

# New Development Year-End Report 2016

## MANHATTAN

\$2,586

AVERAGE PRICE  
PER SQ. FT. ACTIVE

\$2,233

AVERAGE PRICE  
PER SQ. FT.  
CONTRACT SIGNED

\$2,185

AVERAGE PRICE  
PER SQ. FT. CLOSED

5,440 ▲ 28% YoY

AVAILABLE INVENTORY  
(UNITS)\*

## BROOKLYN

\$1,422

AVERAGE PRICE  
PER SQ. FT. ACTIVE

\$1,362

AVERAGE PRICE  
PER SQ. FT.  
CONTRACT SIGNED

\$1,338

AVERAGE PRICE  
PER SQ. FT. CLOSED

855 ▲ 23% YoY

AVAILABLE INVENTORY  
(UNITS)\*

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

# Summary Points

## 50%

Median Price for Closed new development units in Manhattan rose **50%** year-over-year while Brooklyn rose 49%. In Manhattan, Median price rose to \$2.9M from \$1.9M in 2015. In Brooklyn, Median price rose to \$1.4M from \$941K in 2015. This dramatic year-over-year increase reflects delivery of higher price-point units that went into contract 12 - 18 months ago.

## \$1M-\$3M

2016 saw increased strength in mid-market price points. In Manhattan the total percentage of new development deals entering contract from **\$1M to \$3M** rose to 45.4% in 2016, up from 37.4% at year-end 2015. In Brooklyn the total percentage of new development deals entering contract priced at or below \$3M rose to 93% in 2016, up from 84.6% at year-end 2015.

## 2.5 YEARS OF SUPPLY

The total number of available new development units rose 28% year-over-year in Manhattan to approximately 5,440, up from 4,250 at year-end 2015, still well below a high of nearly 9,200 units in 2006. This increase includes the recent launch of One Manhattan Square in the Lower East Side with over 800 units. In Brooklyn, available units increased 23% year-over-year to approximately 850, up from nearly 700 at year-end 2015. Manhattan inventory represents approximately **2.5 years of supply** at current absorption rates, while Brooklyn inventory represents approximately 1.5 years of supply.

## 1.9%

Pricing for Manhattan new development units entering into contract in 2016 fell **1.9%** year-over-year to \$2,223 PSF from \$2,268 in 2015. This continues to reflect strength in the mid-market price points of \$1M - \$4M and reduced absorption in the super-luxury market above \$10M. Avg. PPSF for closed new development units rose 14.5% year-over-year to \$2,185, due primarily to delivery of units at 432 Park Avenue, The Greenwich Lane, and 150 Charles Street.

## \$1,362 PSF

In Brooklyn, new development entering into contract averaged **\$1,362 PSF**, up 2.0% year-over-year from 2015, boosted by signed contracts at Pierhouse, The Hendrik, and 190 South 1st Street. Closed new development deals in Brooklyn increased to an average of \$1,338 PSF, up 14.7% from 2015 due largely to closings at 1 John Street, 210 Pacific Street, 280 Metropolitan Avenue, and Pierhouse.

### MANHATTAN

### BROOKLYN

MEDIAN PRICE PER SQ. FT.		
Active	\$2,303	\$1,406
Contract Signed	\$2,066	\$1,337
Closed	\$2,021	\$1,329
AVERAGE PRICE PER SQ. FT.		
Active	\$2,586	\$1,422
Contract Signed	\$2,233	\$1,362
Closed	\$2,185	\$1,338
MEDIAN PRICE		
Active	\$4,287,500	\$1,754,250
Contract Signed	\$2,692,495	\$1,322,500
Closed	\$2,997,000	\$1,404,000
AVERAGE PRICE		
Active	\$6,875,680	\$2,228,712
Contract Signed	\$4,218,188	\$1,551,287
Closed	\$4,436,547	\$2,035,264
TOTAL INVENTORY (UNITS)		
Total	10,287	2,187
Units Available	5,440	855
% Closed or Contract Signed	47.1%	60.9%

# Introduction

HPDM is pleased to present our Year-End New Development Report for 2016. 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 2016 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 2016 fell 1.9% year-over-year to \$2,223 PSF from \$2,268 in 2015. This reflects continued strength in the mid-market price points of \$1M - \$4M and reduced absorption in the super-luxury market above \$10M. Avg. PPSF for closed new development units rose 14.5% year-over-year to \$2,185, due primarily to continued delivery of units at 432 Park Avenue, The Greenwich Lane, and 150 Charles Street. In Brooklyn, new development entering into contract averaged \$1,362 PSF, up 2.0% year-over-year from 2015, boosted by signed contracts at Pierhouse, The Hendrik, and 190 South 1st Street. Closed new development deals in Brooklyn increased to an average of \$1,338 PSF, up 14.7% from 2015 due largely to closings at 1 John Street, 210 Pacific Street, 280 Metropolitan Avenue, and Pierhouse.

