

As seen in...

REAL ESTATE WEEKLY

Wednesday January 19, 2011

Steven Spinola
President, Real Estate Board of New York

Results of the Real Estate Board of New York's recent quarterly brokers survey suggests that activity in the market will pick up this year.

The survey showed that 7 percent more brokers reported having executed contracts of sale this quarter compared to last quarter, and 2 percent more report having closings scheduled within the next three months. In addition, 4 percent more brokers reported closing sales at or above asking prices this quarter compared to fourth quarter of 2009.

More recent market news was also released from our NYC Residential Sales Market 4th Quarter Report, which showed average sales prices increased, with the average price of a home in New York City increased 10 percent in the fourth quarter of 2010 compared to the same time last year and rose two percent compared to the previous quarter, while the number of transactions and the total dollar value of all property sales declined, according to the report.

Average Manhattan home sales prices (for cooperatives, condominiums, and one-to three-family dwellings) showed the biggest increase, and were up 13 percent to \$1,450,000 compared to the same time last year. The report, a comprehensive look at New York City housing prices for all five boroughs, is issued quarterly by ResidentialNYC.com, the public real estate listings Web site of REBNY.

The citywide increases in average sales prices have been driven by record low mortgage rates and modest job growth in New York, according to the report.

The market is getting back to its regular cyclical patterns in the post-recession environment. Despite the slower volume of transactions this quarter, the average sales price increases show that the market is improving, which is a positive sign for the city's economy.

The residential sales report also found that the percentage increase in Brooklyn condominium average sales prices eclipsed the percentage increase in Manhattan, jumping 7 percent to \$538,000 compared to last year, while Manhattan condominium average sales prices increased 4 percent to \$1,682,000. Citywide, condominium average sales prices increased just 1 percent to \$1,082,000.

Cooperative average sales prices also increased citywide by 26 percent to \$713,000. The solid increase was due to Manhattan's larger share of the total sales, along with a higher average sales price in Manhattan.

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Despite rising New York City home sales prices, transactions declined by 24 percent in the fourth quarter of 2010 to 8,800 from 11,600 in the fourth quarter of 2009. As a result of fewer transactions, the total consideration for residential property dropped 23 percent to \$6.5 billion from \$7.7 billion in the same quarter last year.

The decline in transactions in the fourth quarter of 2010 was due in part to the September 30, 2010 closing deadline for the homebuyer tax credit, a drop-off in pent-up demand, and a return to typical fourth quarter seasonal sales activity in the market.

Other report highlights include:

Condominiums

Year to Year

- The average sales price in Manhattan increased four percent to \$1,682,000. The average sales price in Brooklyn was \$538,000, an increase of seven percent year on year.

Quarter to Quarter

- The average New York City condominium price increased one percent to \$1,082,000 in the fourth quarter of 2010 when compared to the third quarter; the average Manhattan sales price increased six percent; the average Brooklyn sales price decreased one percent; and the average Queens sales price declined by three percent.

Cooperatives

Year to Year

- The average sales price of a cooperative unit in Manhattan increased 20 percent year on year to \$1,110,000. The average sales price in Brooklyn was up three percent to \$356,000. The average sales price of a cooperative unit in Queens was up one percent to \$223,000 when compared to the fourth quarter of 2009.

Quarter to Quarter

- The average price of a New York City cooperative unit increased five percent to \$713,000 in the fourth quarter of 2010 when compared to the third quarter of 2010; in Manhattan the average price increased six percent; in Brooklyn the average sales price decreased eight percent; and in Queens the average sales price increased one percent.

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Manhattan Neighborhoods

- The average sales price of a condominium in Battery Park City during the fourth quarter of 2010 increased 18 percent compared to last quarter, and five percent compared to the fourth quarter of last year to \$1,477,000. Battery Park City had 39 sales during the quarter which was eight percent higher than the third quarter of 2010 and 15 percent higher than the fourth quarter of last year.
- The number of cooperative unit sales on the Upper East Side fell sharply in the fourth quarter of 2010 to 361; there were 534 sales in the neighborhood last quarter and 476 in the fourth quarter of 2009. The average sales price of \$1,591,000 in the neighborhood was 13 percent higher than the third quarter in 2010 and 24 percent greater than the fourth quarter of last year.

Brooklyn Neighborhoods

- The Williamsburg condominium market was stable in the fourth quarter of 2010. There were 189 condominium sales in Williamsburg during the fourth quarter of 2010; this is unchanged from last quarter and 64 percent greater than the fourth quarter of last year. The fourth quarter average sales price of \$559,000 for a condominium in Williamsburg was two percent higher than last quarter but five percent lower than the average price in the fourth quarter of 2009. The neighborhoods with the highest average sales price for all homes in the fourth quarter of 2010 were Cobble Hill (\$1,448,000) and Manhattan Beach (1,101,000). The neighborhoods with the most sales for all homes were Williamsburg (206) and East New York / Spring Creek (123).