

# BROWN HARRIS STEVENS

Established 1873

## Manhattan Residential Market Report

Third Quarter 2004



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

## *Steady Growth Continues*

The average price for a Manhattan apartment remained over the \$1 million mark in the third quarter, rising 18% over the past year to \$1,019,078. The median price showed an even greater improvement, jumping 34% during this time to \$649,000. The median price is considered a more stable indicator of the overall market, as it is not impacted by sales at the extreme high end of the price range. The fact that the median price is up more than the average tells us that the overall market is stronger and high end sales are comprising a smaller percentage of the total transactions. It also should be noted that the average price in the third quarter of 2003 was inflated in large part by one memorable sale, the \$42.25 million penthouse at the Time Warner Center.

Price growth was seen in all markets over the past year and in all sizes of apartments. The greatest increase was seen in two-bedroom apartments Downtown, which rose 42% in price during this time to an average of \$1,035,632. On the West Side three-bedrooms fared best, as the average price of \$2,441,247 was 33% higher than a year ago. East Side apartments of all sizes posted strong pricing gains, led by studios which, at an average of \$315,454 were 32% more expensive than the third quarter of 2003.

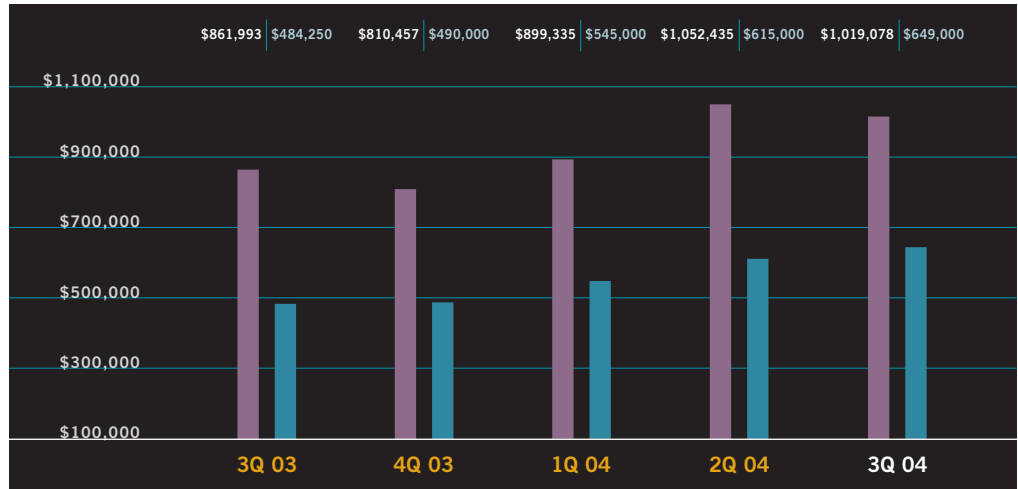
After losing 55,000 jobs in 2003 and over 200,000 in the last recession New York companies are finally hiring. Over 33,000 jobs are expected to be added this year, and the unemployment rate is at its lowest level since September 2001. Interest rates, the driving force behind the current market, still remain low and although the Fed has begun its “measured” increases they will not significantly affect prices in the near future. All of this points to a steady pace of growth in prices more in line with historical trends, and more sustainable than recent record levels.

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 2,206 reported sales.

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

## All Cooperatives and Condominiums

Average and Median Sale Price



The average price of an apartment in Manhattan rose 18% from the third quarter of 2003 and remains over \$1 million. During the same time the median price jumped 34% to \$649,000.

