

# BROWN HARRIS STEVENS

Established 1873

## Manhattan Residential Market Report

Second Quarter 2005



EXCLUSIVE AFFILIATE OF  
**CHRISTIE'S**  
GREAT ESTATES

## *Record Prices Continue*

At \$1,276,964, the average sale price for an apartment in Manhattan set a new record in the second quarter. This figure is 21% higher than prices in the second quarter of 2004 and 9% higher than just three months ago. The median price also set a new record, rising 22% over the past year to \$749,500. After stagnating at the end of 2004, prices have surged in the past six months as a shrinking supply of available apartments has been met with increased demand.

The average price for a cooperative apartment rose 11% over the past three months to a record \$1,170,117. The fact that the median price is only up 1% over this period of time indicates that part of this rise is due to steep increases in the luxury market. Both the average and median prices are 19% higher than during the second quarter of 2004, showing strong growth in the overall co-op market over the past year. Also pointing to the overall health of this market is the average price per room, which is up 19% from 2004's second quarter to \$231,539.

For condominiums, the average price during the second quarter was \$1,416,920, 21% higher than a year ago and another new record. The median price increased more than the average during this time, up 23% to \$900,000. This shows that all sizes of condos are commanding higher prices, not just the upper end of the market. If we look on a per square foot basis, we also see strong growth, as the average price per square foot for condos is up 20% over the past year.

The second quarter brought together both surging demand, due in part to high bonus payouts, and shrinking supply. New listings in most areas were down 20-30% in the first quarter from the year before, and prices rose sharply. While the rate of growth may be slowing in some markets, prices remain well above the same period a year ago as the market's fundamentals remain strong.

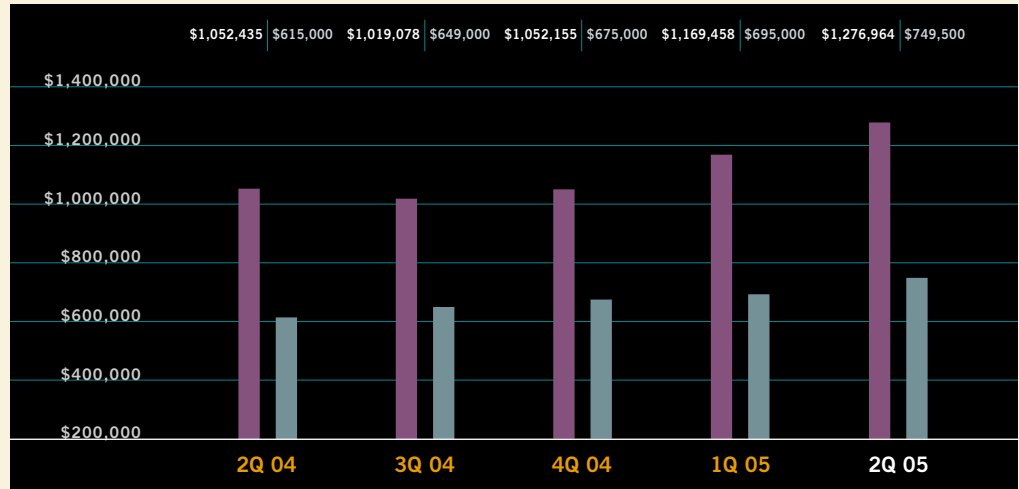
Transaction data for this market report is provided by ValuExchange, a proprietary database that contains data from all Terra Holdings companies and is the largest known survey of the Manhattan residential market. This report is based on 2,570 reported sales.

— Gregory J. Heym  
*Chief Economist, Brown Harris Stevens*

## All Cooperatives and Condominiums

The average price for an apartment reached a new high in the second quarter, rising 21% over the past year to \$1,276,964. The median price rose 22% to \$749,500 during this time.

