

# BONDREPORT

## QTR 2 2016



REAL ESTATE

**MOVE/FORWARD™**

**1776 Broadway**

New York, NY 10019

212.582.2009

**853 Broadway**

New York, NY 10003

212.672.6350

**1500 Second Avenue**

New York, NY 10075

212.584.4220

**64 West 21<sup>st</sup> Street**

New York, NY 10010

212.645.8800



## WELCOME TO THE 13<sup>TH</sup> EDITION OF THE BOND REPORT

For the first time in almost two years we can finally stop using the term “tight inventory” and say that inventory has showed the biggest increase since hitting bottom in late 2013. This also means that after several quarters of the market conversation being dominated by luxury new development, the only area of the market where inventory was increasing, we can start to talk about the strength and stability of resale inventory. The fact that the average price of a Manhattan apartment remains just above \$2,000,000 for the second consecutive quarter is further evidence of the market’s robust quality as we reach mid-year.

This leads me to a question I am hearing from both our customers and agents: Is it once again a buyer’s market? The increase of resale inventory seems to have marked a beginning shift to the buy side, but this is also a positive thing for resale sellers who price their homes well. It is a shift that began in earnest last quarter and as it continues, will offer a more balanced dynamic than we have seen in recent years. Negotiations, discounts and compromising on the part of a seller only applies to those who have been setting their pricing too high. Buyers who have spent the last few years frustrated at their inability to purchase are returning to the market ready and eager to finally find a home, and homes that are well priced are moving quickly.

The same cannot be said of the luxury market which is experiencing a slowdown. A “softening at the top” was largely anticipated as we entered 2016, and the glut of inventory versus a comparatively small buyer pool, compounded by the disconnect between the value and the price, is shaking things up in this submarket. We can expect to see this market continue to correct itself, however we won’t expect to see the full impact, at least in reported data, until later in the year and into 2017.

What we don’t hear is talk of a “soft middle” market. Whether there’s an overall correction remains to be seen in the coming months. It’s important to recognize that a portion of the closed sales which have pushed the average prices to record levels, are new development sales whose transactions most likely took place before the market began to change.

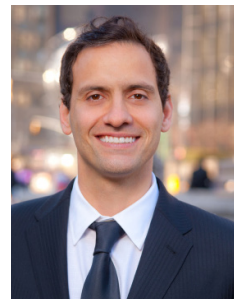
The New York real estate market is composed of many sub-markets that are increasingly performing in their own way, making navigating each transaction as complex as ever. BOND New York’s agents are experts at addressing the individual needs of each customer. We strive to provide extraordinary service and expert advice on every type of real estate transactions.

We look forward to assisting you.

**Noah Freedman, Partner,**

A handwritten signature in black ink that reads "Noah Freedman".

**BOND New York Real Estate**



All source material for the BOND Report is provided by Urban Digs, Online Residential (OLR), and BOND New York's proprietary listings database. This material is believed to be accurate, however is subject to errors and omissions.

© 2016 BOND New York New York All material presented herein is intended for information purposes only. While information is believed to be correct, it is represented subject to errors, omissions, changes, or withdrawals without notice. All property information, including but not limited to, square footage and number of bedrooms, is approximate. Exact measurements should be verified by your own attorney, architect, engineer, or zoning expert. BOND New York is a broker that supports Equal Housing Opportunity.



**Equal Housing Opportunity**  
Licensed real estate broker  
Bond New York is a broker that supports equal housing opportunity.