Average Sale Price ■ Median Sale Price

Average Sale Price

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
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
1st Q 04	\$5,091,421	\$2,191,806	\$1,050,598	\$475,513	\$266,630	\$ 899,335
4th Q 03	\$3,550,914	\$1,885,836	\$ 990,971	\$461,925	\$266,628	\$ 810,457
3rd Q 03	\$4,613,979	\$1,918,039	\$ 995,086	\$442,645	\$256,319	\$ 861,993

Average Price Per Square Foot

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
3rd Q 04	\$1,316	\$1,070	\$866	\$744	\$697	\$824
2nd Q 04	\$1,252	\$1,040	\$809	\$685	\$658	\$777
1st Q 04	\$1,226	\$ 982	\$882	\$623	\$561	\$743
4th Q 03	\$1,053	\$ 879	\$703	\$603	\$552	\$667
3rd Q 03	\$1,153	\$ 866	\$698	\$691	\$528	\$704

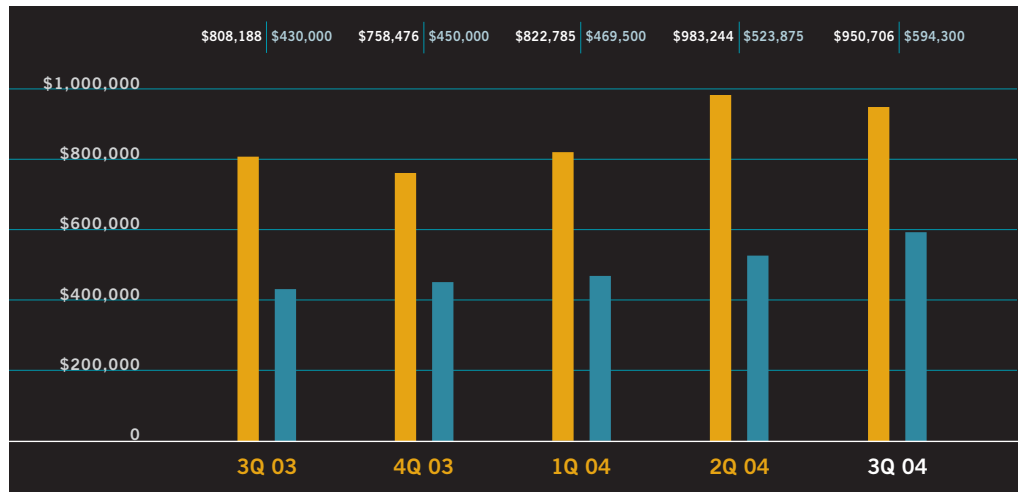
Average Price Per Room

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
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
1st Q 04	\$520,374	\$328,851	\$223,899	\$149,452	\$123,086	\$195,350
4th Q 03	\$390,886	\$288,689	\$210,524	\$144,861	\$122,795	\$182,118
3rd Q 03	\$461,063	\$284,736	\$206,967	\$138,478	\$117,113	\$181,448

## Cooperative Apartments

*The cooperative median price during the third quarter was 38% higher than a year ago. The average price per room for a co-op is up 24% during the past 12 months.*

