

Q3 2023

Manhattan New Development Market Report

SERHANT.

Letter From Coury



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Director of Research

Despite trailing behind the robust performance of 2022, the Manhattan New Development market is revealing resilience through strong price trends. Year-over-year, New Development sales declined by 14%, while signed activity dipped by 6.3%. Notably, the average price for signed contracts surged by over 20% compared to the same period last year, reaching an impressive \$3,666,872. The average price per square foot also increased by 6.0%, now standing at \$2,203. This price surge is primarily driven by the increasing demand for larger units, with 3 and 4-bedroom signed activity rising by 16.4% and an impressive 62.5%, respectively. Consequently, the \$5 million plus threshold experienced a remarkable 42% increase in signed contracts compared to the previous year. Negotiability remained minimal, with an average discount of just 2%. However, specific areas like Midtown West and Billionaire's Row displayed slightly higher negotiability rates at 5% and 8%, respectively. In terms of unit composition, 1 and 2-bedroom units continued to dominate the market, accounting for nearly 70% of transactions, while studio demand saw a significant drop of 65% year-over-year. Looking ahead, the New Development sector is poised for sustained demand, particularly as the supply in the resale market remains limited.

Market Highlights:

Average Price

\$3,586,326

Year-Over-Year

-9.4%

Median Price

\$2,250,000

Year-Over-Year

2.3%

Average PPSF

\$2,186

Year-Over-Year

4.6%

30.3%

Share of Inventory
Over \$5M

20.5%

Share of Closings
Over \$5M

238

Average Days On
Market






5%

Average
Discount

Closed Sales

There were 419 new development sales in Manhattan during the third quarter of 2023, a 14.3% decrease year-over-year and a 3.5% decrease quarter-over-quarter. These declines are less exaggerated than the overall market due to the obvious buyer demand for prime properties that are limited in availability at present. Prices were generally higher than last year, with a 4.6% higher average price per square foot. Downtown continued to capture the most sales with 40.7% of transactions, while Billionaire's Row was the most exclusive and commanded the highest prices. New development studios saw one of their lowest market shares on record at just 3.8% of sales, potentially signaling a shift in developer offering plan, or lack of buyer interest for these smaller apartments.

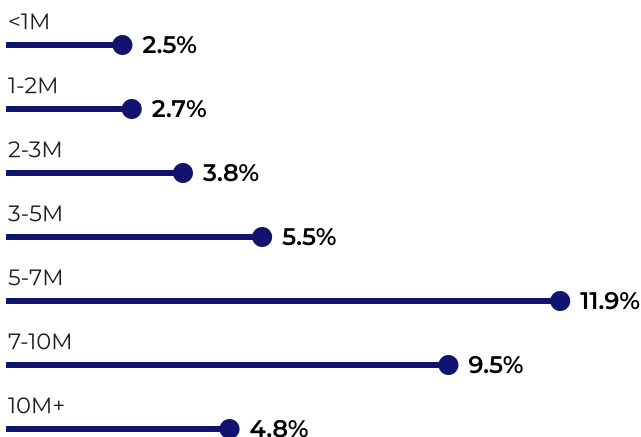
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	3.8%	36.5%	31.2%	17.8%	10.7%
Average Discount	0%	2%	4%	9%	10%
Median Price	\$1,053,888	\$1,316,817	\$2,475,000	\$5,325,000	\$8,472,225
YoY	41.6%	-2.5%	3.1%	2.1%	-4.1%
Average Price	\$1,182,135	\$1,428,361	\$2,877,257	\$5,414,408	\$10,824,433
YoY	61.3%	-1.0%	5.9%	-8.2%	-13.3%
Average PPSF	\$2,133	\$1,957	\$2,076	\$2,400	\$2,954
YoY	52.1%	8.9%	3.7%	-6.8%	-3.2%
Average SF	536	726	1,321	2,162	3,443
YoY	-0.6%	-8.8%	-0.8%	-1.3%	-9.9%