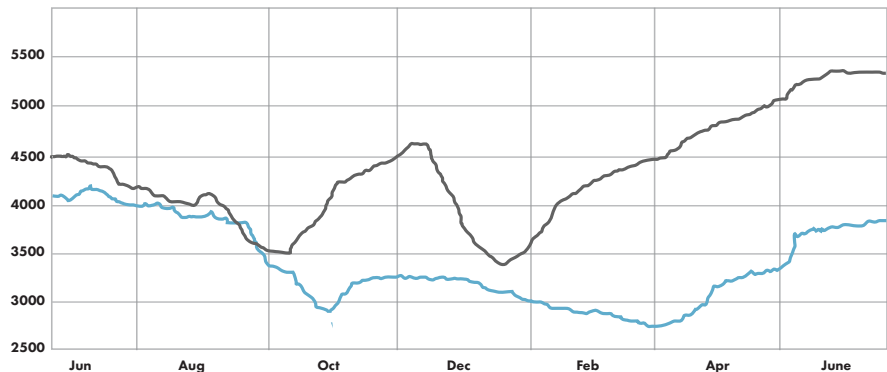
# LOOKING FORWARD

While the BOND Report presents a traditional historical snapshot of the market, we first present two charts indicating pending sales (listings in contract) versus active listings (available inventory), for both year-over-year and within Quarter 2 2016. This data compares sales volume amidst real-time inventory trends, and it offers the best indication of where the market is going.

The number of pending sales was down 10.5% compared to this time last year, but showed a 25.3% increase since the start of Quarter 2 2016, suggesting that while activity is slower than the frenzied market last year, it is still strong and healthy with 3,786 sales in contract at the end of the quarter. The number of active listings were up 17.1% since this time last year and up 12.7% since the start of Quarter 2 2016. Since reaching its lowest levels in 2013, inventory is finally at levels that while not as high as they were in their peak, they have made the strongest increase so far indicating significant movement in the resale market and a shift to the buy side. Sellers should be encouraged that the presence of inventory means a return to the market for buyers who were left without options from previous quarters and accurately priced properties should expect to move quickly.

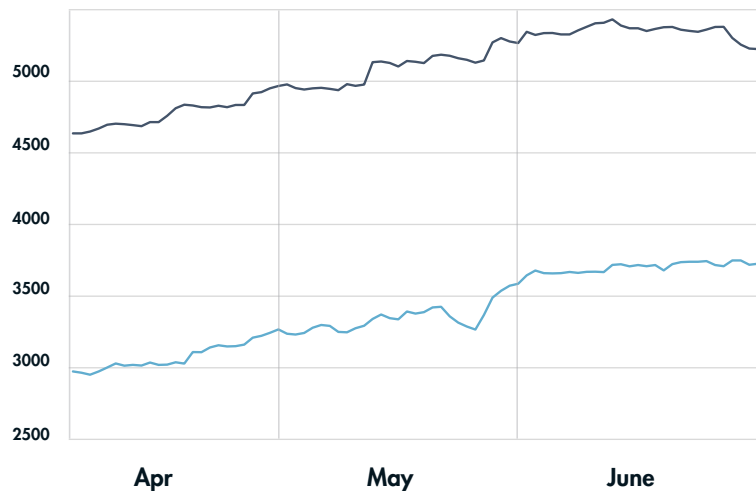
Most neighborhoods showed increases in the number of pending sales within Quarter 2 2016 with the exception of Battery Park City, Hamilton Heights, and East Harlem. The Financial District showed the largest percentage change in pending sales with an 85.7% increase within Quarter 2 2016. While this increase was significant, the total number of contracts were under 60, increasing from 31.5 at the start of quarter 2 2016 to 58.5 by the end of the quarter. The smallest percentage change was on the Upper East Side at just 4.9%. The lack of movement in this submarket could largely be attributed the progress of the Second Avenue subway and sellers waiting to list until the presence of new public transit influences considerable value increases east of Third Avenue.