Average and Median Sale Price



Average Sale Price Median Sale Price

Average Sale Price

|          | 4+ BEDROOM  | 3-BEDROOM   | 2-BEDROOM   | 1-BEDROOM | STUDIO    | ALL         |
|----------|-------------|-------------|-------------|-----------|-----------|-------------|
| 2nd Q 05 | \$7,255,023 | \$2,995,571 | \$1,421,521 | \$638,163 | \$352,270 | \$1,276,964 |
| 1st Q 05 | \$6,628,993 | \$2,717,187 | \$1,315,528 | \$581,623 | \$326,734 | \$1,169,458 |
| 4th Q 04 | \$4,711,411 | \$2,548,310 | \$1,164,596 | \$551,987 | \$326,006 | \$1,052,155 |
| 3rd Q 04 | \$4,973,265 | \$2,309,464 | \$1,169,495 | \$553,225 | \$324,730 | \$1,019,078 |
| 2nd Q 04 | \$5,145,762 | \$2,402,904 | \$1,166,390 | \$524,341 | \$306,681 | \$1,052,435 |

Average Price Per Square Foot

|          | 4+ BEDROOM | 3-BEDROOM | 2-BEDROOM | 1-BEDROOM | STUDIO | ALL   |
|----------|------------|-----------|-----------|-----------|--------|-------|
| 2nd Q 05 | \$1,595    | \$1,285   | \$1,032   | \$842     | \$796  | \$962 |
| 1st Q 05 | \$1,344    | \$1,158   | \$ 952    | \$787     | \$731  | \$891 |
| 4th Q 04 | \$1,308    | \$1,107   | \$ 838    | \$735     | \$698  | \$813 |
| 3rd Q 04 | \$1,316    | \$1,070   | \$ 866    | \$744     | \$697  | \$824 |
| 2nd Q 04 | \$1,252    | \$1,040   | \$ 809    | \$685     | \$658  | \$777 |

Average Price Per Room

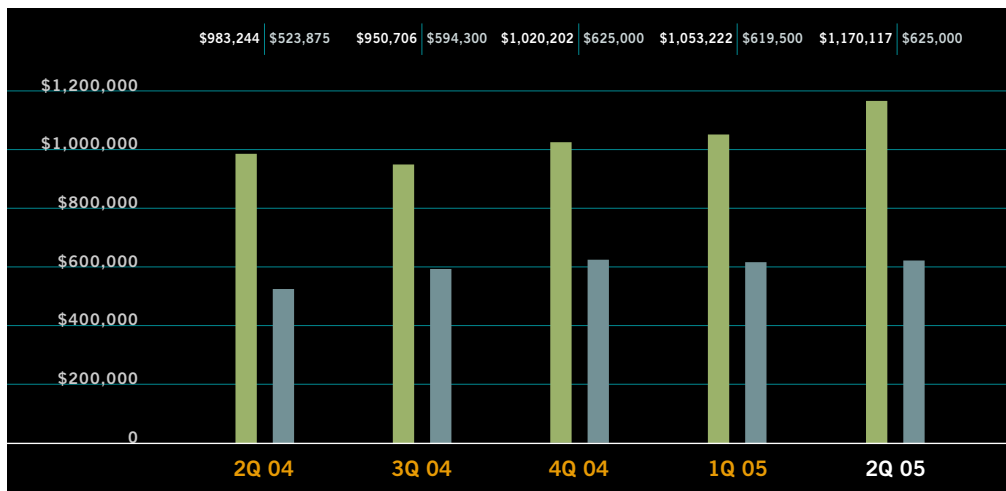
|          | 4+ BEDROOM | 3-BEDROOM | 2-BEDROOM | 1-BEDROOM | STUDIO    | ALL       |
|----------|------------|-----------|-----------|-----------|-----------|-----------|
| 2nd Q 05 | \$727,330  | \$447,941 | \$308,585 | \$199,247 | \$166,555 | \$270,323 |
| 1st Q 05 | \$657,597  | \$419,253 | \$283,152 | \$182,645 | \$150,978 | \$247,783 |
| 4th Q 04 | \$499,396  | \$379,118 | \$248,042 | \$171,890 | \$152,195 | \$224,962 |
| 3rd Q 04 | \$598,423  | \$354,625 | \$249,201 | \$171,885 | \$150,376 | \$224,535 |
| 2nd Q 04 | \$521,439  | \$379,602 | \$248,359 | \$162,935 | \$140,786 | \$222,380 |

## Cooperative Apartments

*Co-op prices averaged \$1,170,117 in the second quarter, 11% higher than the prior quarter.*