Average and Median Sale Price



Average Sale Price ■ Median Sale Price ■

Average Sale Price

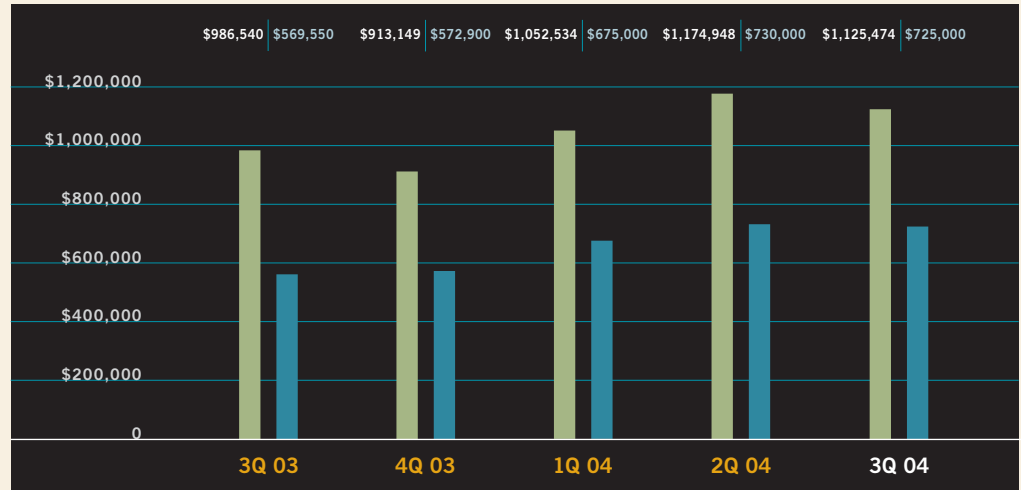
	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
3rd Q 04	\$4,533,319	\$2,272,196	\$1,120,269	\$483,163	\$283,958	\$950,706
2nd Q 04	\$5,400,900	\$2,419,584	\$1,066,555	\$468,612	\$263,130	\$983,244
1st Q 04	\$4,902,273	\$2,045,945	\$ 969,221	\$438,149	\$236,864	\$822,785
4th Q 03	\$3,293,864	\$1,825,066	\$ 951,263	\$425,676	\$236,704	\$758,476
3rd Q 03	\$4,559,139	\$1,857,007	\$ 973,854	\$398,815	\$236,879	\$808,188

Average Price Per Room

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
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
1st Q 04	\$451,732	\$287,808	\$195,660	\$136,062	\$108,467	\$171,569
4th Q 03	\$347,355	\$261,572	\$192,410	\$132,501	\$107,761	\$164,748
3rd Q 03	\$449,659	\$262,417	\$194,911	\$124,108	\$107,483	\$166,233

## Condominium Apartments

Average and Median Sale Price



The median price for condominiums of \$725,000 was a 27% increase from the third quarter of 2003.

The average price per square foot for condos improved 22% from a year ago.

Average Sale Price

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
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
1st Q 04	\$5,643,799	\$2,426,436	\$1,197,529	\$544,044	\$336,852	\$1,052,534
4th Q 03	\$4,119,466	\$2,022,382	\$1,075,171	\$527,988	\$319,888	\$ 913,149
3rd Q 03	\$4,696,240	\$2,003,974	\$1,040,306	\$524,206	\$302,776	\$ 986,540

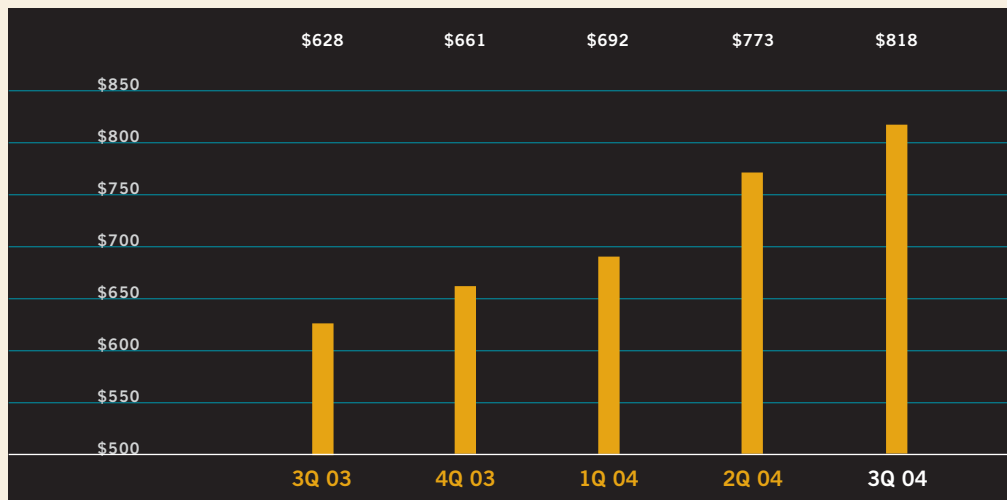
Average Price Per Square Foot

	4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO	ALL
3rd Q 04	\$1,432	\$1,209	\$977	\$828	\$812	\$927
2nd Q 04	\$1,380	\$1,119	\$934	\$790	\$765	\$902
1st Q 04	\$1,415	\$1,076	\$906	\$702	\$676	\$827
4th Q 03	\$1,218	\$ 999	\$804	\$683	\$634	\$766
3rd Q 03	\$1,259	\$ 929	\$776	\$674	\$611	\$758

