

Q3 2021

# Manhattan Market Report

COMPASS



117 E 29th St, Unit PHA  
Courtesy of: Ian Slater  
Photographer: Tim Waltman & Eytan Stern Weber, Evan Joseph Studios

The resilient Manhattan real estate market has entered a price recovery stage. After a record-breaking Q2 and an unprecedented 2020, the median purchase price increased by six percent in Q3, representing a healthy and balanced market correction.

Overall, sales volume skyrocketed nearly 215 percent year-over-year, exemplifying strong consumer confidence in the value of Manhattan real estate and emphatically dismissing the narrative that the city is dead.

A shortage of inventory further inspired buyers to act swiftly. New listings were down 30 percent year-over-year – this number represents a hyperactive Q2 and the seasonal summer slowdown. At just over 7,000 active condos and co-operatives, the market echoed similarities to 2014-2017, when inventory was at

comparable levels, and the economy was rapidly recovering.

Another factor that drove buyers to purchase was the heated rental market. As rental prices soared in the third quarter, consumers took a renewed look at buying as a healthy alternative, abetted by low interest rates.

In the ultra-luxury sector, units priced at \$20M and over, sales ballooned 50 percent compared to Q2. Still, the median and average prices were down 45.8 percent and 38.4 percent, respectively, attributed to price distribution changes throughout the bracket.

The lower-end market, homes that sold under a million dollars, accounted for 47 percent of total homes sold last quarter, indicating that entry-level home purchases played a pivotal role at

a time when workers started to return to the office.

In Q4 and beyond, the buoyant Manhattan real estate market will continue to soar as people who moved to second home markets during the pandemic look to return to a more active lifestyle and as office workers go on with returning to the office.

Most notably, the last quarter of the year will mark the return of foreign buyers, this on the heels of a United States administration announcement that the country's borders will reopen to nationals from over 30 countries in November. Foreign buyers entering the buying pool means continued pressure on inventory as the city's many attractions and beautiful homes make the city a desirable place to call home.

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SOURCES

REBNY RLS,  
ACRIS (Automated City Register Information System)

# Manhattan Market Report

## Neighborhood Map





Sales surged to levels not seen since 2013,  
while the average price declined unexpectedly.

**\$1,839,786**

Average  
Sales Price

**\$2,435,911**

Average  
Condo Price

**\$1,384**

Average Price  
Per Square Foot

**6%**

Average  
Discount

**\$1,110,000**

Median  
Sales Price

**\$1,324,151**

Average  
Co-op Price

**182**

Average Days  
on the Market

**29%**

of Properties Took  
More Than 180 Days  
to Enter Contract

# Methodology

**Geography** covered in this report is Manhattan.

**Inventory** is calculated based on all properties actively listed during the quarter at the time the report is prepared.

**Contract Signed** figures for the current quarter are based on publicly reported transactions at the time the report is prepared. The signed price reflects the latest available asking price.

**Recorded Sales** figures for the quarter are based on known closings recorded at the time the report is prepared.

**Median Price** is the middle price of a given dataset.

**Average Price** is the sum of all prices divided by the total number of properties.

**Months of Supply** is an estimated time it would take to sell all current active listings based on the trailing 12-month sales rate.

**Time on Market** is calculated by how many properties entered contract during the quarter in the given period.

**Discount** is the percentage difference between the initial list and recorded sale price.

**Current Quarter** is reflective of the initial day of the quarter until the 20th day of the quarter's closing month. These numbers will be updated in subsequent reports to reflect the dataset of the entire quarter.

## **Quarters**

Q1: January 1 - March 31

Q2: April 1 - June 30

Q3: July 1 - September 30

Q4: October 1 - December 31

# Recorded Sales

## BY PROPERTY TYPE

- Sales were up nearly 215% year-over-year following the COVID-19 scenario of 2020
- The average price fell 15.3% compared to Q3 of last year, while the median price was up almost 6%
- New listings were down nearly 30% year-over-year, unsurprisingly given the large increase seen in Q2
- Properties spent an average of 182 days on the market from first list date to contract signed, a 12% decrease from last year
- Price declines were fueled by condo sales, while co-ops saw a nearly 15% increase, year-over-year
- The significant decrease in inventory from last year helped drive sales, forcing buyers to act quickly
- Contracts were up significantly from last year, but down 26.3% after the record numbers seen last quarter