**Market Trends June 2015 - June 2016**  
**Pending Sales -10.5% and Active Listings +17.1%**



**Pending Sales: -10.5%**      **Active Listings: +17.1%**

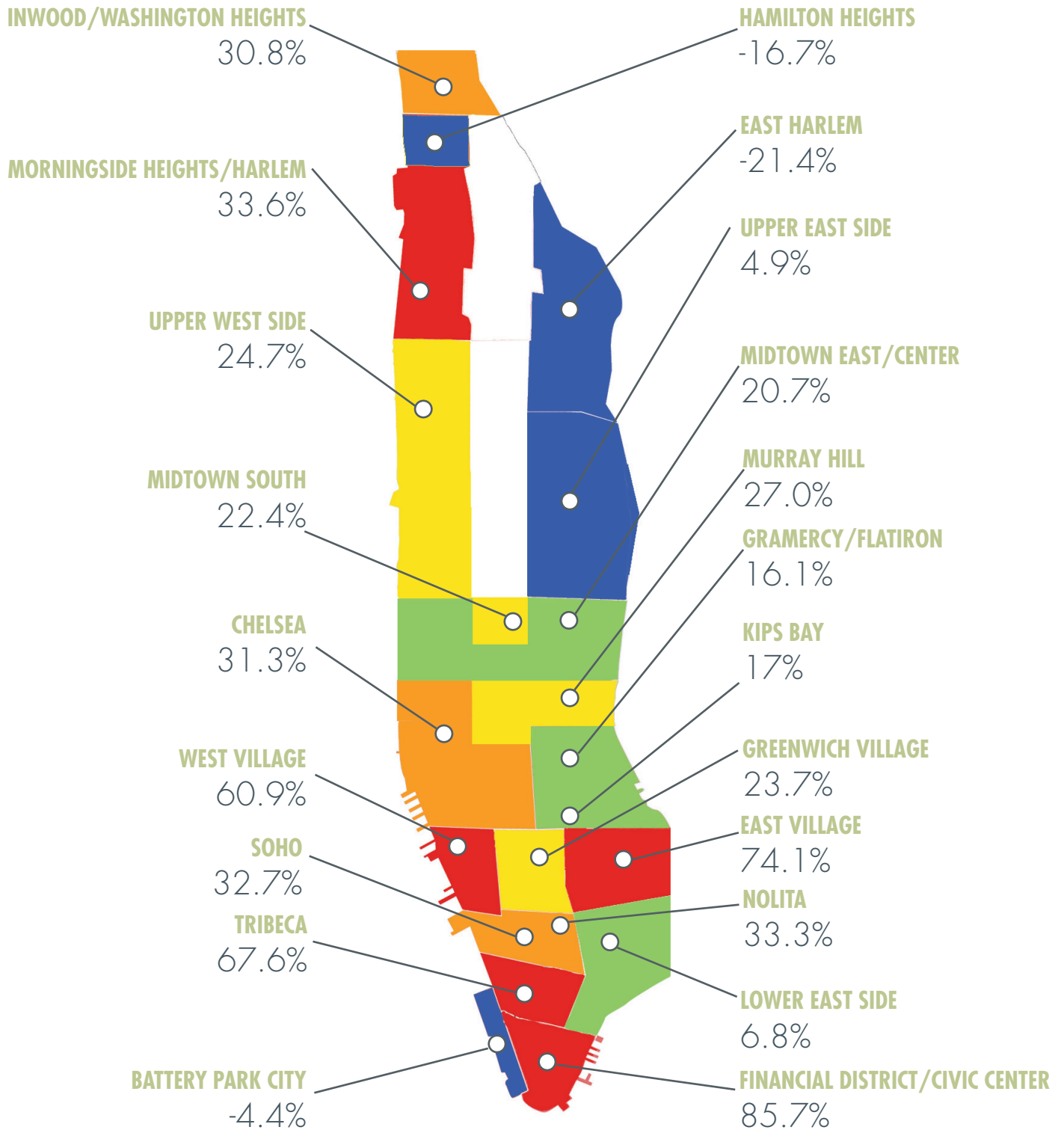
**Market Trends Within Qtr 2 2016**  
**Pending Sales +25.3% and Active Listings +12.7%**



**Pending Sales: +25.3%**      **Active Listings: +12.7%**

# BOND HEAT INDEX

CHANGE IN PENDING SALES WITHIN 2<sup>ND</sup> QTR 2016



For a more in-depth analysis of your neighborhood, contact your BOND agent today.