## 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 12/12/16.
- **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 2016, 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 report provides a unique and comprehensive analysis of the current new development market.

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# HPDM 2016 Sales

- OVER 260 UNITS SOLD IN 23 PROJECTS TOTALING NEARLY \$500M

- HPDM EXCLUSIVE PROJECTS ACCOUNTED FOR 38% OF ALL NEW DEVELOPMENT CONTRACTS SIGNED IN BROOKLYN DURING 2016



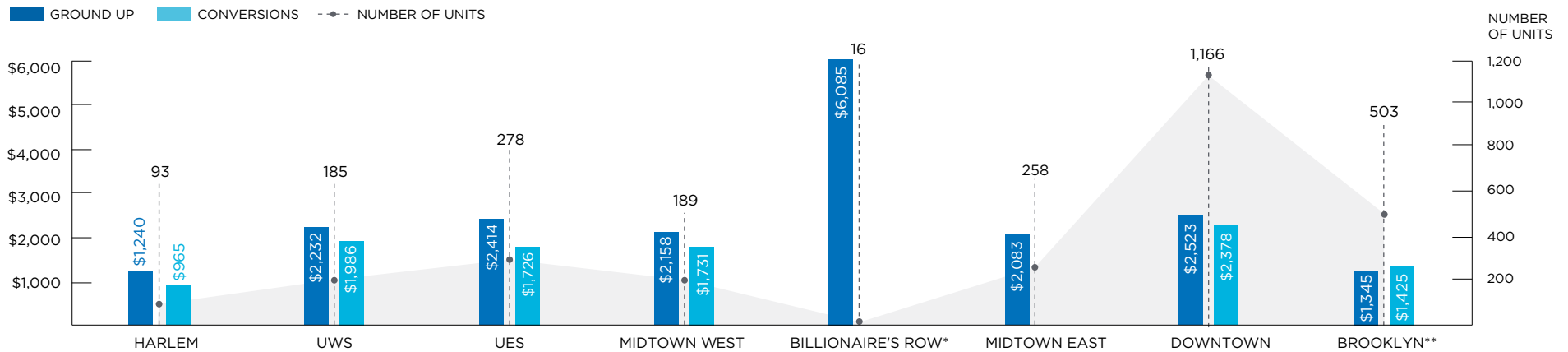
OOSTEN  
[theoosten.com](http://theoosten.com)

# Market Overview

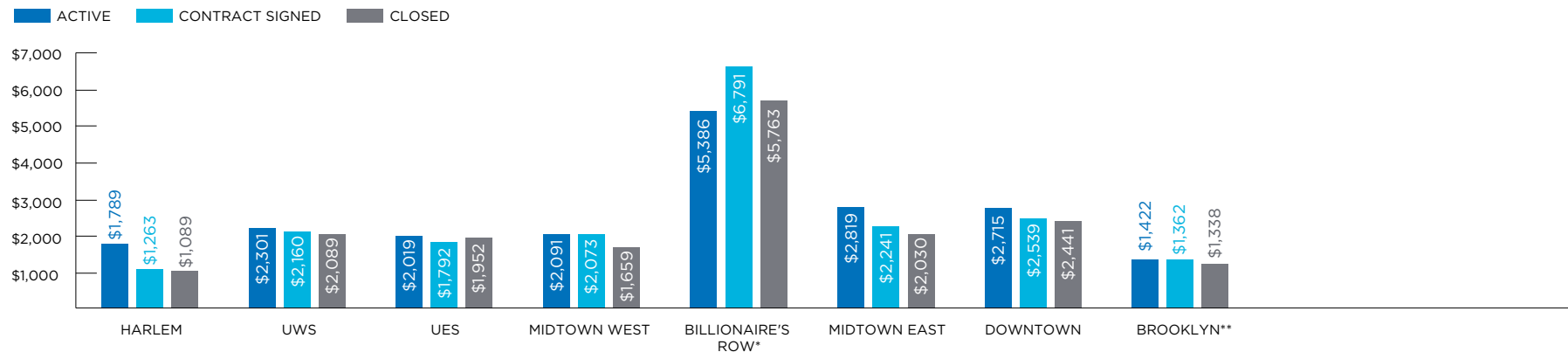
Downtown saw the most development activity in Manhattan in 2016 with 1,166 units either entering into contract or closing. Next to Billionaire's Row, Midtown East shows the highest Avg. Active Price per Sq. Ft. at \$2,819, with Downtown only slightly lower at \$2,715 per Sq. Ft. The highest Avg. Price per Sq. Ft. for Contract Signed deals in 2016 occurred Downtown, with an average of \$2,539 PSF, essentially flat year-over-year after averaging \$2,545 PSF in 2015.