## Q3 2021 Recorded Sales

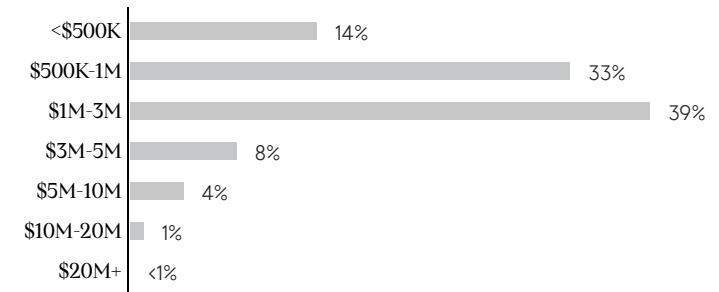
	% Units	Average Discount	Median Price	YoY	2020	Average Price	YoY	2020	Average PPSF	YoY	2020	Average SF	YoY	2020
CONDO	46.4%	7%	\$1,575,000	-7.4%	\$1,700,000	\$2,435,911	-28.6%	\$3,413,499	\$1,621	1.4%	\$1,599	1,350	-29.9%	1,926
CO-OP	53.6%	6%	\$830,000	7.8%	\$770,000	\$1,324,151	14.9%	\$1,152,175	\$1,037	5.7%	\$981	1,498	48.5%	1,009

# Recorded Sales

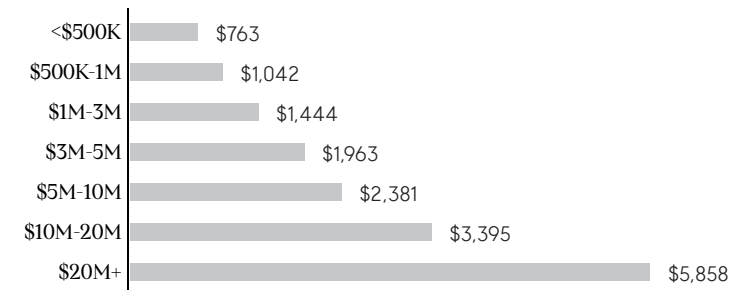
## BY PRICE POINT

- Properties sold between \$1M and \$3M account for 39.5% of sales, the most of any group, and saw limited difference in price from last year
- The \$3M-5M bracket had the most sales growth, climbing 20.4% year-over-year
- Sales in the \$5M-10M range were the only group to see a decrease in sales, down 2% compared to last year
- Ultra-luxury properties sold for \$20M+ saw a 50% increase in sales, though their median and average prices were down 45.8% and 38.4%, respectively, due to price distribution changes in the bracket
- Condos saw the most sales in the \$1M-3M range, while co-ops saw the most from \$500K-1M
- Luxury co-ops saw a resurgence after limited activity since the first quarter of 2019
- Downtown continued to have the most market share, with 28.2% of sales, followed by the Upper East Side with 20.9%
- Properties on the Upper East Side and in Upper Manhattan saw the largest increases in average price, up 16.3% and 15.9% year-over-year, respectively