# LOOKING BACK

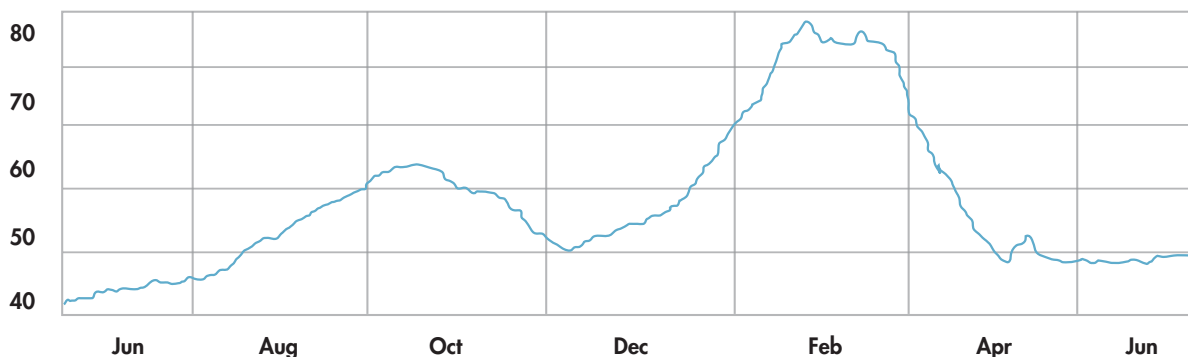
	QTR 2 2016	% CHG (QTR)	QTR 1 2016	% CHG (YR)	QTR 2 2015
Properties Sold	1,818	-16.72%	2,183	-12.39%	2,075
Pending Sales	3,786	+34.07%	2,824	-17.17%	4,571
Avg Price	\$2,085,330	-1.43%	\$2,115,517	+16.37%	\$1,792,057
Median Price	\$1,255,000	+6.81%	\$1,175,000	+32.11%	\$950,000
Avg Price per Sq Ft	\$1,532	+0.92%	\$1,518	+12.31%	\$1,364

The number of properties sold was down both quarter-over-quarter and year-over-year at 16.72% and 12.39% respectively while the number of pending sales were up 34.07% quarter-over-quarter, but down 17.17% year-over-year. The average price remained just over the two million mark at \$2,085,330, a threshold broken for the first time last quarter. The median price ticked up to \$1,255,000 quarter-over-quarter and was up 32.11% year-over-year continuing on the trend of significantly higher price increases from 2015, but reflecting many properties that were sold in that year. The number of days a property remained on the market decreased 10.34% from the start of Quarter 2 2016 and were up 15.56% compared to this time last year.