## CONTRACT SIGNED AND CLOSED

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



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



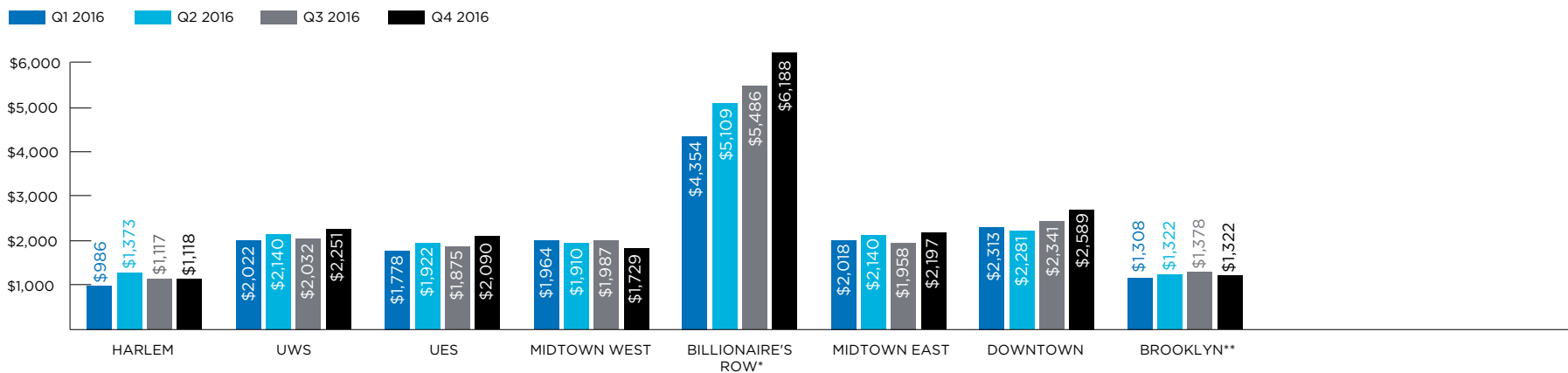
\* Billionaire's Row comprised of: 157 W 57th, 20 W 53rd, 432 Park Ave, 21 E 61st, 22 CPS, 53 W 53rd

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

# Market Overview by Quarter

The graph below depicts pricing for Contract Signed and Closed units by quarter. Outside of Billionaire's Row, Midtown East experienced the largest quarter-over-quarter increase in Average PPSF at 12.2%, rising to \$2,197 PSF, due largely to delivery of units at 400 Park Avenue South. The Upper East Side experienced the second largest quarter-over-quarter increase, rising 11.5% to \$2,090 PSF in Q4 2016, due predominately to contracts signed at 12 East 88th and 20 East End Avenue. Meanwhile, Avg. PPSF in Brooklyn declined 4.1% quarter-over-quarter to \$1,322, following four consecutive quarterly increases.

