — MEDIAN PRICE PER UNIT TYPE



### BROOKLYN — TOTAL UNITS BY BEDROOM





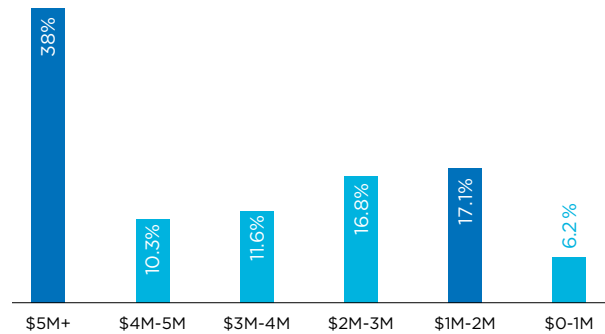
# Price Point Analysis

## MANHATTAN AND BROOKLYN

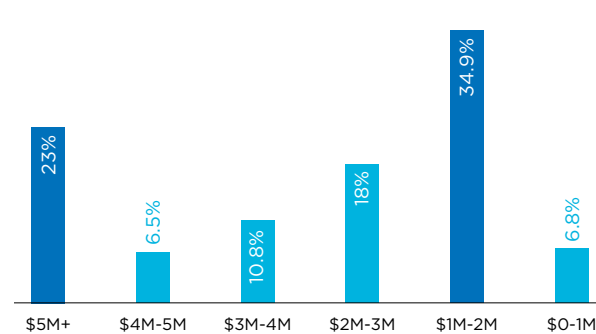
38% of all Active new development listings in Manhattan are priced above \$5M, well below a high of 52% in Q1 2015. Meanwhile, 15.4% of Active listings remain priced above \$10M, essentially unchanged year-over-year.

In Manhattan, the total percentage of new development deals entering contract under \$5M rose to 77% from 72.4% in Q1 2017. Conversely, the percentage of deals over \$5M fell to 23% from 27.6% quarter-over-quarter.

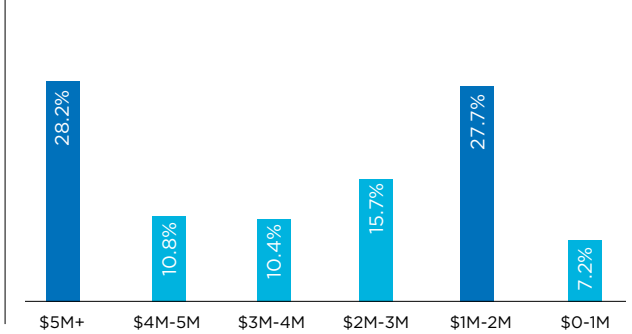
### Q2 2017 PRICE POINT MANHATTAN — ACTIVE