**Days on Market Within Q2 2016**

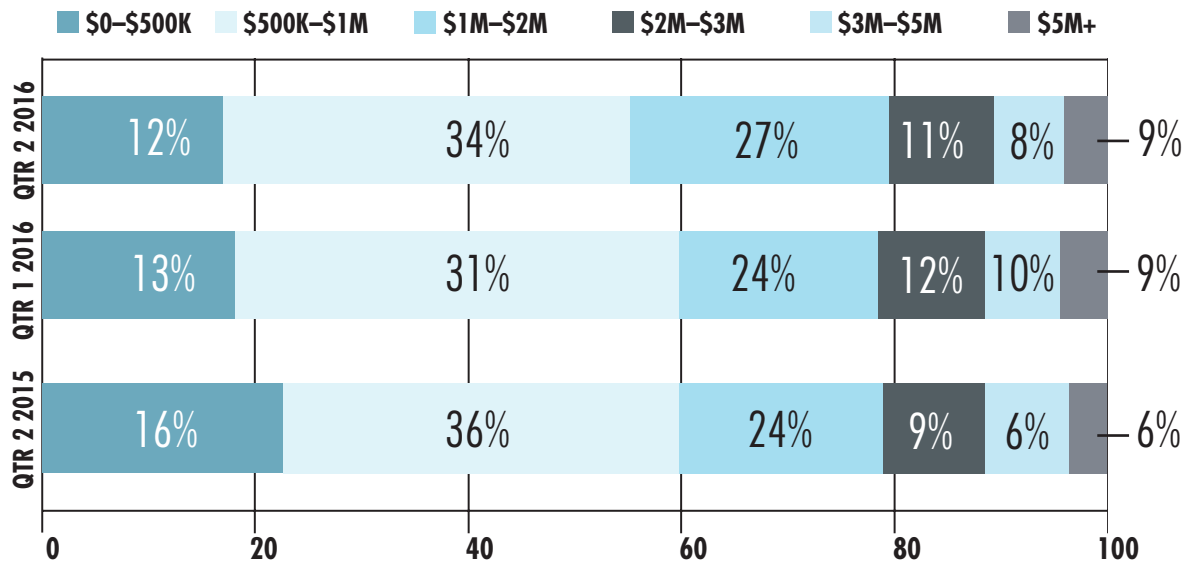


**Days on Market June 2015 - June 2016**

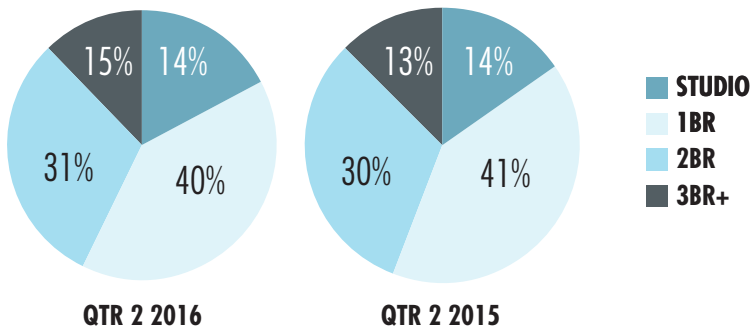


# CLOSED SALES\*

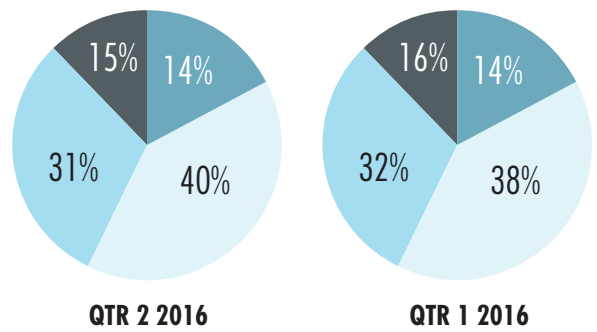
## BY PRICE CATEGORY



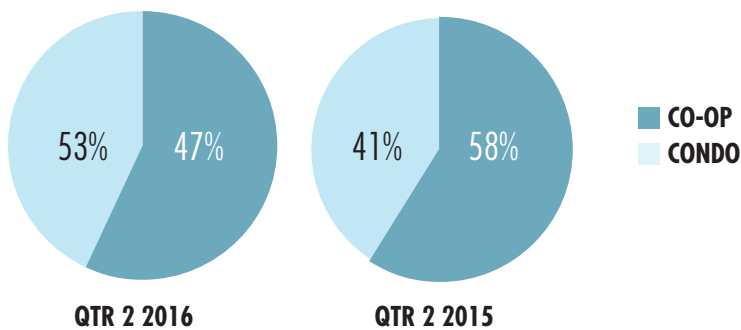
## BY SIZE YEAR-OVER-YEAR



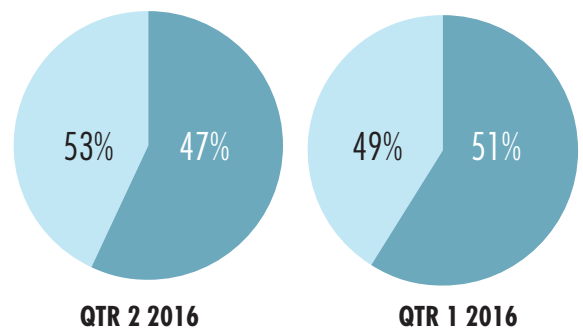
## BY SIZE QUARTER-OVER-QUARTER



## BY PROPERTY TYPE YEAR-OVER-YEAR



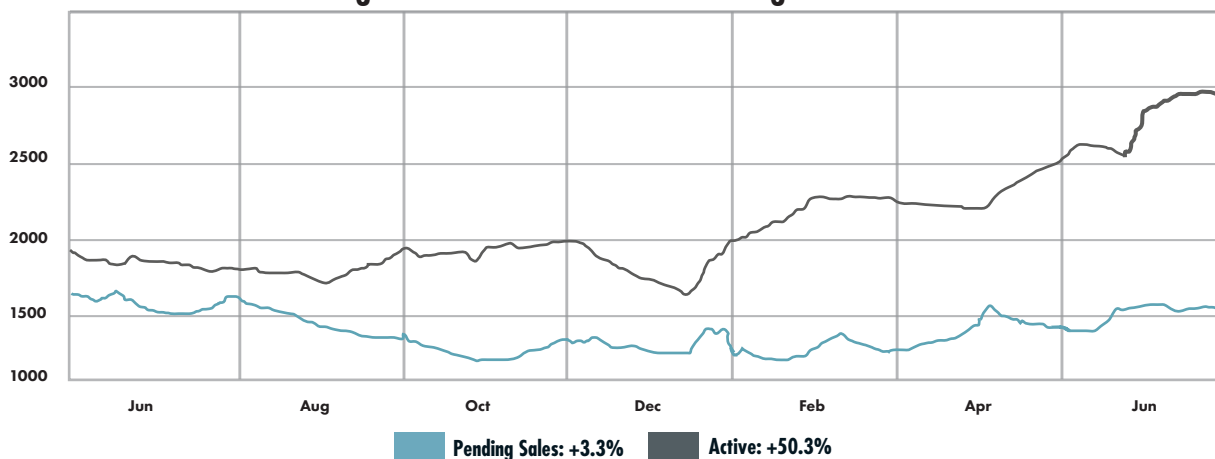
## BY PROPERTY TYPE QUARTER-OVER-QUARTER



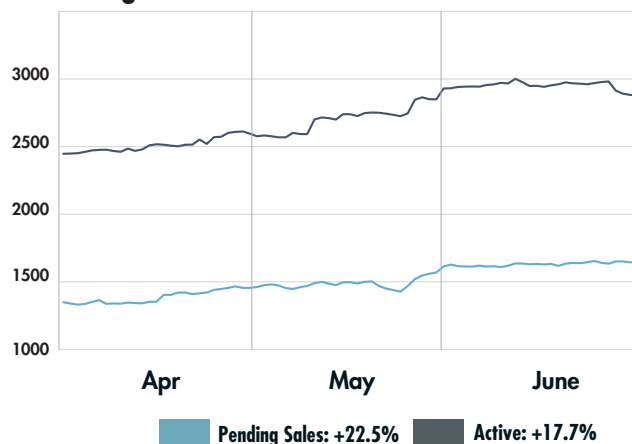
	QTR 2 2016	% CHG (QTR)	QTR 1 2016	% CHG (YR)	QTR 2 2015
Avg Price	\$2,752,062	-6.27%	\$2,936,060	+11.77%	\$2,462,146
Median Price	\$1,525,000	-19.74%	\$1,900,000	+18.22%	\$1,290,000
Avg Price per Sq Ft	\$1,693	-2.15%	\$1,730	+8.32%	\$1,563
Studio (median)	\$660,000	+3.94%	\$635,000	-7.69%	\$715,000
1 Bedroom (median)	\$999,000	-7.07%	\$1,075,000	-0.60%	\$1,005,000
2 Bedroom (median)	\$1,999,999	-12.66%	\$2,290,000	+10.50%	\$1,810,000
3+ Bedroom (median)	\$5,040,337	+0.81%	\$5,000,000	+29.74%	\$3,885,000