## Lofts

*The sharp ascent in loft prices continued during the third quarter as their average price per square foot of \$818 was 30% higher than a year ago.*

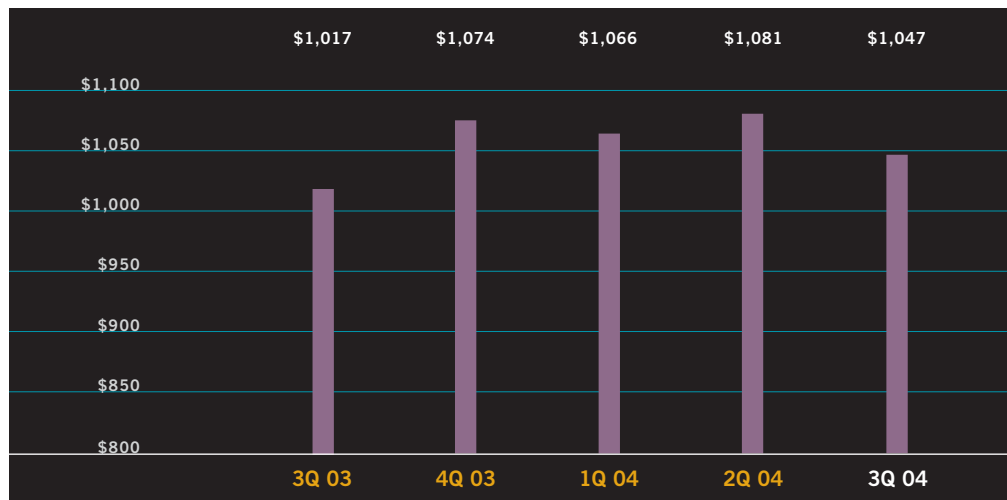
Average Price Per Square Foot



## Townhouses

*Townhouse prices remain flat, at an average of \$1,047 per square foot.*

Average Price Per Square Foot



# EAST SIDE

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

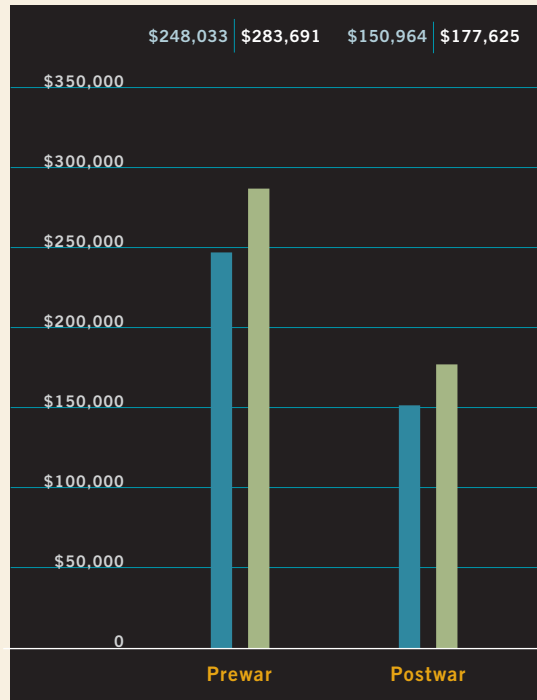
The highest gains in prices on the East Side were posted by studio and one-bedroom apartments, up 32% and 31% respectively.

Also of note was the performance of condos, whose average price per square foot is up 25% from a year ago.

