

Q4 2023

Manhattan New Development Market Report

SERHANT.

Letter From Coury



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Director of Research

The Manhattan New Development market exhibited a deceleration in signed contracts for the second consecutive quarter, yet it surpassed the performance of the fourth quarter of 2022 by an encouraging 37%. The average price of the 298 sponsor-signed contracts in the fourth quarter witnessed a notable 13% average price increase compared to the same period last year, accompanied by a substantial 10.3% quarter-over-quarter surge. Trophy listings within New Developments, units priced at \$10 million and above, sustained robust demand, with a total of 20 signed contracts in the last quarter. This represents a significant 122% growth from the corresponding period in the previous year and a 54% increase from the preceding quarter. However, despite heightened activity in this price range, it's worth noting that this is also where the most negotiability has been observed in units that have closed. Among the 15 closings in the \$10 million and above threshold, the average discount amounted to 21%. Another welcoming sign for the market is an 8% influx of new listings and an 8.4% increase in total inventory. As we transition into 2024, the convergence of falling mortgage rates and a growing inventory of available units is anticipated to fortify the new development market.

Market Highlights:

Average Price

\$3,434,431

Year-Over-Year

-5.9%

Median Price

\$2,424,218

Year-Over-Year

15.5%

Average PPSF

\$2,172

Year-Over-Year

-0.4%

31%

Share of Inventory
Over \$5M

15.0%

Share of Closings
Over \$5M

272

Average Days On
Market






5%

Average
Discount

Closed Sales

There were 426 new development sales in Manhattan in the fourth quarter of 2023, a 4.7% year-over-year decrease. The median price of these units climbed 15.5% compared to the previous year, reaching the second-highest value on record of \$2.424M. Midtown East, Upper Manhattan, and Downtown were the only submarkets to see positive year-over-year growth. Sales between \$1M and \$2M were the most common, with 30.3% of transactions, while the \$2M-3M and \$3M-5M brackets were the only groups to see growth against last year. Units with one and two bedrooms had the largest market shares, at 38.5% and 35.2%, respectively.

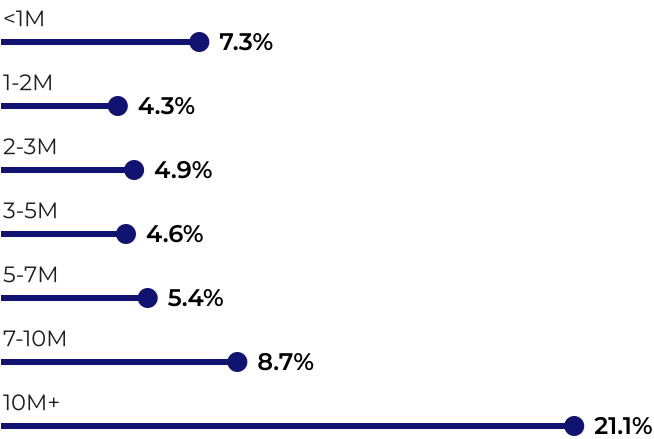
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	2.7%	38.5%	35.2%	18.9%	4.7%
Average Discount	3%	4%	6%	7%	10%
Median Price	\$975,000	\$1,350,000	\$2,673,184	\$5,212,500	\$9,250,000
YoY	25.0%	0.0%	9.1%	1.6%	3.9%
Average Price	\$890,801	\$1,649,113	\$3,017,119	\$5,674,082	\$10,291,306
YoY	8.2%	12.0%	8.4%	-4.0%	-7.9%
Average PPSF	\$1,522	\$2,027	\$2,145	\$2,440	\$2,778
YoY	-4.9%	5.5%	2.2%	-3.7%	-10.4%
Average SF	595	764	1,388	2,283	3,460
YoY	14.6%	-0.8%	6.2%	3.8%	5.3%