The condo market inventory was up 50.3% from last year and up 17.7% since the start of Quarter 2 2016, a significant increase due to both the return of resale and new product to the market. Pending sales remained flat compared to last year at 3.3% and were up 22.5% since the beginning of Quarter 2 2016. The median price decreased 19.74% quarter-over-quarter to \$1,525,000 but showed an 18.22% increase year-over-year. The 3+ bedroom condo market median price showed the most significant increase year-over-year, up 29.74% and almost no change quarter-over-quarter at \$5,040,337. The median price for 1 bedrooms slipped under the \$1 million threshold for the first time since Quarter 2 2014. Condo 2-bedroom median price slipped under the \$2 million threshold to \$1,999,999 down 12.66% from \$2,290,000.

**Condo June 2015 - June 2016**  
**Pending Sales +3.3% and Active Listings +50.3%**



**Condo Within Quarter 2 2016**  
**Pending Sales +22.5% and +17.7 Active Listings**

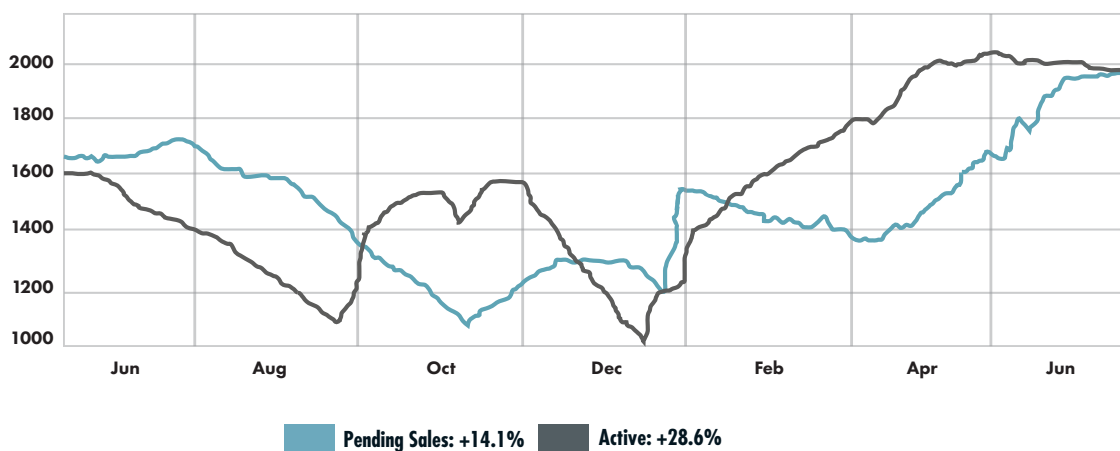


CO-OP MARKET MATRIX

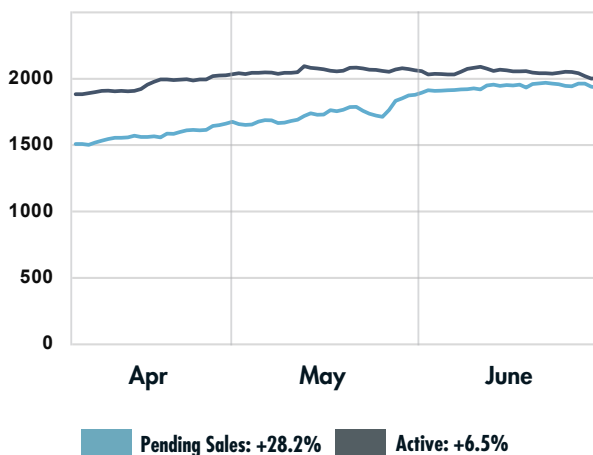
	QTR 2 2016	% CHG (QTR)	QTR 1 2016	% CHG (YR)	QTR 2 2015
Avg Price	\$1,320,447	+1.56%	\$1,300,221	+0.78%	\$1,310,170
Median Price	\$771,000	-0.52%	\$775,000	+3.49%	\$745,000
Avg Price per Sq Ft	\$1,128	-1.06%	\$1,140	+3.74%	\$1,087
Studio (median)	\$435,000	-1.82%	\$443,080	+7.41%	\$405,000
1 Bedroom (median)	\$710,000	+2.90%	\$690,000	+9.23%	\$650,000
2 Bedroom (median)	\$1,250,000	-7.75%	\$1,355,000	-2.91%	\$1,287,500
3+ Bedroom (median)	\$2,810,000	+1.37%	\$2,772,000	-6.18%	\$2,995,000

The co-op market prices remained steady quarter-over-quarter and year-over-year. The average price was \$1,320,447 quarter-over-quarter compared to \$1,300,221 the previous quarter and \$1,310,170 the previous year. The median price was \$771,000 compared to \$775,000 the previous quarter and \$745,000 the previous year. One bedrooms showed the largest increase in median price year-over-year of the bedroom size categories with an increase of 9.23% at \$710,000. Two bedrooms showed the largest decrease in median price quarter-over-quarter at \$1,250,000.