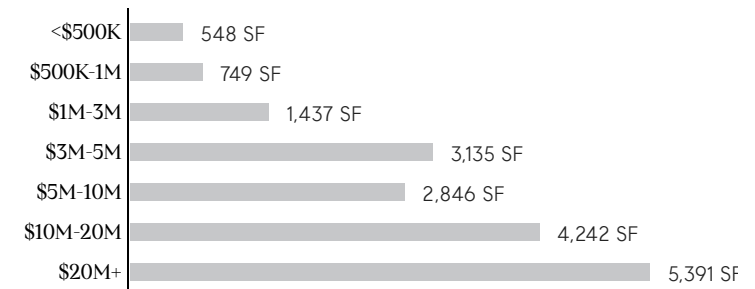
## Q3 2021 Percentage of Units



## Q3 2021 Average PPSF



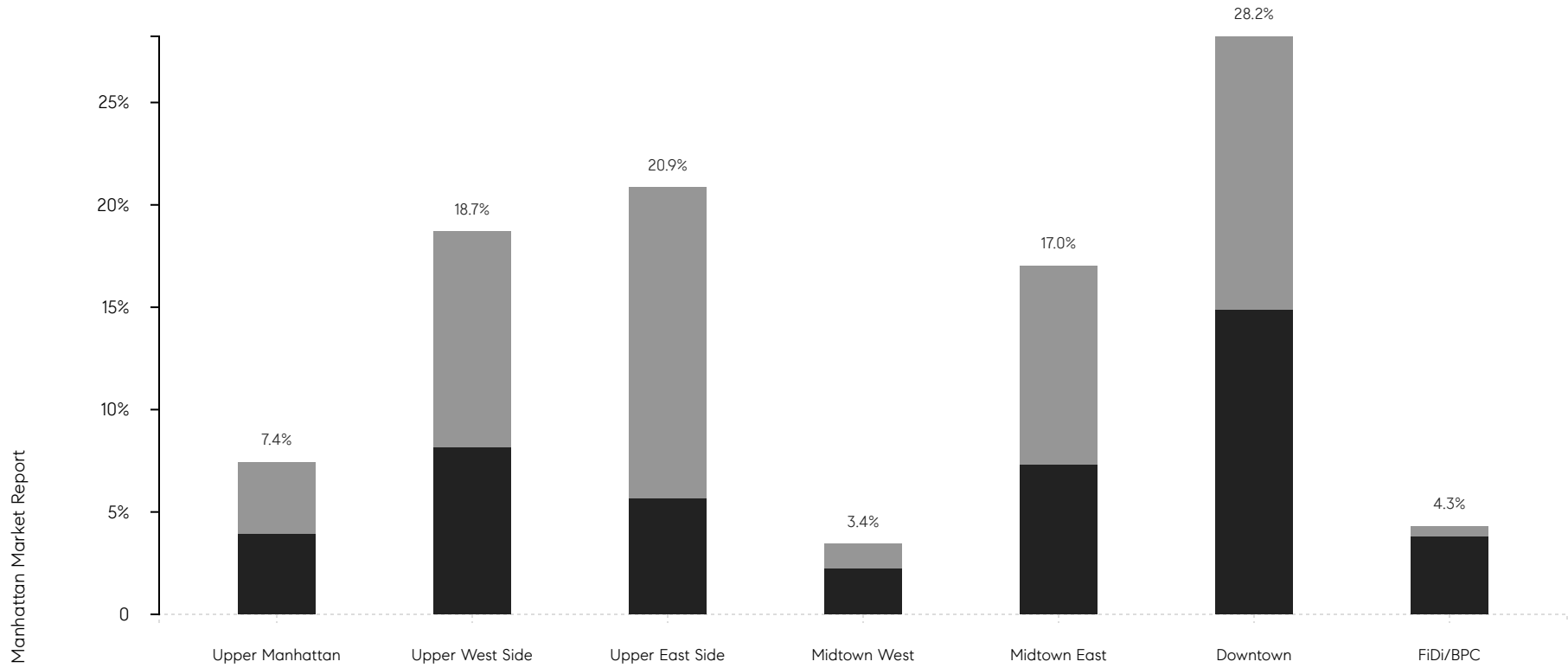
## Q3 2021 Average Size

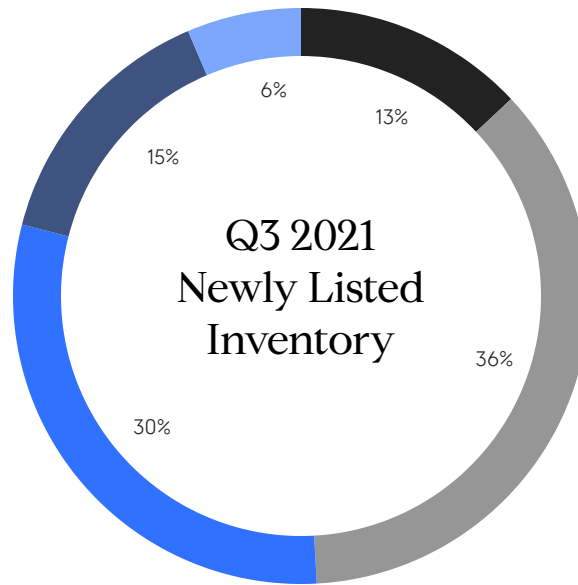
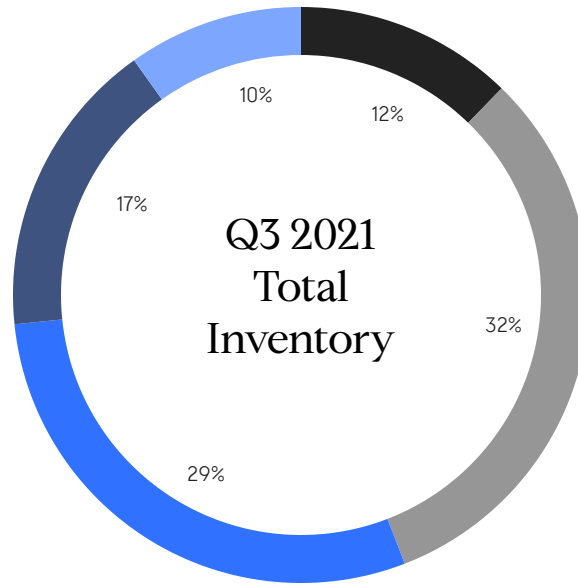