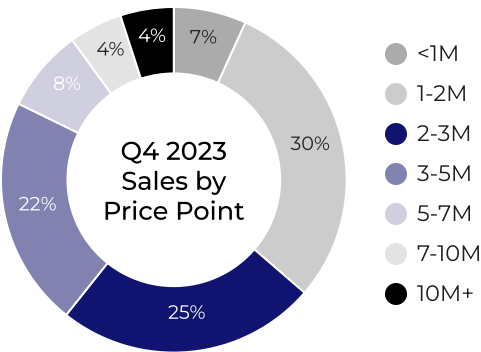
By Location

	Upper Manhattan	Upper East Side	Upper West Side	Billionaire's Row	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8.7%	4.7%	9.2%	2.1%	13.8%	12.4%	43.9%	5.2%
Average Discount	4%	10%	7%	20%	4%	10%	5%	2%
Median Price	\$1,650,000	\$3,390,856	\$2,995,000	\$9,710,000	\$2,020,000	\$1,723,842	\$2,600,000	\$1,386,250
YoY	8.7%	-40.0%	-28.4%	-7.2%	19.5%	18.9%	36.8%	-34.1%
Average Price	\$2,155,211	\$5,386,503	\$4,008,208	\$12,869,725	\$2,314,632	\$2,743,540	\$3,646,261	\$1,801,146
YoY	38.8%	-24.1%	-15.8%	-33.5%	-3.9%	36.1%	36.1%	-29.1%
Average PPSF	\$1,699	\$2,284	\$2,128	\$2,852	\$2,226	\$1,817	\$2,378	\$1,558
YoY	33.6%	-19.2%	-9.4%	-41.8%	19.7%	1.5%	8.8%	-15.2%
Average SF	1,133	2,008	1,841	2,940	952	1,360	1,402	1,156
YoY	-7.1%	-10.7%	-4.7%	-15.9%	-30.1%	30.5%	25.4%	-17.0%

Discount Rate



By Price



Closed Sales

Upper Manhattan

37 Units .. 8.7% Units .. 4% Discount

Upper West Side

39 Units .. 9.2% Units .. 7% Discount

Billionaire's Row

9 Units .. 2.1% Units .. 20% Discount

Midtown West

53 Units .. 12.4% Units .. 10% Discount

Downtown

187 Units .. 43.9% Units .. 5% Discount

Upper East Side

20 Units .. 4.7% Units .. 10% Discount

Midtown East

59 Units .. 13.8% Units .. 4% Discount






Lower Manhattan

22 Units .. 5.2% Units .. 2% Discount

Contracts Signed

There were 298 contracts signed for new development apartments this quarter, representing a 37.3% year-over-year increase. The last asking prices for these properties were 13.1% higher on average and saw a 6.3% jump in average price per square foot. Units signed for \$10M and above experienced significant growth, jumping 122% in contract activity. The \$3M-5M and \$1M-2M price points both captured 25.2% market share and commanded higher prices year-over-year. Downtown again saw the most activity, but impressive increases in contracts signed was seen in Midtown East and Billionaire's Row.

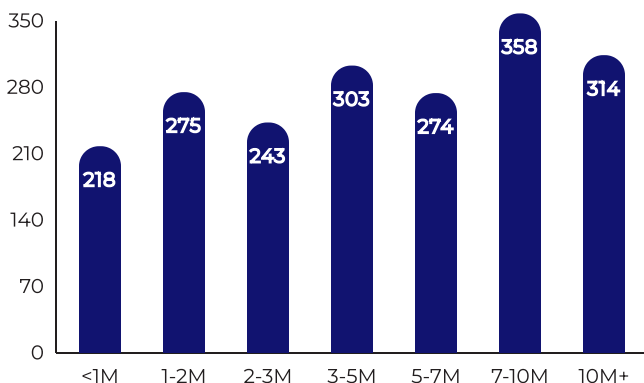
By Bed

	 Studio	 1 Bed	 2 Bed	 3 Bed	 4+ Bed
% Units	5.0%	31.2%	31.9%	26.5%	5.4%
Average Discount	1%	2%	3%	3%	4%
Median Price	\$975,000	\$1,495,000	\$2,775,000	\$4,900,000	\$10,500,000
YoY	22.6%	6.0%	3.0%	3.2%	30.4%
Average Price	\$1,228,267	\$1,722,776	\$3,152,255	\$6,378,992	\$14,586,563
YoY	51.4%	10.9%	0.5%	15.8%	64.2%
Average PPSF	\$1,365	\$1,974	\$2,249	\$2,681	\$3,451
YoY	-17.7%	1.7%	1.5%	14.9%	24.0%
Average SF	618	840	1,377	2,274	3,857
YoY	24.6%	4.7%	-0.4%	2.0%	26.5%

