

# Overall Manhattan Market Update: July 2021

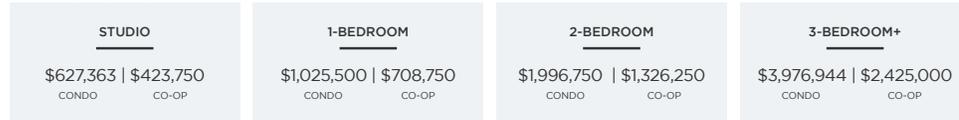
## MARKET PULSE



## PRICING



## MEDIAN SALES PRICE



Data courtesy of ACRIS, MillerSamuel, PropertyShark, and UrbanDigs. Data reflective of Manhattan condo and co-op resale market. Current as of July 2021.

## MANHATTAN MARKET UPDATE

Manhattan is back and the world, especially the media, is taking notice. While the local suburban and many national markets experienced unprecedented increases in buyer demand and limited inventory for the past year, Manhattan took longer to gain momentum and had a higher level of inventory. Many of the national markets that experienced that rapid demand boom have started to peak and are slowing, in part due to rapidly rising prices. Meanwhile, **Manhattan presents an opportunity still in the early innings, as the city comes back to life, to reinvent itself and prices are only just beginning to increase.** Buyers are taking notice, and demand in Manhattan exploded in the second quarter, shattering previous records

**Manhattan Supply** increased 2.6% in June to 7,134 units for sale as this month set a record for new supply in the month of June over the last 10-years. As seasonally expected, in June, 1,731 new apartments were listed, less than last month when 1,938 new listings came to the market (-10% decrease month over month). Compared to the previous ten years of June, June 2021 total supply is the second highest, after June 2019 (reference chart below).

**While the local suburban** and many national markets experienced unprecedented increases in buyer demand and limited inventory for the past year, Manhattan took longer to gain momentum and had a higher level of inventory.

**Manhattan presents an** opportunity still in the early innings, as the city comes back to life, to reinvent itself and prices are only just beginning to increase.

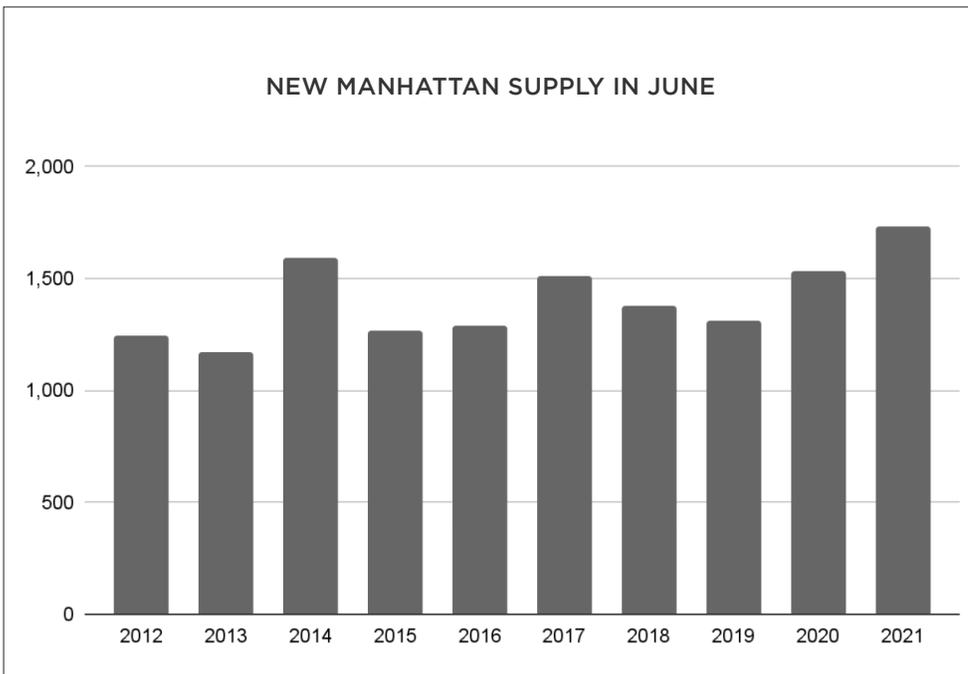
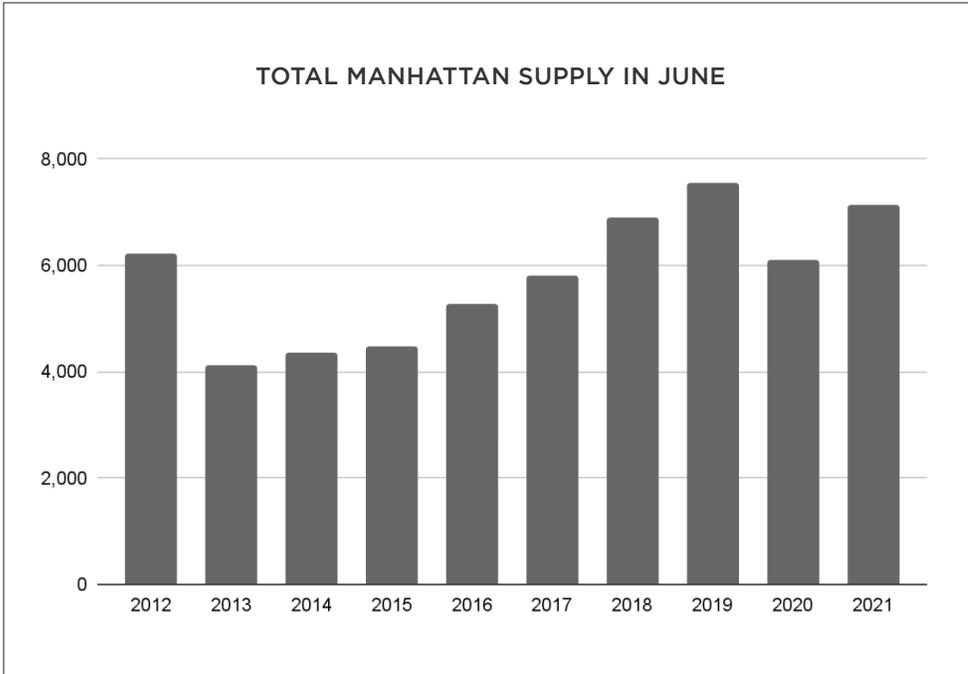
**Manhattan Supply increased** 2.6% in June to 7,134 units for sale as this month set a record for new supply in the month of June over the last 10-years.