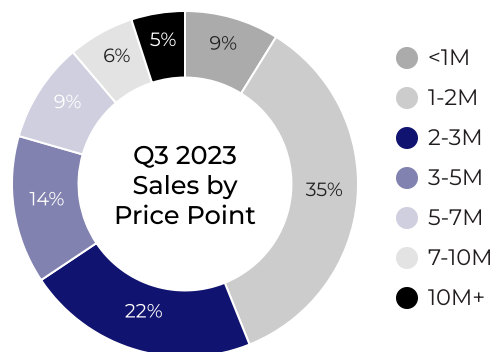
By Location

	Upper Manhattan	Upper East Side	Upper West Side	Billionaire's Row	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	5.5%	9.5%	12.6%	3.6%	6.4%	4.3%	51.8%	6.2%
Average Discount	5%	8%	7%	19%	3%	12%	3%	0%
Median Price	\$950,000	\$6,794,063	\$2,759,750	\$7,552,696	\$2,225,000	\$2,180,000	\$2,025,000	\$1,450,000
YoY	5.5%	203.3%	-30.9%	-54.8%	36.5%	-49.9%	-20.6%	5.3%
Average Price	\$1,044,409	\$8,188,436	\$4,288,930	\$9,378,859	\$2,074,915	\$4,186,722	\$2,782,489	\$1,843,529
YoY	-6.1%	17.7%	-9.8%	-52.3%	-56.1%	-23.9%	-21.0%	10.5%
Average PPSF	\$1,151	\$2,777	\$2,123	\$3,247	\$1,975	\$2,051	\$2,225	\$1,608
YoY	-11.7%	12.0%	-10.1%	-25.7%	12.2%	-7.3%	-4.8%	8.6%
Average SF	956	2,659	1,838	2,832	1,055	1,895	1,122	1,143
YoY	15.9%	3.0%	-0.6%	-31.1%	-5.0%	-9.8%	-18.4%	1.1%

Discount Rate



By Price



Closed Sales

Upper Manhattan

23 Units 5.5% Units 5% Discount

Upper West Side

53 Units 12.6% Units 7% Discount

Upper East Side

40 Units 9.5% Units 8% Discount

Billionaire's Row

15 Units 3.6% Units 19% Discount

Midtown East

27 Units 6.4% Units 3% Discount

Midtown West

18 Units 4.3% Units 12% Discount

Downtown

217 Units 51.8% Units 3% Discount






Lower Manhattan

26 Units 6.2% Units 0% Discount

Contracts Signed

There were 310 new development contracts signed during Q3 2023, a 6.3% decline year-over-year as we near the end of comparisons with the outlier year of 2022. Prices were significantly higher this quarter, with both median and average prices climbing more than 20%. This jump is in part due to an increase in average size, but also due to limited discounts and buyer demand driving up prices. The \$10M+ price bracket saw the most growth with more than double the number of properties sold compared to this time last year, though the average price per square foot of these units saw essentially no change.

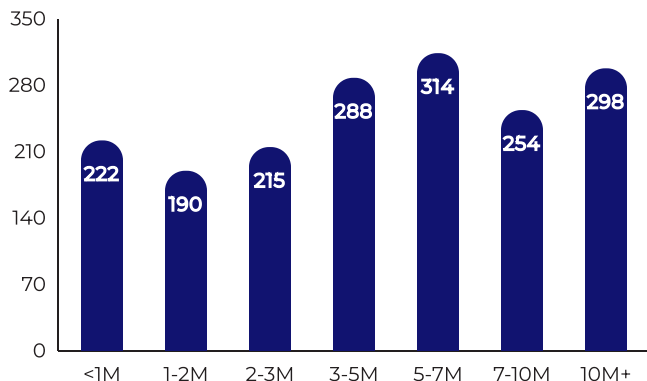
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	3.2%	34.8%	32.9%	20.6%	8.4%
Average Discount	0%	1%	2%	2%	6%
Median Price	\$902,000	\$1,460,000	\$2,821,100	\$5,125,000	\$7,260,000
YoY	15.3%	4.7%	6.5%	5.1%	5.4%
Average Price	\$1,253,800	\$1,723,681	\$3,102,470	\$5,911,297	\$9,356,154
YoY	41.7%	18.4%	3.9%	13.8%	-17.0%
Average PPSF	\$2,413	\$2,035	\$2,156	\$2,382	\$2,610
YoY	52.9%	7.9%	2.0%	-2.5%	-6.9%
Average SF	553	820	1,411	2,192	3,414
YoY	-2.6%	-2.1%	2.3%	5.2%	-1.5%