# Recorded Sales

BY SUBMARKET

CONDO CO-OP







## Q3 2021 Condo Inventory

	<\$500K	\$500K-1M	\$1M-3M	\$3M-5M	\$5M-10M	\$10-20M	\$20M+
% Units	1.4%	21.4%	40.7%	16.3%	12.6%	5.3%	2.4%
Median Price	\$450,000	\$799,000	\$1,757,370	\$3,849,500	\$6,872,500	\$12,995,000	\$29,922,500
YoY	-	-0.4%	-2.1%	-0.6%	1.8%	0.0%	-0.3%
2020	\$450,000	\$801,850	\$1,795,000	\$3,872,500	\$6,750,000	\$12,997,000	\$29,999,500
Average Price	\$422,951	\$789,904	\$1,867,987	\$3,900,565	\$7,065,922	\$13,854,711	\$39,196,453
YoY	2.4%	-1.3%	-0.6%	-0.8%	1.8%	-0.4%	11.2%
2020	\$412,908	\$800,445	\$1,878,764	\$3,930,434	\$6,938,961	\$13,904,109	\$35,251,351
Average PPSF	\$816	\$1,212	\$1,687	\$2,186	\$2,644	\$3,747	\$6,227
YoY	15.9%	-1.9%	2.3%	1.3%	-1.0%	2.9%	3.0%
2020	\$704	\$1,235	\$1,649	\$2,158	\$2,672	\$3,640	\$6,045
Average SF	610	685	1,149	1,873	2,854	3,921	6,384
YoY	13.2%	1.5%	-3.2%	-2.0%	5.1%	-6.6%	3.7%
2020	539	675	1,187	1,911	2,715	4,198	6,155

## Q3 2021 Co-op Inventory

	<\$500K	\$500K-1M	\$1M-3M	\$3M-5M	\$5M-10M	\$10-20M	\$20M+
% Units	19.0%	38.3%	29.5%	6.8%	3.8%	1.7%	0.9%
Median Price	\$409,000	\$710,000	\$1,650,000	\$3,825,000	\$6,500,000	\$12,000,000	\$26,450,000
YoY	-2.5%	1.4%	0.9%	3.4%	-2.6%	-7.3%	7.1%
2020	\$419,450	\$700,000	\$1,635,000	\$3,700,000	\$6,673,000	\$12,950,000	\$24,687,500
Average Price	\$403,556	\$724,926	\$1,787,693	\$3,869,920	\$6,853,488	\$12,651,732	\$29,763,500
YoY	-1.8%	-0.1%	0.6%	0.4%	-1.4%	-6.4%	1.0%
2020	\$411,161	\$725,480	\$1,777,090	\$3,855,782	\$6,951,121	\$13,511,313	\$29,475,962
Average PPSF	\$787	\$931	\$1,270	\$1,706	\$2,058	\$3,282	\$4,239
YoY	-4.7%	-3.5%	-1.6%	-1.7%	-2.0%	-3.9%	2.6%
2020	\$826	\$965	\$1,291	\$1,735	\$2,099	\$3,415	\$4,133
Average SF	574	810	1,457	2,505	3,473	4,153	6,867
YoY	8.7%	-2.2%	-17.2%	5.8%	-0.6%	-2.4%	8.1%
2020	528	828	1,759	2,367	3,495	4,254	6,350

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