**Compared to the previous ten** years of June, June 2021 total supply is the second highest, after June 2019.

## Elegran Research

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*Note: "Total Supply" refers to the amount of inventory on the market at a given time. "New Supply" refers to the amount of new inventory that came on the market in a specific time period.*

Over the last month, the total amount of inventory increased across all price ranges except the \$1-2M range, which declined by 1%. Across the neighborhoods, supply increased, with a 7% increase in Upper Manhattan and only a 1% increase in the Downtown markets. There was no change in supply for 1-bedroom apartments and a 4% change in supply for 2-bedroom apartments.

**Over the last month, the** total amount of inventory increased across all price ranges except the \$1-2M range, which declined by 1%.

#### MANHATTAN INVENTORY BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
# of Listings	1,149	1,489	1,618	1,699	722	457
% Change from last month	+4%	+2%	-1%	+4%	+2%	+11%
% Change from last year	+44%	+22%	+3%	+3%	+19%	+21%

**Across the neighborhoods,** supply increased, with a 7% increase in Upper Manhattan and only a 1% increase in the Downtown markets.

**Manhattan Buyer Activity** as measured by signed contracts, set a new decade high for the month of June with 1,440 contracts, which is a decrease of 8.6% from May.

#### MANHATTAN INVENTORY BY NEIGHBORHOOD

	Upper Manhattan	Upper East Side	Upper West Side	Midtown	Downtown
# of Listings	634	1,565	1,020	2,518	1,379
% Change from last month	+7%	+2%	+3%	+3%	+1%
% Change from last year	+47%	+12%	+12%	+19%	+2%