*The co-op median price of \$625,000 was up 19% from 2004's second quarter.*

Average and Median Sale Price



Average Sale Price ■ Median Sale Price ■

Average Sale Price

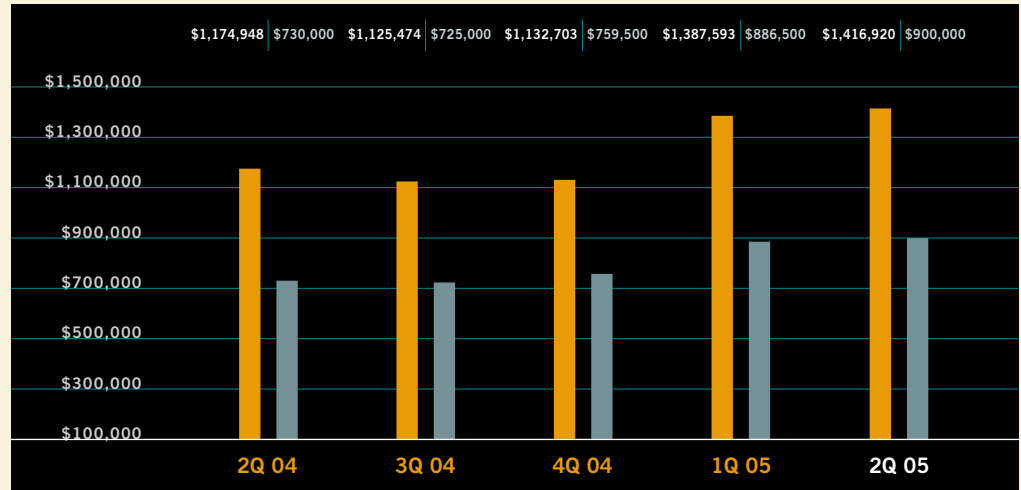
|          | 4+ BEDROOM  | 3-BEDROOM   | 2-BEDROOM   | 1-BEDROOM | STUDIO    | ALL         |
|----------|-------------|-------------|-------------|-----------|-----------|-------------|
| 2nd Q 05 | \$7,365,740 | \$3,104,997 | \$1,274,995 | \$562,270 | \$315,508 | \$1,170,117 |
| 1st Q 05 | \$5,027,016 | \$2,784,150 | \$1,242,479 | \$528,926 | \$299,947 | \$1,053,222 |
| 4th Q 04 | \$4,865,715 | \$2,507,697 | \$1,125,514 | \$499,742 | \$295,499 | \$1,020,202 |
| 3rd Q 04 | \$4,533,319 | \$2,272,196 | \$1,120,269 | \$483,163 | \$283,958 | \$ 950,706  |
| 2nd Q 04 | \$5,400,900 | \$2,419,584 | \$1,066,555 | \$468,612 | \$263,130 | \$ 983,244  |

Average Price Per Room

|          | 4+ BEDROOM | 3-BEDROOM | 2-BEDROOM | 1-BEDROOM | STUDIO    | ALL       |
|----------|------------|-----------|-----------|-----------|-----------|-----------|
| 2nd Q 05 | \$595,778  | \$419,048 | \$260,510 | \$174,415 | \$149,955 | \$231,539 |
| 1st Q 05 | \$580,265  | \$401,875 | \$255,531 | \$163,895 | \$137,267 | \$218,747 |
| 4th Q 04 | \$504,845  | \$353,378 | \$232,749 | \$154,924 | \$137,859 | \$209,049 |
| 3rd Q 04 | \$513,814  | \$325,384 | \$226,773 | \$150,366 | \$130,456 | \$198,866 |
| 2nd Q 04 | \$499,610  | \$325,352 | \$215,766 | \$143,769 | \$122,488 | \$194,107 |

## Condominium Apartments

Average and Median Sale Price



Average Sale Price ■ Median Sale Price ■

Posting an average price of \$1,416,920, condos were 21% more expensive than a year ago. Further highlighting this market's strength was a 23% increase in the median price during this time.