## 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

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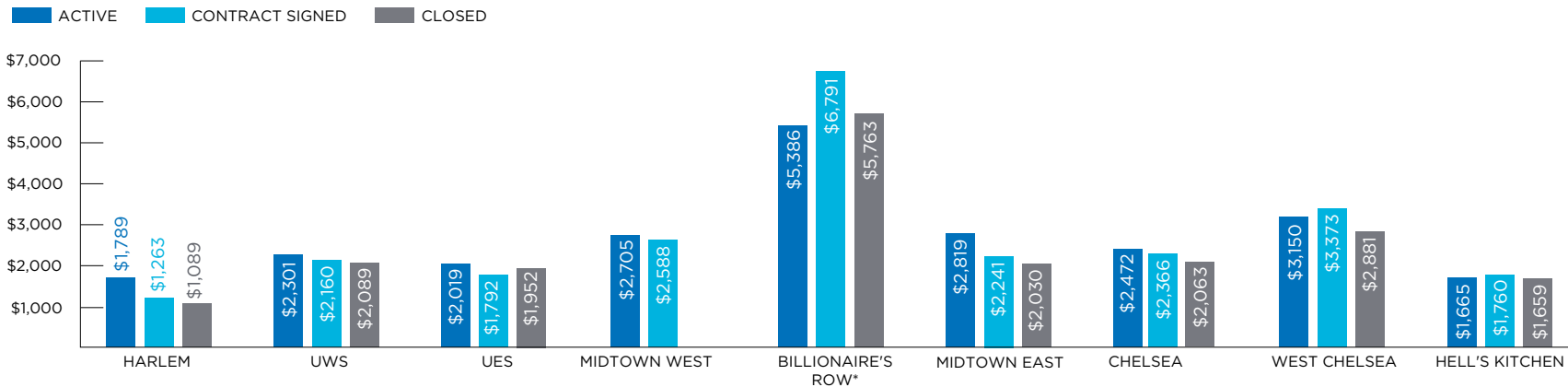
# Manhattan Neighborhood Insight

## UPTOWN, MIDTOWN. AND DOWNTOWN

Outside of Billionaire's Row, the highest average Contract Signed pricing in Manhattan for 2016 was achieved in West Chelsea at \$3,373 PSF followed by Greenwich Village at \$3,165. The highest average Closed pricing outside of Billionaire's Row occurred in the West Village at \$3,159 PSF followed by West Chelsea at \$2,881 PSF.