		4+BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO
Percent of Sales	3rd Q 03	5%	15%	32%	37%	11%
	3rd Q 04	5%	15%	31%	38%	11%
Average Price	3rd Q 03	\$4,408,439	\$2,003,870	\$1,050,841	\$416,761	\$239,832
	3rd Q 04	\$5,325,046	\$2,419,203	\$1,208,278	\$545,800	\$315,454
	% Change	21%	21%	15%	31%	32%

## Cooperative

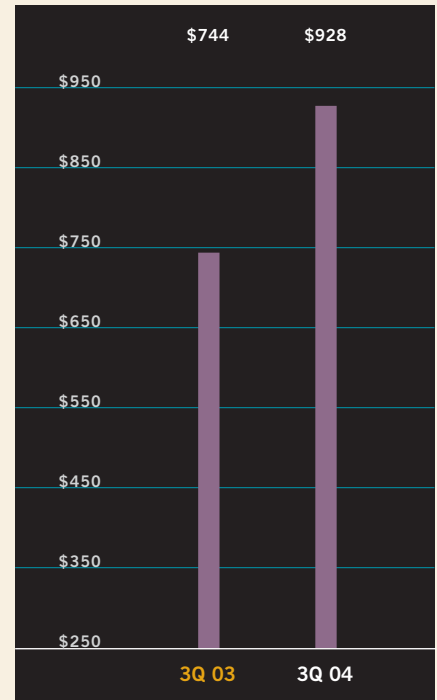
Average Price Per Room



3Q 03 3Q 04

## Condominium

Average Price Per Square Foot



# WEST SIDE

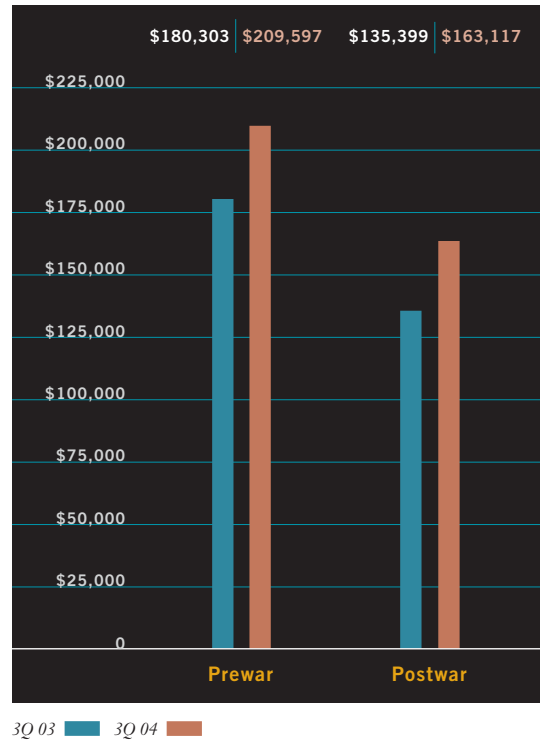
Generally 59th to 110th Street, Hudson River to West of Fifth Avenue

Three-bedroom apartments thrived on the West Side, rising 33% in price from 2003's third quarter. Condos continued their steep increase in this market, rising 34% to an average price of \$1,075 per square foot.

		4+ BEDROOM	3-BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO
Percent of Sales	3rd Q 03	3%	10%	38%	37%	12%
	3rd Q 04	3%	12%	36%	37%	12%
Average Price	3rd Q 03	\$4,624,048	\$1,840,641	\$ 990,486	\$483,896	\$269,159
	3rd Q 04	\$4,044,167	\$2,441,247	\$1,279,350	\$551,129	\$323,710
	% Change	-13%	33%	29%	14%	20%