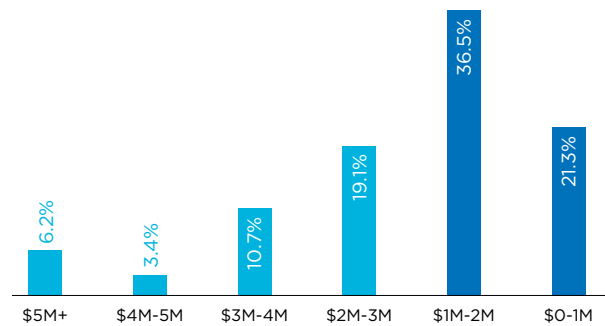
### MANHATTAN — CONTRACT SIGNED



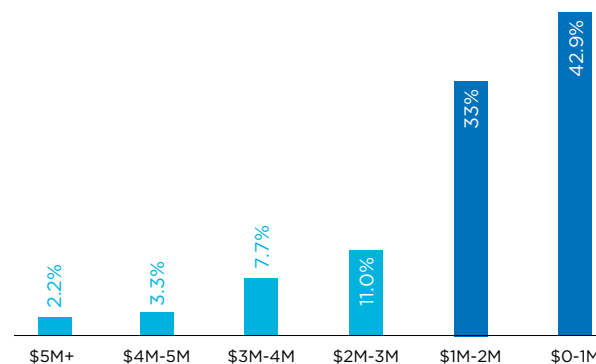
### MANHATTAN — CLOSED



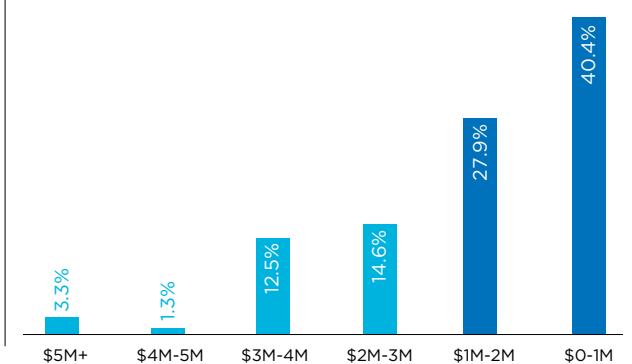
### Q2 2017 PRICE POINT BROOKLYN — ACTIVE



### BROOKLYN — CONTRACT SIGNED



### BROOKLYN — CLOSED





**THE CLARE** 301 EAST 61ST, MIDTOWN EAST  
[TheClareNYC.com](https://TheClareNYC.com)

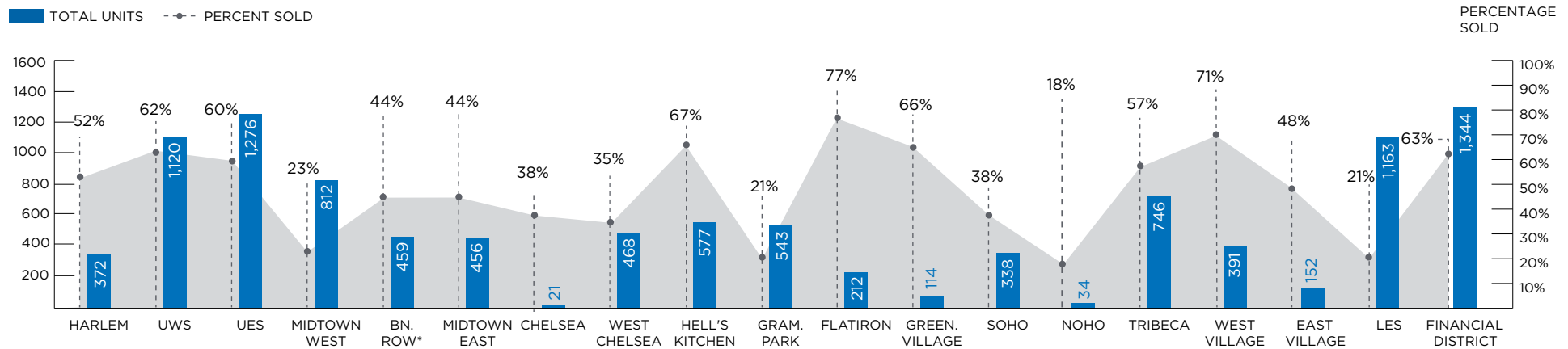
# Total Inventory

## MANHATTAN AND BROOKLYN

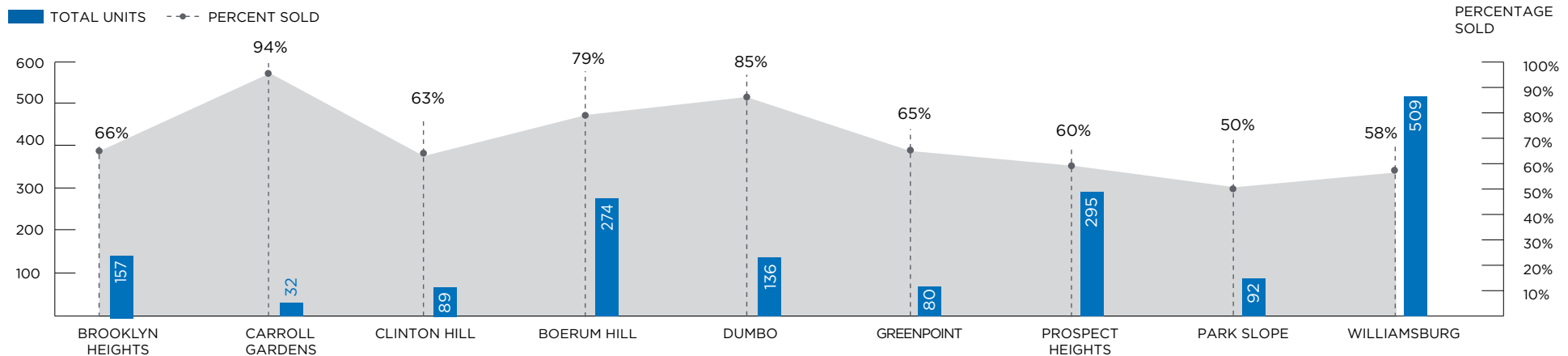
The largest amount of total inventory in Manhattan is concentrated in the Financial District, followed closely by the Upper East Side and the Lower East Side. In Brooklyn, the highest total inventory is found in Williamsburg, Prospect Heights, and Boerum Hill. The graphs below present total inventory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