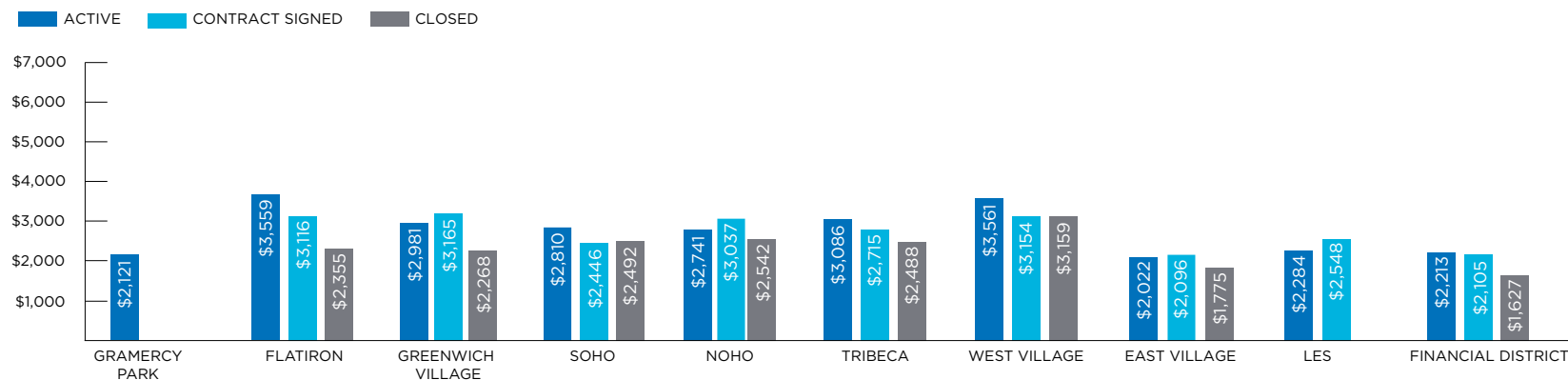
### UPTOWN AND MIDTOWN

#### 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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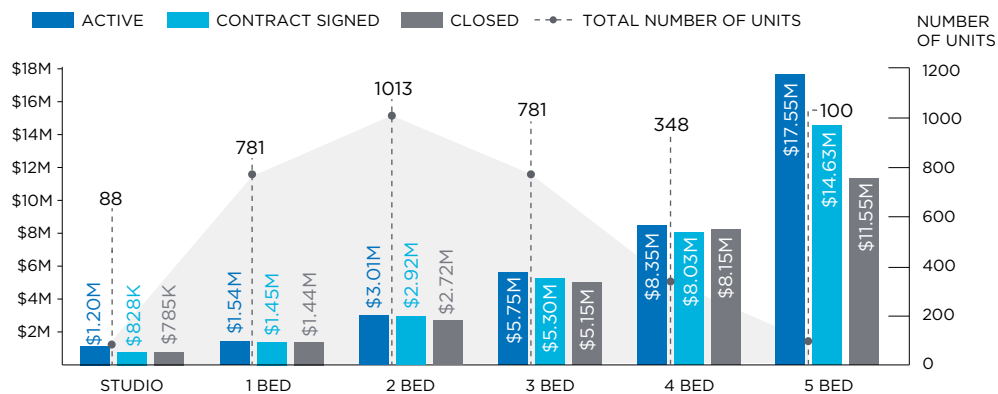


# Analysis by Unit Type

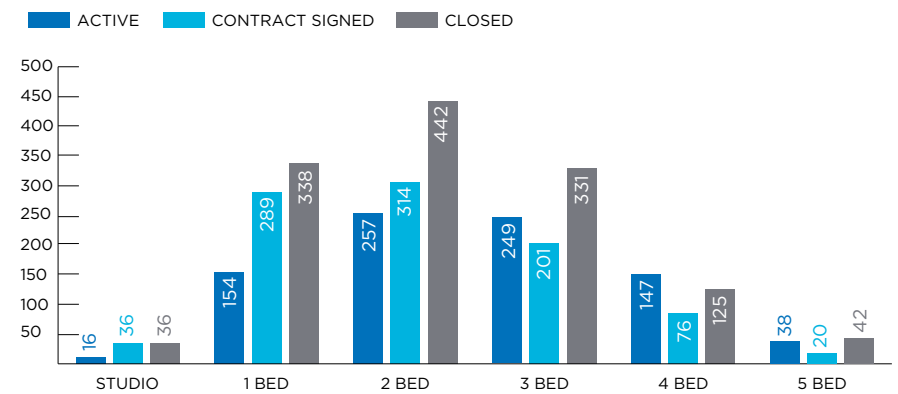
## MANHATTAN AND BROOKLYN

In 2016 two bedroom units experienced the most deal volume by unit type in Manhattan, with approximately 756 two bedroom units entering into contract or closing. Similarly, in Brooklyn two bedroom units saw the most deal volume by unit type in 2016 with 170 units entering into contract or closing. Median Contract Signed pricing for two bedrooms in Manhattan declined 4.6% year-over-year to \$2.91M, down from \$3.05M in 2015. Similarly, in Brooklyn, median Contract Signed pricing for two bedrooms declined 5.6% year-over-year to \$1.5M in 2016, down from \$1.59M in 2015. In Manhattan, two bedrooms show the most Active listings at nearly 260, with three bedrooms close behind at 249. Two bedrooms also comprise the most Active listings in Brooklyn with 57, while one and three bedrooms follow closely, both unit types showing 47 listings.