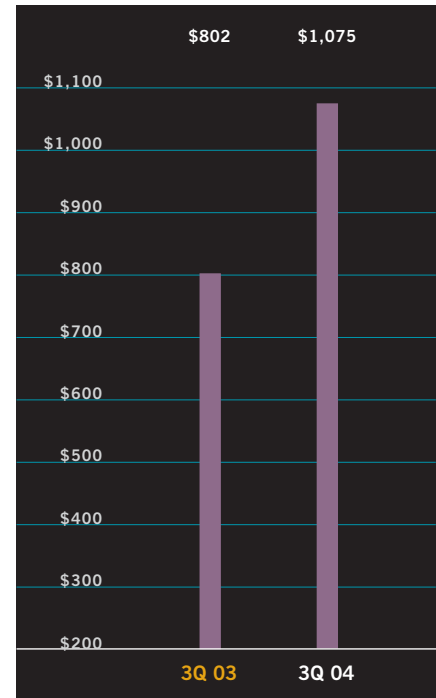
## Cooperative

Average Price Per Room



## Condominium

Average Price Per Square Foot



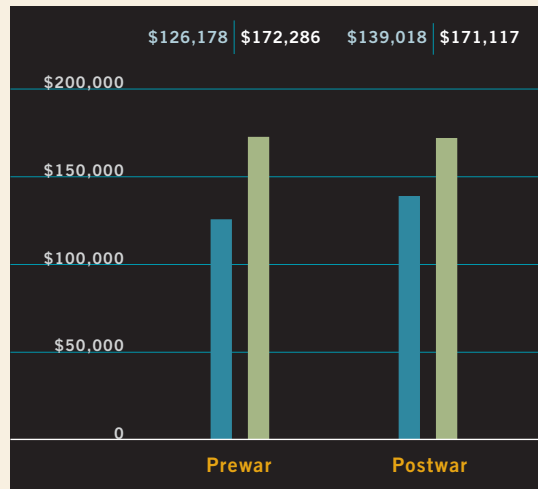


# MIDTOWN

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

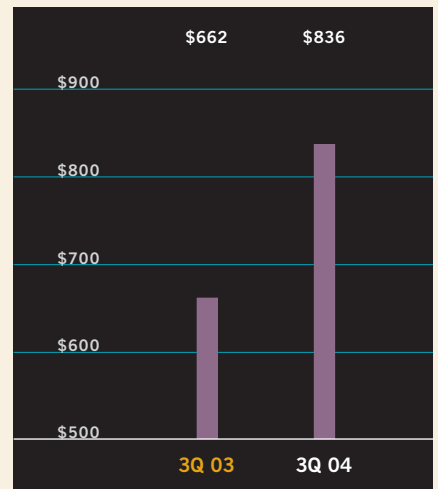
## Cooperative

Average Price Per Room



## Condominium

Average Price Per Square Foot



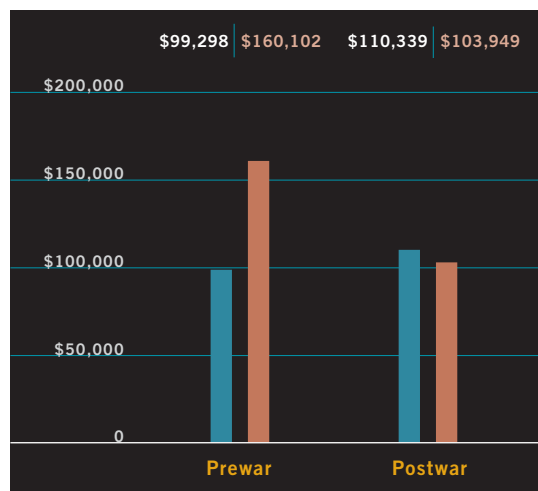
The average price per room for co-ops in the Midtown East market was up 37% for prewar and 23% for postwar units. Condos in this market rose 26% in price to an average of \$836 per square foot.

3Q 03 3Q 04

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

## Cooperative

Average Price Per Room



## Condominium

Average Price Per Square Foot



Although a significant gain in price was posted for prewar co-ops in the Midtown West market, the low number of apartments in this market can cause large fluctuations in prices.