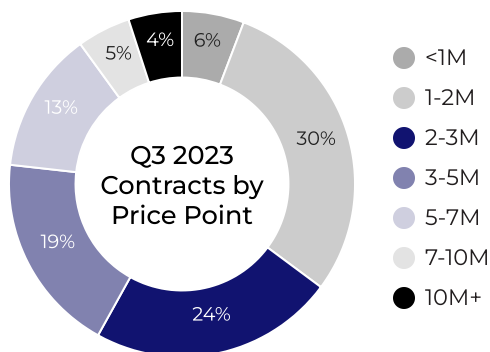
By Location

	Upper Manhattan	Upper East Side	Upper West Side	Billionaire's Row	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	9.7%	5.2%	12.6%	2.6%	9.4%	6.5%	45.5%	8.7%
Average Discount	1%	1%	3%	8%	1%	5%	1%	0%
Median Price	\$1,825,000	\$4,050,000	\$3,375,000	\$10,400,000	\$2,450,000	\$1,510,000	\$2,500,000	\$1,495,000
YoY	9.7%	79.4%	-14.2%	37.7%	51.2%	-2.3%	-	-14.4%
Average Price	\$2,291,700	\$5,457,249	\$4,152,518	\$11,325,500	\$3,908,629	\$2,960,400	\$3,558,461	\$1,992,963
YoY	89.6%	5.8%	10.5%	50.0%	90.9%	-28.1%	13.7%	-16.5%
Average PPSF	\$1,644	\$2,174	\$2,146	\$4,083	\$2,161	\$1,992	\$2,384	\$1,592
YoY	37.8%	-6.2%	-5.7%	19.6%	16.9%	-0.8%	1.8%	-5.7%
Average SF	1,298	2,315	1,820	2,832	1,130	1,406	1,441	1,171
YoY	9.5%	27.5%	12.8%	42.0%	3.2%	-6.9%	9.9%	-9.9%

Average Days on Market








By Price



Active Listings

Inventory this quarter was slightly lower than last year at 973 active listings, a decrease of 6.9% year-over-year, but an increase of 14.5% quarter-over-quarter. The asking price for these properties was generally steady and tracked 2.3% higher in average price per square foot compared to Q3 2022. There were significantly fewer properties on the market below \$1M and above \$7M compared to last year. Most inventory was priced between \$1M-5M, all of which had slightly higher prices. New listings were up year-over-year, though the market is anxious for more inventory.

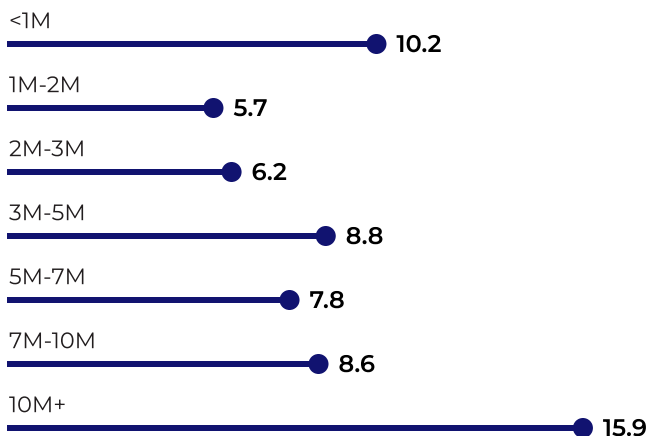
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	4.4%	22.4%	31.5%	25.0%	16.7%
Average Discount	0%	0%	0%	0%	0%
Median Price	\$895,000	\$1,475,000	\$2,600,000	\$4,972,500	\$9,625,000
YoY	9.1%	6.7%	-9.7%	1.9%	-1.3%
Average Price	\$1,124,721	\$1,653,680	\$3,107,323	\$6,499,644	\$15,070,143
YoY	7.8%	5.1%	-2.6%	0.8%	6.4%
Average PPSF	\$1,654	\$1,920	\$2,111	\$2,570	\$3,328
YoY	5.6%	11.0%	-0.4%	0.1%	3.2%
Average SF	634	867	1,411	2,351	3,897
YoY	0.6%	-4.8%	-2.5%	-1.1%	0.5%