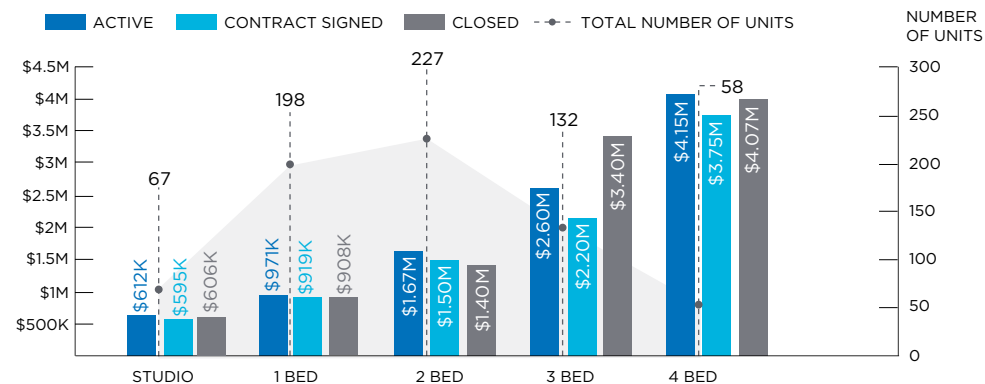
### MANHATTAN — MEDIAN PRICE PER UNIT TYPE



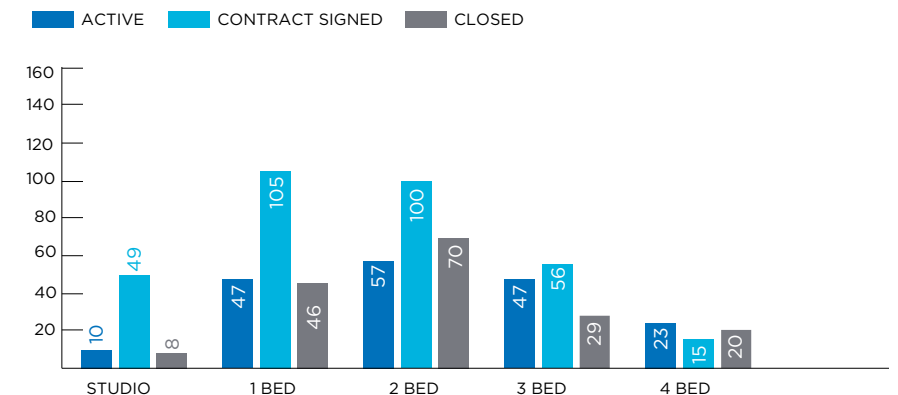
### MANHATTAN — TOTAL UNITS BY BEDROOM



### BROOKLYN — MEDIAN PRICE PER UNIT TYPE



### BROOKLYN — TOTAL UNITS BY BEDROOM





# Price Point Analysis

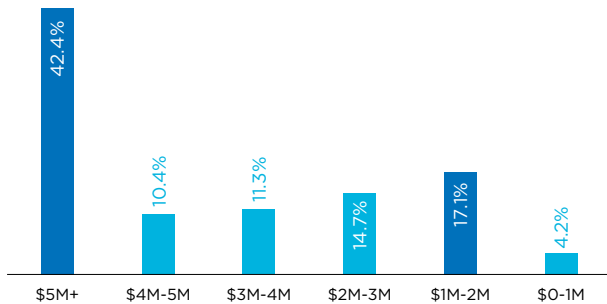
## MANHATTAN AND BROOKLYN

42.4% of all Active new development listings in Manhattan are priced above \$5M, down from 49.1% at the end of 2015, and well below a high of 52% in Q1 2015. 15.6% of Active listings remain priced above \$10M, down from 22% at year-end 2015.

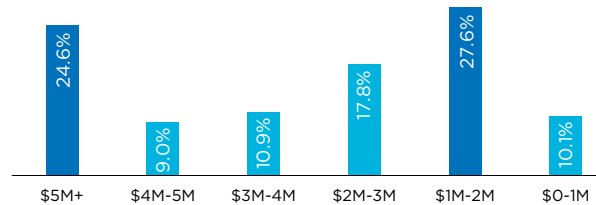
In Manhattan the total percentage of new development deals entering contract from \$1M to \$3M rose to 45.4% in 2016, up from 37.4% at year-end 2015.

In Brooklyn the total percentage of new development deals entering contract priced at or below \$3M rose to 93% in 2016, up from 84.6% at year-end 2015. In contrast, the total percentage of Closed deals in Brooklyn priced at or above \$5M rose dramatically year-over-year to 25.4% in 2016, up from only 2.3% in 2015. This reflects delivery of higher-priced new development product that entered into contract 12 to 18 months ago.