3Q 03 3Q 04

# DOWNTOWN

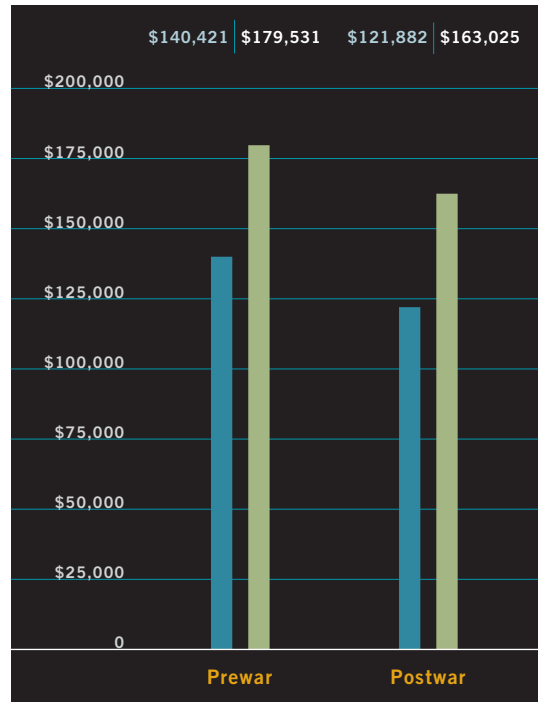
South of 34th Street

*In the Downtown market two-bedroom apartments showed tremendous growth, rising 42% in price over 2003's third quarter. Co-ops drove this increase, as their average price per room rose 28% for prewar and 34% for postwar units.*

		3+ BEDROOM	2-BEDROOM	1-BEDROOM	STUDIO
Percent of Sales	3rd Q 03	6%	21%	49%	24%
	3rd Q 04	8%	26%	45%	21%
Average Price	3rd Q 03	\$1,621,085	\$ 730,603	\$422,397	\$275,598
	3rd Q 04	\$1,784,259	\$1,035,632	\$536,183	\$322,751
	% Change	10%	42%	27%	17%

## Cooperative

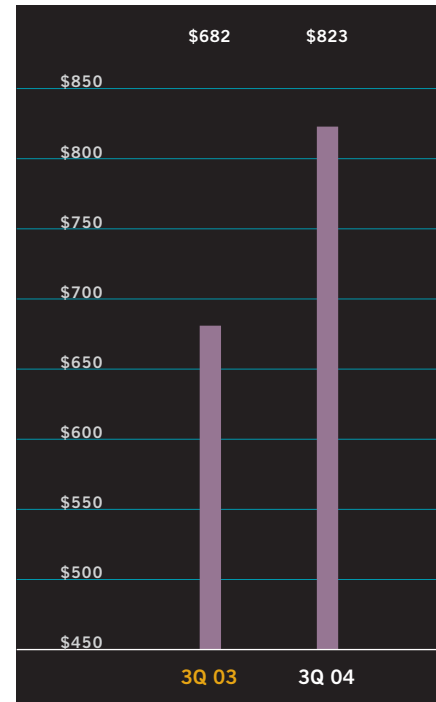
Average Price Per Room



3Q 03 3Q 04

## Condominium

Average Price Per Square Foot



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Gregory J. Heym serves as the Chief Economist for Brown Harris Stevens and serves on the City's Economic Advisory Panel. He has covered the residential real estate market for the past ten years, and was the author of the Real Estate Board of New York's cooperative and condominium sales reports prior to joining Brown Harris Stevens. Mr. Heym's academic background includes a B.S. in Economics from Saint John's University and an M.B.A. from Hofstra University.



## **BROWN HARRIS STEVENS**

*Everywhere you are.*

### **East Side**

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Hall F. Willkie, President  
Ruth McCoy, Executive Vice President

### **Upper East Side**

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Peter Marra, Executive Vice President

### **West Side**

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