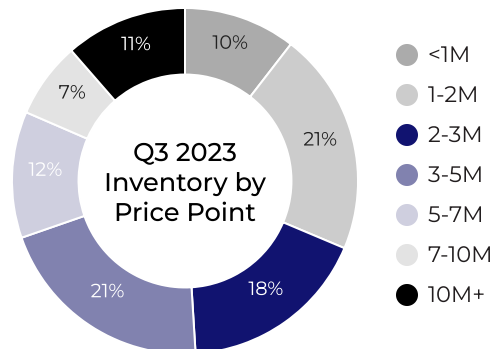
By Location

	Upper Manhattan	Upper East Side	Upper West Side	Billionaire's Row	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8.8%	9.5%	17.3%	3.4%	15.5%	7.9%	31.7%	6.0%
Median Price	\$1,347,500	\$3,882,500	\$3,500,000	\$16,950,000	\$2,900,000	\$1,835,000	\$3,890,000	\$2,112,995
YoY	8.8%	-4.1%	-23.1%	4.3%	13.4%	-16.5%	-6.2%	-6.1%
Average Price	\$1,799,654	\$5,354,152	\$5,164,183	\$28,829,545	\$5,386,050	\$3,980,750	\$5,356,309	\$2,715,308
YoY	7.7%	-13.4%	-7.8%	19.3%	24.2%	-14.2%	-5.6%	1.5%
Average PPSF	\$1,472	\$2,151	\$2,321	\$5,409	\$2,455	\$2,235	\$2,493	\$1,727
YoY	6.4%	-6.4%	-3.6%	2.7%	10.2%	-1.6%	1.4%	-1.5%
Average SF	1,154	2,331	2,006	4,128	1,870	1,507	2,016	1,466
YoY	1.9%	-9.6%	-7.5%	14.0%	14.9%	-15.4%	-6.8%	-6.6%

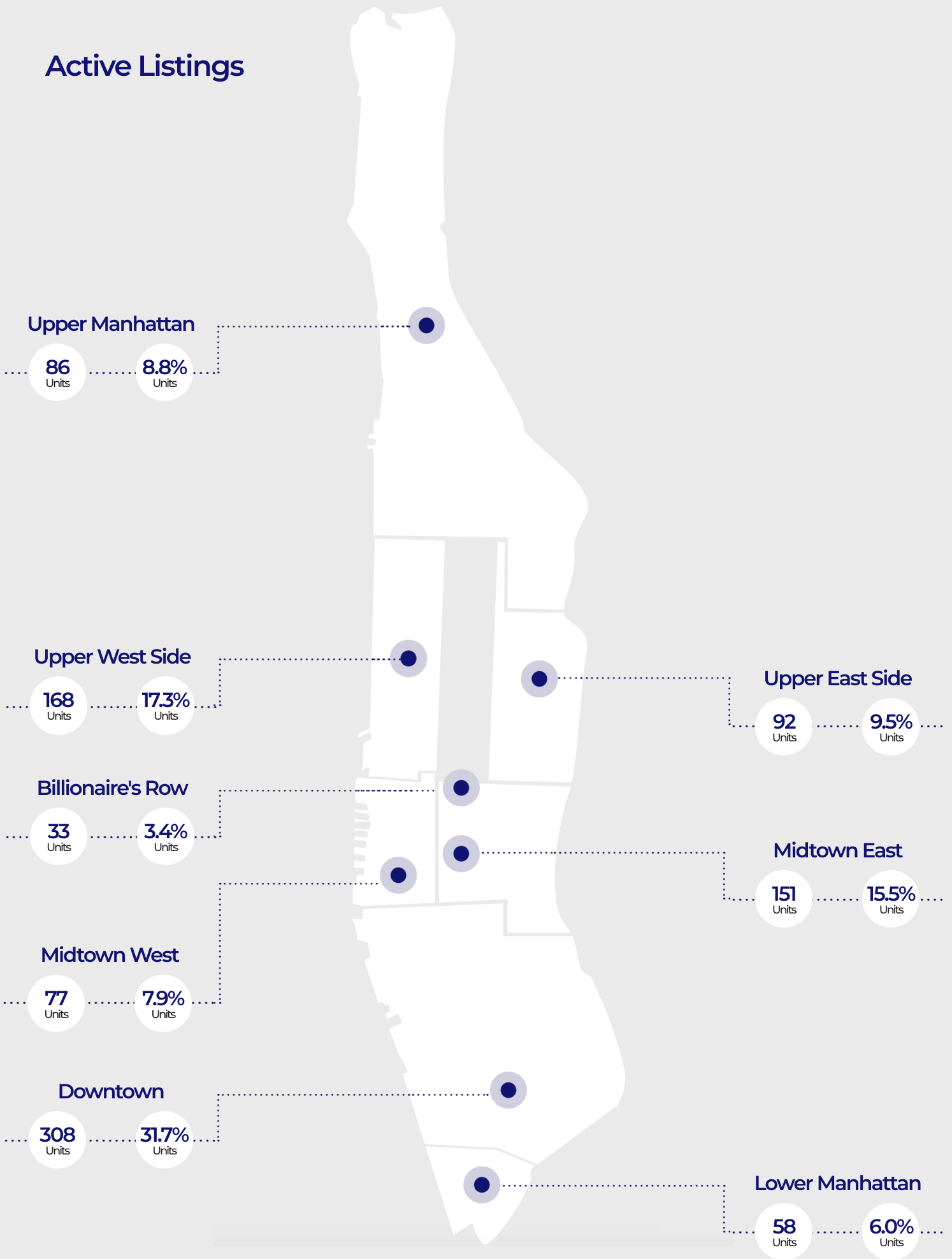
Months of Supply



By Price



Active Listings



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