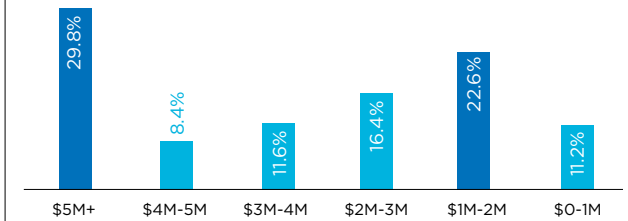
### 2016 PRICE POINT MANHATTAN — ACTIVE



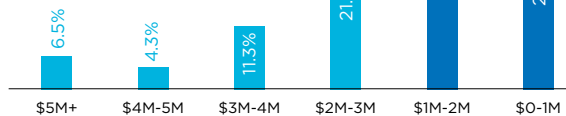
### MANHATTAN — CONTRACT SIGNED



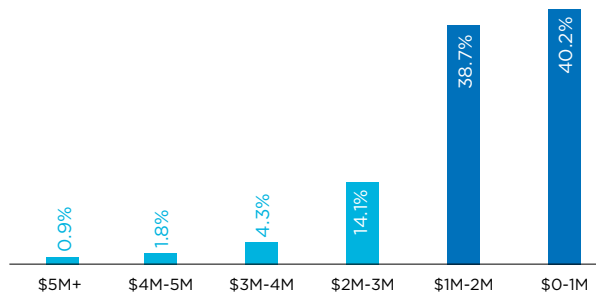
### MANHATTAN — CLOSED



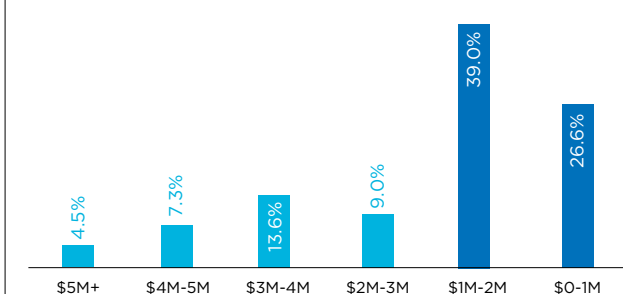
### 2016 PRICE POINT BROOKLYN — ACTIVE



### BROOKLYN — CONTRACT SIGNED



### BROOKLYN — CLOSED





318 W 47TH  
[318w47.com](http://318w47.com)

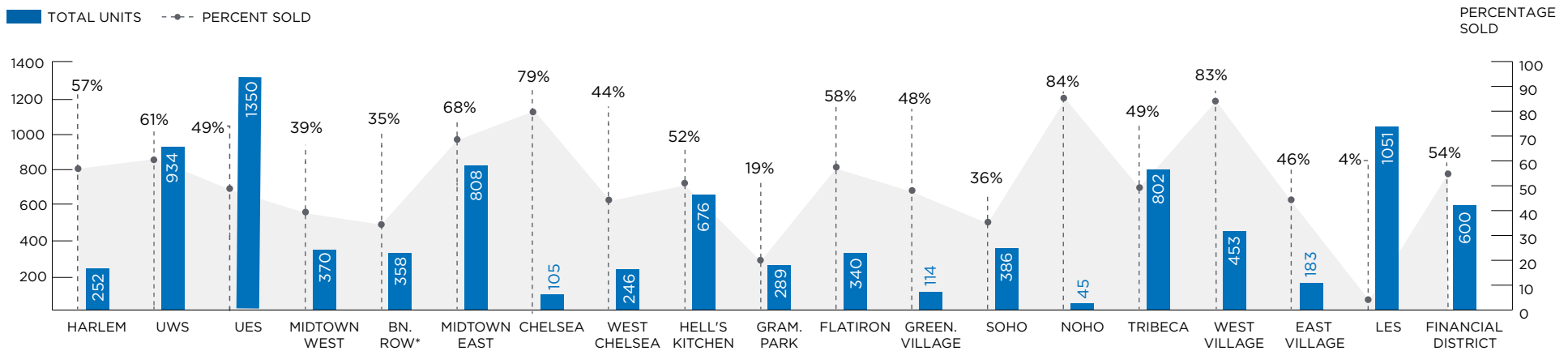
# Total Inventory

## MANHATTAN AND BROOKLYN

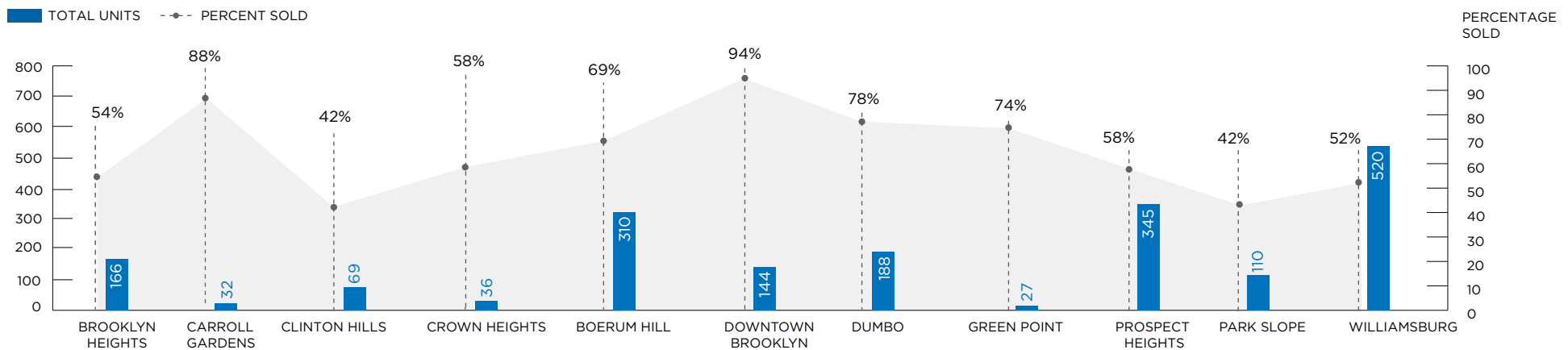
The largest amount of total inventory in Manhattan is concentrated in the Upper East Side, followed closely by the Lower East Side. The Lower East Side saw a significant jump in inventory as One Manhattan Square officially launched sales with over 800 units slated to be built. In Brooklyn the highest 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 2016, 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