Average Sale Price

|          | 4+ BEDROOM  | 3-BEDROOM   | 2-BEDROOM   | 1-BEDROOM | STUDIO    | ALL         |
|----------|-------------|-------------|-------------|-----------|-----------|-------------|
| 2nd Q 05 | \$7,122,163 | \$2,920,487 | \$1,570,887 | \$734,381 | \$412,872 | \$1,416,920 |
| 1st Q 05 | \$6,960,182 | \$2,653,699 | \$1,430,289 | \$673,297 | \$406,403 | \$1,387,593 |
| 4th Q 04 | \$4,541,200 | \$2,684,513 | \$1,270,479 | \$650,404 | \$401,385 | \$1,132,703 |
| 3rd Q 04 | \$5,619,304 | \$2,402,263 | \$1,275,785 | \$636,023 | \$389,662 | \$1,125,474 |
| 2nd Q 04 | \$4,739,793 | \$2,421,250 | \$1,296,831 | \$609,898 | \$361,341 | \$1,174,948 |

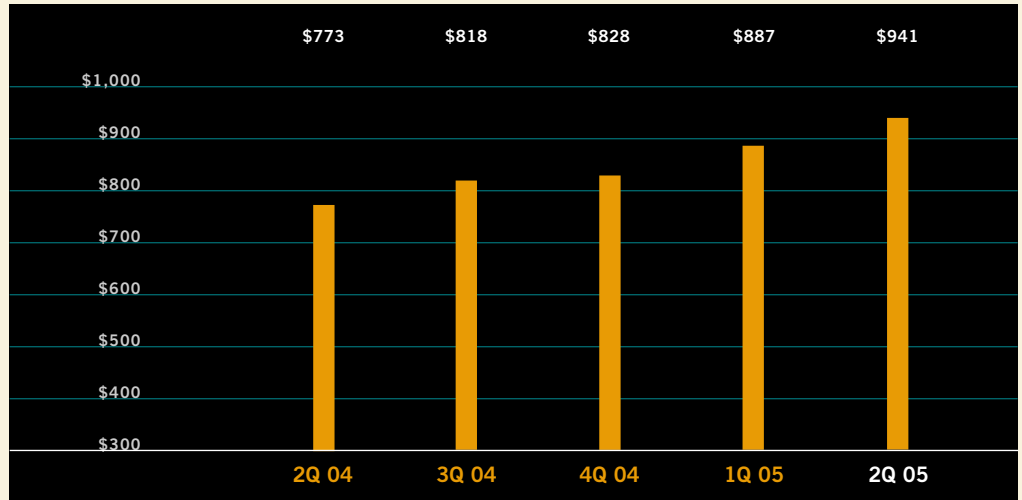
Average Price Per Square Foot

|          | 4+ BEDROOM | 3-BEDROOM | 2-BEDROOM | 1-BEDROOM | STUDIO | ALL     |
|----------|------------|-----------|-----------|-----------|--------|---------|
| 2nd Q 05 | \$1,850    | \$1,346   | \$1,137   | \$949     | \$893  | \$1,081 |
| 1st Q 05 | \$1,783    | \$1,304   | \$1,061   | \$896     | \$871  | \$1,040 |
| 4th Q 04 | \$1,413    | \$1,226   | \$ 957    | \$849     | \$838  | \$ 939  |
| 3rd Q 04 | \$1,432    | \$1,209   | \$ 977    | \$828     | \$812  | \$ 927  |
| 2nd Q 04 | \$1,380    | \$1,119   | \$ 934    | \$790     | \$765  | \$ 902  |

## Lofts

*At a record of \$941 per square foot, the average price for a loft was 22% higher than the second quarter of 2004.*

