



# My Thoughts On 2013 Townhouse Sales

Undoubtedly you have read reports in the media about the strong sales New York City real estate enjoyed in 2013. But while the lack of apartment inventory had apartment buyers in a frenzy, townhouses did not see quite the same enthusiasm. Of course, townhouses have their own fan base, as discriminating as luxury apartment buyers, both foreign and domestic. There were an average of 247 active townhouse listings at any one time. And there were 225 houses sold during the year. My data comes from numbers I carefully keep of single family and multi-family (generally fewer than 11 units or mixed use buildings) sales. So if you are interested in Manhattan townhomes as an owner, an investor or a prospective owner, here are some numbers and stories from the last year, and predictions for 2014:

## Upper West Side

Despite a record number of \$10M+ houses offered for sale on the UWS last year, only 4 houses sold for over \$10,000,000. And the average price/sq. ft. was a disappointing \$1,700. The UWS remained the most undervalued among the prime market areas I cover. We are going into 2014 with a dozen unsold \$10M+ single family homes on the UWS and 8 to 10 more are coming on the market. However, I expect we will see at least a doubling of such sales in 2014 (as of this writing there already are 2 houses in contract). Historically, such luxury houses were a rare find on the UWS but with so many houses being bought by developers for conversion to single family homes, that clearly is changing.

The under \$10,000,000 market on the UWS was fairly robust with 34 houses sold. The single families sold were hovering just below \$1,400/sq. ft. on average and multi-families just above \$1,000/sq. ft. In fact, reflecting the demand for multi families wanted for conversion to single families, some of the multi families exceeded the price/sq. ft. paid for some of the single families.

## Upper East Side

The Upper East Side continued its domination of single family home sales in the City. As I have noted before, because so many single family town homes exist on the UES, the number of single family sales there always exceeds the totals for any other neighborhood. In fact, over 60% of all UES town houses which traded in 2013 were single family homes. The average selling price/sq. ft. was solidly over \$1,800. But averages don't tell the full story: these sales ranged from 21 Beekman Place— a single family in the Sutton area at \$4,754/sq. ft.

to under \$900/sq. ft. for a 3-story older renovation on East 68th between Second and Third Avenues. That's a far bigger spread than any other neighborhood. And with several sales of \$35M and more, the highest prices realized on the UES were far ahead of the UWS and Downtown numbers as well. Having worked directly with multiple buyers looking for "trophy" UES properties this year, I can tell you there was a small inventory to choose from. Well located properties will continue to draw attention this coming year, especially from foreign buyers.

## Downtown

House sales transactions Downtown out numbered any other neighborhood and multi-family properties were 71% of the sales, suggesting investors were the most aggressive buyers Downtown. Of the 28 single family homes sold, 20 were under \$10,000,000. Lots of single family houses traded around \$5,000,000. Note there are more small single family homes Downtown than in any other market area. The two highest priced sales were not actually town homes in the truest

| 2013 Closings |                          |                        |                                       |                                |   |                                    |
|---------------|--------------------------|------------------------|---------------------------------------|--------------------------------|---|------------------------------------|
|               | Total Townhouse Closings | Single Family Closings | Avg. Price (omit Single Family homes) | Avg. Price Single Family Homes | Avg. \$/sq.ft. (omit Single Family Homes) | Avg. \$/sq.ft. Single Family Homes |
| UWS           | 38                       | 9                      | \$5,567,586                           | \$8,478,444                    | \$1,019                                   | \$1,354                            |
| UES           | 63                       | 40                     | \$9,956,349                           | \$11,157,560                   | \$1,413                                   | \$1,827                            |
| Downtown      | 99                       | 28                     | \$7,047,662                           | \$7,801,293                    | \$1,333                                   | \$2,021                            |

sense: 144 Duane Street— a 41' wide mixed-use building sold for \$43,000,000. More a small commercial building sale than a true townhome, the upper three floors did dominate the property as a fabulous triplex home. The only other Downtown sale this year over \$20,000,000 was the three building live/work compound

of photographer Annie Leibovitz that closed at the very end of December for \$28,500,000. Again, this was a hybrid commercial building sale. The \$2,021 average price/sq. ft. for Downtown single families resulted from these being much smaller houses on average than are found Uptown. Also, demand for prime location multi-family buildings Downtown, many destined for conversion to single families or high-end condos pushed the average price/sq. ft. over \$1,300. The outlook Downtown looks bright for 2014 – not even a month into 2014, we already have a downtown single family sale at 42 West 12th Street for \$28,000,000 or \$3,373/sq. ft.

I have a great deal of additional data on sales trends in the town house market that are not gathered by market researchers or other industry experts. I am happy to share to share this information with my readers, so if you are interested in learning more, don't hesitate to call me.

**Wolf Jakubowski**

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10.  **Townhouse Research Methods.** A concise summary of the latest townhouse research sources.
11.  **"NYC Real Property Taxes"** as explained by William Block, Esq.
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