**Co-op June 2015 - June 2016**  
**Pending Sales +14.1% and Active Listings +28.6%**



**Co-op Within Quarter 2 2016**  
**Pending Sales +28.2% and Active Listings +6.5%**





## LUXURY MARKET MATRIX

	QTR 2 2016	% CHG (QTR)	QTR 1 2016	% CHG (YR)	QTR 2 2015
Avg Price	\$9,099,284	+8.24%	\$8,406,954	+7.93%	\$8,431,036
Median Price	\$6,888,602	+2.53%	\$6,718,424	+13.11%	\$6,090,000
Avg Price per Sq Ft	\$2,846	-1.60%	\$2,892	+1.39%	\$2,807

The luxury market is defined as the top 10% of all co-op and condo transactions. The entry threshold for Quarter 2 2016 was \$4,300,000. The average price for luxury submarket crossed the \$9 million threshold at \$9,099,284 up 8.24% from the previous quarter indicative of luxury sales transactions that took place in the previous year. The median luxury price was \$6,888,602 compared to \$6,716,424 the previous quarter and \$6,090,000 the previous year.

## TOWNHOUSE MARKET MATRIX

	QTR 2 2016	% CHG (QTR)	QTR 1 2016	% CHG (YR)	QTR 2 2015
Avg Price	\$4,269,052	-33.37%	\$6,407,541	-43.50%	\$7,555,645
Median Price	\$2,765,000	-54.74%	\$6,109,000	-48.80%	\$5,400,000
Avg Price per Sq Ft	\$1,283	-30.10%	\$1,835	-10.36%	\$1,431

The townhouse market is the smallest submarket with the least number of transactions. It is also priced differently than any other submarket, with the value of each property determined by its unique characteristics. As a result, it is difficult to establish a trend in this submarket as the results are generally mixed. The average price for a townhouse in Quarter 2 2016 was \$4,269,051.72. The median price was \$2,765,000 and the average price per square foot was \$1,282.73.

## DID YOU KNOW...?

In 1916, the city passed the first zoning law in America to regulate skyscrapers. Buildings were required to retreat incrementally from the sidewalks as they grew taller to prevent city streets from becoming gloomy, darkened canyons.

Source: *The Real Deal*, 2016



REAL ESTATE

**MOVE / FORWARD™**

Member  
**REBNY**  
REAL ESTATE BROKERS ASSOCIATION OF NEW YORK



Our company is  
committed to equal  
housing opportunity