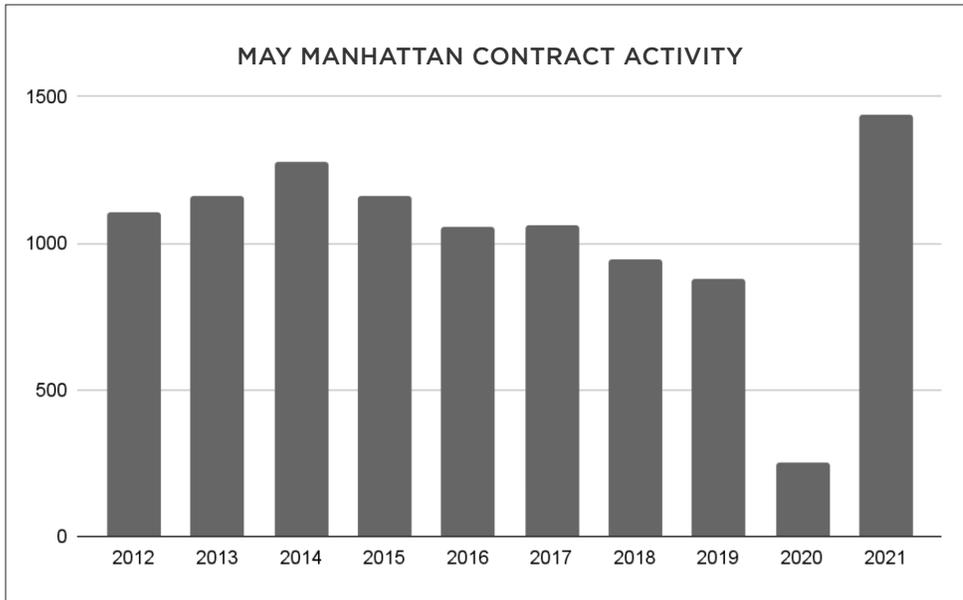
**Throughout the second** quarter, buyers have been incredibly active in the Manhattan market as the city reopens and prepares for a larger return to the office this fall.

#### MANHATTAN INVENTORY BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
# of Listings	854	2,32	2,041	2,155
% Change from last month	+3%	0%	+4%	+3%
% Change from last year	+38%	+15%	+7%	+13%

**Buyers looking to purchase** today will experience a more competitive market, but not ultimately higher prices than those buyers who bought 6-9 months ago.

**Manhattan Buyer Activity** as measured by signed contracts, set a **new decade high for the month of June with 1,440 contracts, which is a decrease of 8.6% from May.** Throughout the second quarter, buyers have been incredibly active in the Manhattan market as the city reopens and prepares for a larger return to the office this fall. **Contract activity has been at unprecedented levels, even when compared to the boom years of last decade (2012-2015).** This sharp increase in buyer demand is reducing negotiability and beginning to drive prices higher. It's important to note that the increase in demand over the last 6 months is only just starting to lead to price increases as price appreciation lags buyer demand. Buyers looking to purchase today will experience a more competitive market, but not ultimately higher prices than those buyers who bought 6-9 months ago.



In the last month, contract activity decreased across all price ranges.

The \$2-5M range saw the greatest decrease in contract volume, down 27% over the last month, followed by the \$5-10M range, down 12%.

The declines in contract volume were less pronounced in the lower price ranges, down only 1% for homes priced under \$600K and down 2% for homes priced \$600K-1M.

In the last month, contract activity decreased across all price ranges. The \$2-5M range saw the greatest decrease in contract volume, down 27% over the last month, followed by the \$5-10M range, down 12%. The declines in contract volume were less pronounced in the lower price ranges, down only 1% for homes priced under \$600K and down 2% for homes priced \$600K-1M. This is in line with typical summer seasonal consumer patterns as contract activity declines, most notably for the higher price points who often are vacationing outside NYC. Relatedly, there was a 17% decrease in contract volume over the last month for 2 and 3+ bedroom apartments, while there was a 5% increase in contract activity for 1-bedroom apartments. Upper Manhattan saw a 5% increase in contract activity while the other neighborhoods saw a decline, with the largest decrease occurring in the Downtown market.

#### MANHATTAN CONTRACT ACTIVITY BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
# of Contracts Signed	274	391	404	258	76	37
% Change from last month	-1%	-2%	-4%	-27%	-12%	-2%
% Change from last year	+427%	+531%	+531%	+406%	+300%	+640%

#### MANHATTAN CONTRACT ACTIVITY BY NEIGHBORHOOD

	Upper Manhattan	Upper East Side	Upper West Side	Midtown	Downtown
# of Contracts Signed	127	343	240	438	286
% Change from last month	+5%	-1%	-7%	-8%	-17%
% Change from last year	+338%	+547%	+471%	+441%	+496%