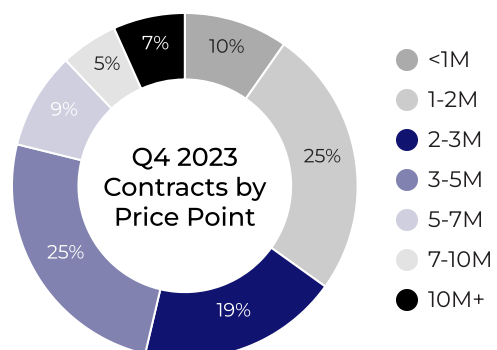
By Location

	Upper Manhattan	Upper East Side	Upper West Side	Billionaire's Row	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8.4%	7.0%	9.1%	3.0%	16.4%	7.4%	42.6%	6.0%
Average Discount	3%	2%	4%	-1%	3%	4%	3%	0%
Median Price	\$1,160,000	\$3,240,000	\$3,800,000	\$14,200,000	\$1,825,000	\$1,996,500	\$3,350,000	\$1,386,250
YoY	8.4%	-4.7%	-7.8%	68.8%	14.4%	1.1%	19.3%	-12.0%
Average Price	\$1,869,280	\$4,019,190	\$4,031,593	\$11,578,111	\$2,083,461	\$4,876,545	\$4,916,321	\$2,083,027
YoY	3.8%	-1.1%	-14.0%	14.4%	-21.2%	49.5%	30.2%	-2.0%
Average PPSF	\$1,523	\$2,278	\$2,332	\$3,710	\$1,975	\$2,181	\$2,613	\$1,586
YoY	8.5%	5.5%	1.2%	-6.4%	6.9%	4.0%	8.2%	-3.1%
Average SF	1,054	1,640	1,733	2,989	1,007	1,759	1,709	1,236
YoY	-13.4%	-10.5%	-5.3%	8.0%	-26.9%	25.3%	17.4%	3.6%

Average Days on Market








By Price



Active Listings

There were 929 active properties on the market at the end of the fourth quarter of 2023, an 8.4% increase from last year, but a 3.8% decrease from last quarter. Most new development inventory was in Downtown, followed by the Upper West Side. Billionaire's Row commanded the highest prices, and saw notably higher prices this year. Active listings were most commonly between \$1M-2M or \$3M-5M. New listings were up year-over-year by 7.6%, but down 15.2% from last quarter, signaling that the inventory shortage across Manhattan is not limited to the resale market.

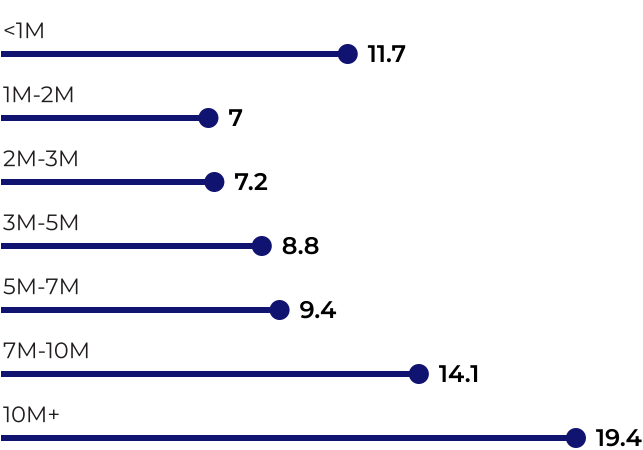
By Bed

					
	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	4.9%	23.6%	30.2%	23.2%	18.1%
Average Discount	0%	0%	0%	0%	0%
Median Price	\$855,000	\$1,455,000	\$2,695,000	\$4,972,500	\$9,250,000
YoY	-	4.0%	-5.4%	3.4%	2.8%
Average Price	\$1,132,422	\$1,688,657	\$3,097,545	\$6,695,037	\$16,012,540
YoY	5.1%	6.6%	-0.5%	0.9%	21.3%
Average PPSF	\$1,711	\$1,949	\$2,116	\$2,619	\$3,417
YoY	-1.6%	5.7%	-	0.3%	6.4%
Average SF	619	868	1,414	2,356	3,977
YoY	2.1%	-1.3%	-0.3%	-1.1%	6.9%

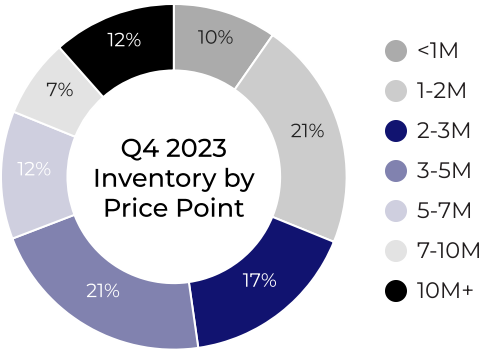
By Location

	Upper Manhattan	Upper East Side	Upper West Side	Billionaire's Row	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8.1%	11.5%	15.5%	3.2%	19.2%	7.9%	29.3%	5.3%
Median Price	\$1,600,000	\$3,750,000	\$3,785,000	\$15,385,000	\$2,597,500	\$2,075,000	\$3,995,000	\$2,045,000
YoY	8.1%	-24.2%	-10.9%	-7.9%	-5.5%	7.5%	5.2%	-4.9%
Average Price	\$1,882,869	\$5,001,486	\$6,725,637	\$30,103,333	\$5,350,720	\$4,347,531	\$5,374,897	\$2,759,243
YoY	-5.9%	-19.7%	39.0%	16.8%	30.9%	5.0%	1.6%	7.0%
Average PPSF	\$1,489	\$2,155	\$2,455	\$5,616	\$2,426	\$2,288	\$2,520	\$1,727
YoY	-2.0%	-10.1%	8.2%	4.9%	10.1%	4.6%	0.2%	3.4%
Average SF	1,238	2,237	2,231	4,182	1,767	1,598	1,997	1,478
YoY	1.7%	-10.9%	10.8%	3.0%	1.6%	0.4%	2.6%	-9.4%