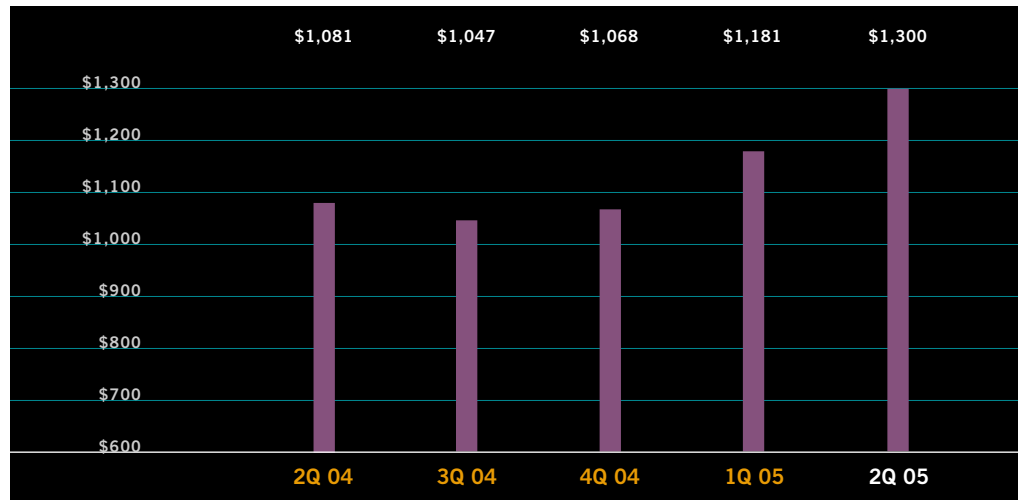
Average Price Per Square Foot



## Townhouses

*Townhouses now command an average price of \$1,300 per square foot, a 20% improvement from a year ago.*

Average Price Per Square Foot



# EAST SIDE

Generally 59th to 96th Street, Fifth Avenue to the East River

Larger apartments led price increases in the East Side market, as the average price for four-bedroom and larger units was 38% higher than a year ago. Also of note was a 19% increase in the average price per square foot for condominiums in this market.

|                  |          | 4+BEDROOM   | 3-BEDROOM   | 2-BEDROOM   | 1-BEDROOM | STUDIO    |
|------------------|----------|-------------|-------------|-------------|-----------|-----------|
| Percent of Sales | 2nd Q 04 | 5%          | 16%         | 33%         | 36%       | 10%       |
|                  | 2nd Q 05 | 5%          | 14%         | 30%         | 41%       | 10%       |
| Average Price    | 2nd Q 04 | \$5,912,823 | \$2,884,581 | \$1,236,603 | \$520,684 | \$315,651 |
|                  | 2nd Q 05 | \$8,186,452 | \$2,983,789 | \$1,412,375 | \$580,274 | \$338,093 |
|                  | % Change | 38%         | 3%          | 14%         | 11%       | 7%        |

## Cooperative

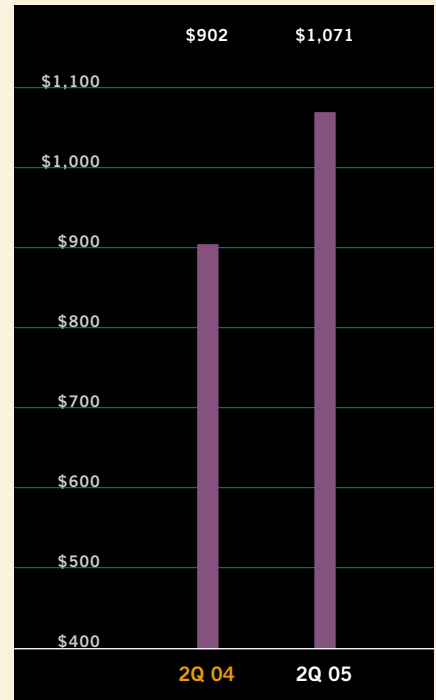
Average Price Per Room



2Q 04 2Q 05

## Condominium

Average Price Per Square Foot



# WEST SIDE

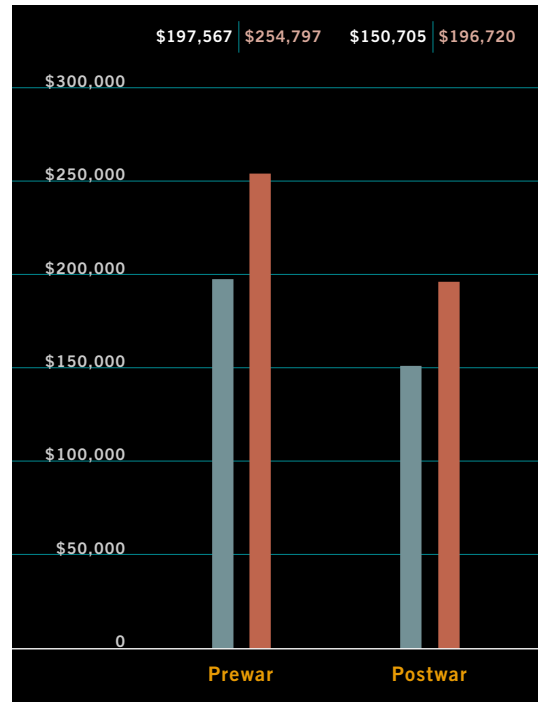
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