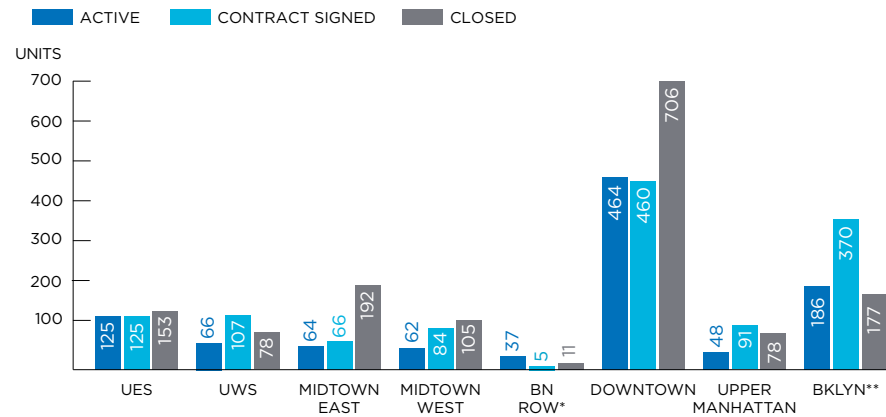
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# Further Insight

## MANHATTAN AND BROOKLYN

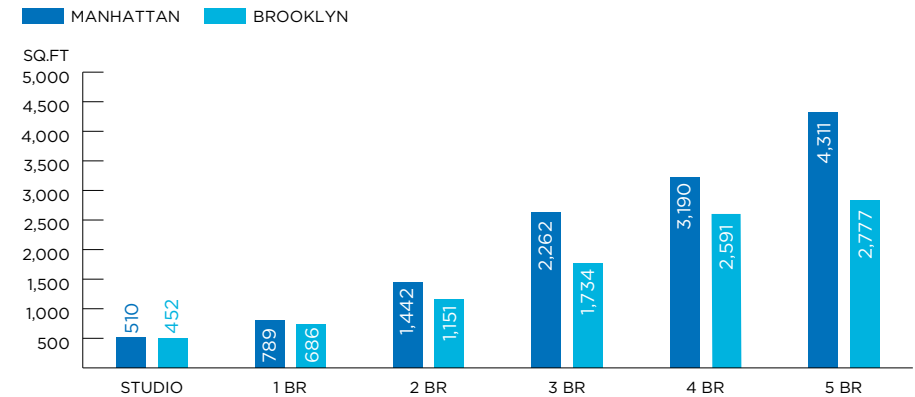
### NEW DEVELOPMENT LISTINGS BY NEIGHBORHOOD

Downtown Manhattan continued to experience the most new development activity by volume in 2016, followed by Brooklyn and the Upper East Side. In Manhattan, over 2250 units were sold in 2016 (Contract Signed and Closed), a decline of 6.8% year-over-year from approximately 2400 units in 2015. In Brooklyn, nearly 550 units were sold in 2016, down from just over 600 units sold in 2015, a decline of 9.2%.



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

One bedroom and two bedroom units in Brooklyn remain more efficiently sized than those in Manhattan. Median size for one bedroom units in Brooklyn is 686 sq.ft., while the median for one bedroom units in Manhattan is 789 sq. ft. Median size for two bedroom units in Brooklyn is 1151 sq.ft., while the median for two bedroom units in Manhattan is 1442 sq. ft.





# Contact



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