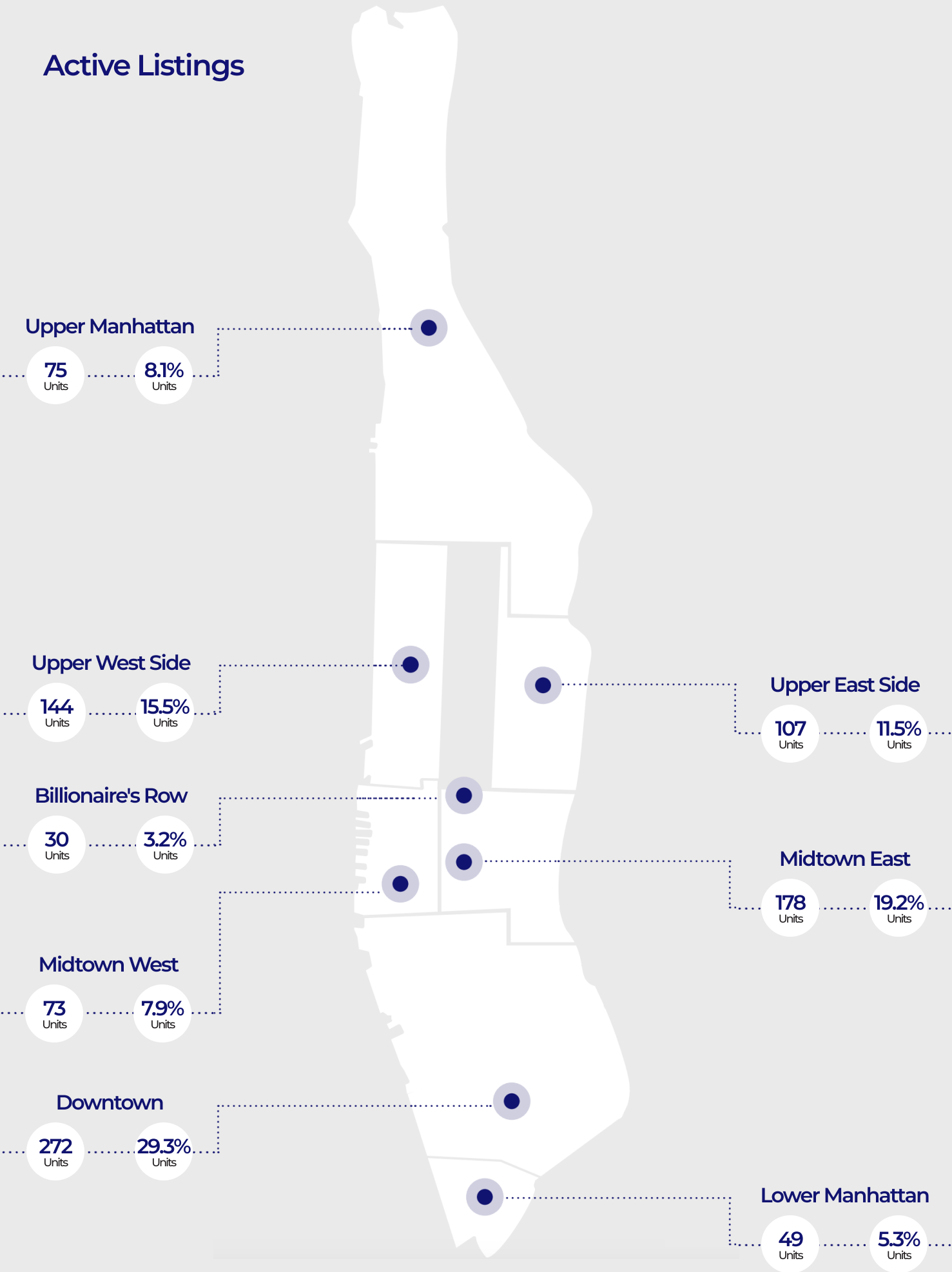
Months of Supply



By Price



Active Listings



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