On the West Side, a 40% increase in the average price for a three-bedroom apartment was the largest price gain for any size category over the past year. Prices for co-ops in this market were substantially higher than 2004's second quarter, as the average price per room rose 29% for prewar and 31% for postwar units.

|                  |          | 4+ BEDROOM  | 3-BEDROOM   | 2-BEDROOM   | 1-BEDROOM | STUDIO    |
|------------------|----------|-------------|-------------|-------------|-----------|-----------|
| Percent of Sales | 2nd Q 04 | 2%          | 15%         | 31%         | 40%       | 12%       |
|                  | 2nd Q 05 | 3%          | 12%         | 35%         | 38%       | 12%       |
| Average Price    | 2nd Q 04 | \$4,836,589 | \$2,284,696 | \$1,261,668 | \$550,376 | \$303,603 |
|                  | 2nd Q 05 | \$4,996,030 | \$3,209,992 | \$1,298,556 | \$649,313 | \$375,752 |
|                  | % Change | 3%          | 40%         | 3%          | 18%       | 24%       |

## Cooperative

Average Price Per Room



2Q 04 2Q 05

## Condominium

Average Price Per Square Foot





# MIDTOWN

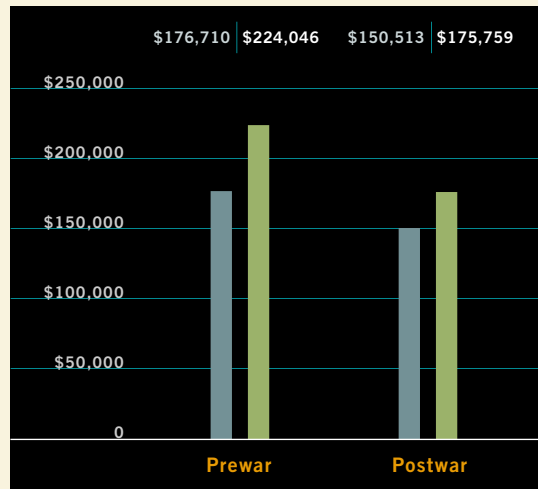
MIDTOWN EAST 34th to 58th Street, Fifth Avenue to the East River

## Cooperative

## Condominium

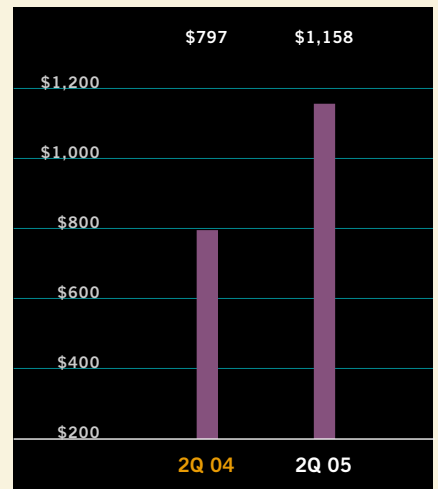
*Driving the strength of the Midtown East market was a 45% increase in the average price per square foot for condos over the past 12 months. This is due in part to a large number of sales closing at One Beacon Court in the second quarter, which helped inflate this statistic.*

Average Price Per Room



2Q 04 2Q 05

Average Price Per Square Foot



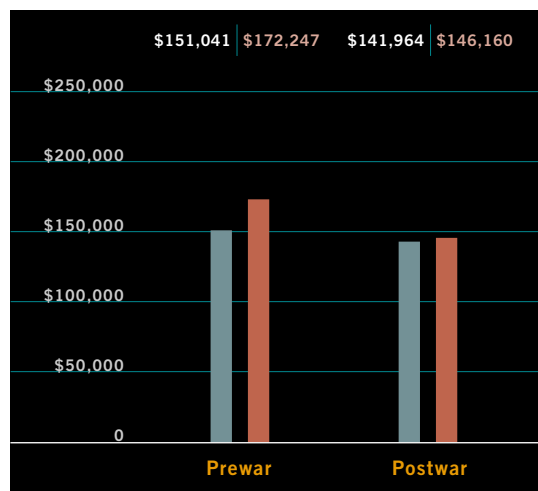
MIDTOWN WEST 34th to 58th Street, Hudson River to West of Fifth Avenue