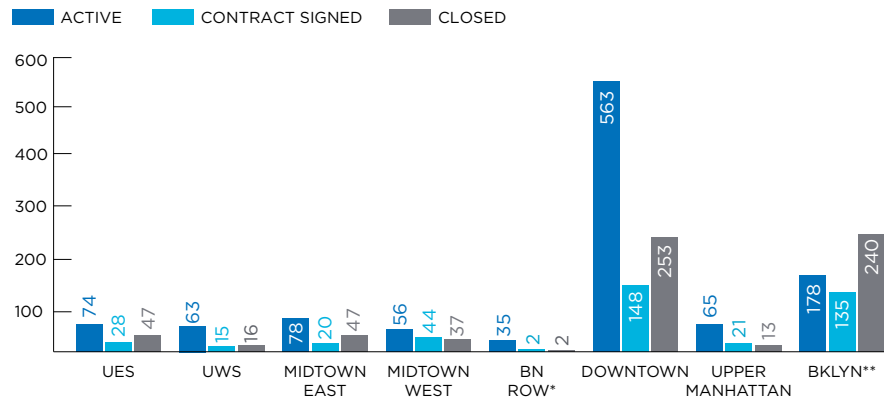
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# Further Insight

## MANHATTAN AND BROOKLYN

### NEW DEVELOPMENT LISTINGS BY NEIGHBORHOOD

Downtown Manhattan continued to experience the most new development activity by volume in Q2 2017, followed closely by Brooklyn. In Manhattan, over 350 units entered into contract in Q2 2017, a decrease of 22.8% year-over-year from just over 450 units in Q2 2016. In Brooklyn, over 115 units entered into contract in Q2 2017, a 36.4% year-over-year increase from just over 85 units in Q2 2016. These numbers include units that entered into contract and closed within the same quarter.

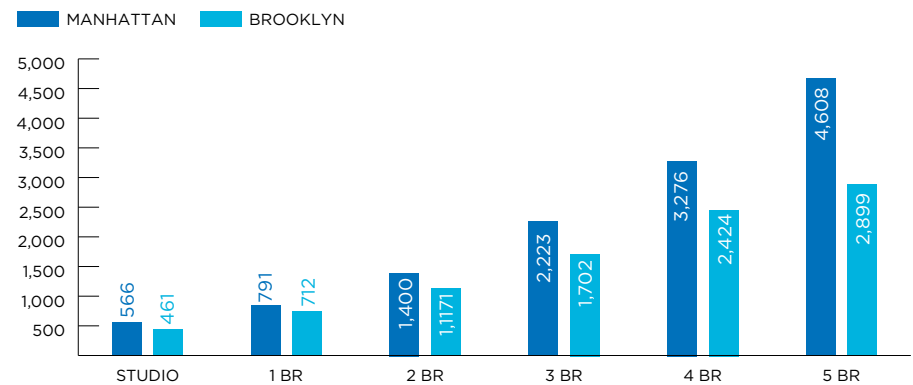


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### MEDIAN SIZE (SQ. FT.) BY UNIT TYPE

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 1171 sq.ft, while the median for two-bedroom units in Manhattan is 1400 sq. ft. Median size for one-bedroom units in Brooklyn is 712 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](mailto:research@hpdnny.com)