## Cooperative

## Condominium

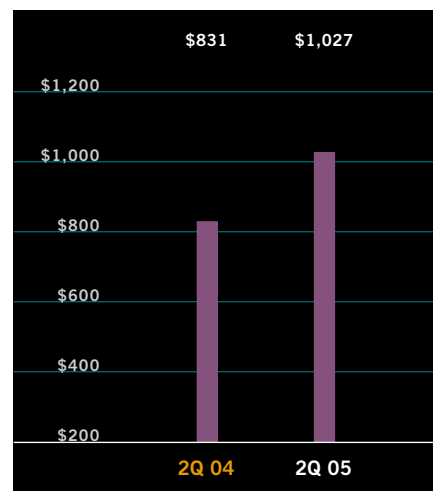
*Condo prices averaged \$1,027 per square foot in the Midtown West market, a 24% improvement from a year ago.*

Average Price Per Room



2Q 04 2Q 05

Average Price Per Square Foot



# DOWNTOWN

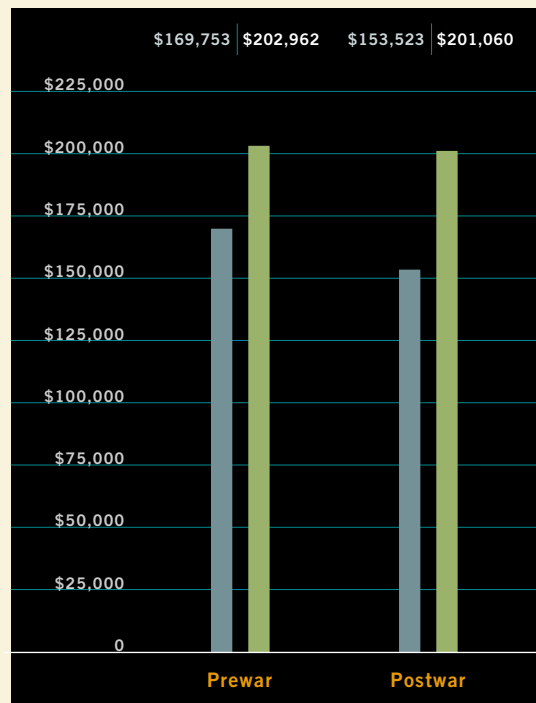
South of 34th Street

The Downtown market remained hot in the second quarter, as a number of new developments continued to push prices to new levels. This is evident in the average price for three-bedroom and larger apartments, which increased 46% in the last year. Also of note was the performance of postwar co-ops, whose average price per room rose 31% during this time to \$201,060.

|                  |          | 3+ BEDROOM  | 2-BEDROOM   | 1-BEDROOM | STUDIO    |
|------------------|----------|-------------|-------------|-----------|-----------|
| Percent of Sales | 2nd Q 04 | 9%          | 25%         | 42%       | 24%       |
|                  | 2nd Q 05 | 9%          | 28%         | 47%       | 16%       |
| Average Price    | 2nd Q 04 | \$1,633,026 | \$1,074,368 | \$505,520 | \$312,374 |
|                  | 2nd Q 05 | \$2,390,672 | \$1,227,244 | \$635,556 | \$350,685 |
|                  | % Change | 46%         | 14%         | 26%       | 12%       |

## Cooperative

Average Price Per Room



2Q 04 2Q 05

## Condominium

Average Price Per Square Foot



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## **BROWN HARRIS STEVENS**

*Everywhere you are.*

### **East Side**

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Ruth McCoy, Executive Vice President

### **Upper East Side**

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Peter Marra, Executive Vice President

### **West Side**

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Jim Gricar, Executive Vice President

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Kurt D. Weyrauch, Senior Vice President

### **Brooklyn Heights**

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Christopher Thomas, Executive Vice President

### **Park Slope**

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MaryAnn Albano, Senior Vice President

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*Palm Beach*

*The Hamptons*

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