### MANHATTAN CONTRACT ACTIVITY BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
# of Contracts Signed	189	531	423	296
% Change from last month	-5%	+5%	-17%	-17%
% Change from last year	+397%	+490%	+513%	+429%

### MANHATTAN'S MARKET PULSE CONTINUES TO RISE

All neighborhoods remain a “seller’s market”. The Market Pulse [a ratio between pending sales and supply], an indicator of leverage between buyers and sellers, declined slightly last month as supply increased. A declining market pulse indicates that leverage is shifting from seller’s towards buyers, but the current market pulse of 0.76 indicates the overall Manhattan market is still firmly in seller’s market territory. [A Market Pulse below 0.4 is considered a buyer’s market, a Market Pulse between 0.4 and 0.6 is considered a neutral market and a Market Pulse above 0.6 is considered a seller’s market.] In a seller’s market, sellers often have more leverage than buyers because demand is greater than supply, resulting in apartments selling quickly, fewer discounts and increased bidding wars. The market has seen prices increase and overall discounts decrease over the last month.

### MANHATTAN MARKET PULSE



Chart courtesy of UrbanDigs.

The market pulse decreased for the \$2-\$5M price range over the last month as a result of an increase in supply and decline in contract activity. The market pulse remained stable for all other price ranges. The market pulse increased slightly for the Upper East Side market, and decreased for other neighborhoods. The market pulse increased slightly for studios and 1-bedrooms while decreased for 2-bedroom apartments.

### MANHATTAN MARKET PULSE BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
Market Pulse	0.87	0.92	0.92	0.66	0.44	0.3
% Change from last month	0%	-1%	+1%	-8%	0%	0%
% Change from last year	+129%	+171%	+268%	+247%	+214%	+329%

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**A Market Pulse below 0.4 is** considered a buyer’s market, a Market Pulse between 0.4 and 0.6 is considered a neutral market and a Market Pulse above 0.6 is considered a seller’s market.

**In a seller’s market, sellers** often have more leverage than buyers because demand is greater than supply, resulting in apartments selling quickly, fewer discounts and increased bidding wars.

**The market pulse decreased** for the \$2-\$5M price range over the last month as a result of an increase in supply and decline in contract activity.

**The market pulse remained** stable for all other price ranges.

MANHATTAN MARKET PULSE BY NEIGHBORHOOD

	Upper Manhattan	Upper East Side	Upper West Side	Midtown	Downtown
<b>Market Pulse</b>	0.72	0.81	0.91	0.66	0.79
<b>% Change from last month</b>	-3%	+1%	-4%	-4%	-3%
<b>% Change from last year</b>	+132%	+212%	+225%	+214%	+216%

**The Median Sales Price** across Manhattan for the month of June was \$1,190,000, an increase of 20% from last year and 6% from last month.

**A better measure of price** appreciation is the Median Price per Square Foot [PPSF], which was \$1,297 in June, a 0.5% increase from last month and 5.3% higher than the same period last year.

MANHATTAN MARKET PULSE BY BEDROOM COUNT

	Studios	1 Bed	2 Bed	3+ Bed
<b>Market Pulse</b>	0.77	0.9	0.82	0.59
<b>% Change from last month</b>	+3%	+2%	-8%	0%
<b>% Change from last year</b>	+120%	+190%	+242%	+269%

PRICING & DISCOUNTS

The Median Sales Price across Manhattan for the month of June was \$1,190,000, an increase of 20% from last year and 6% from last month. The 20% increase from last year is less a reflection on true price appreciation, and more a reflection on the changing complexion of apartments selling. Last year, coming out of the shutdown, the bulk of the homes that sold were priced under \$2M. Today, however, the contract activity transcends all price points, thereby driving the medium price higher.

A better measure of price appreciation is the Median Price per Square Foot [PPSF], which was \$1,297 in June, a 0.5% increase from last month and 5.3% higher than the same period last year.

Across price ranges, neighborhoods and sizes, the medium price per square foot is flat or trending higher, which is to be expected given the increase in demand for Manhattan properties.

MANHATTAN MEDIAN SALES PRICE BY NEIGHBORHOOD [CONDOS]

	Upper Manhattan	Upper East Side	Upper West Side	Midtown	Downtown
<b>Median Sales Price</b>	\$857,250	\$1,732,500	\$1,649,278	\$1,950,000	\$2,039,499
<b>% Change from last month</b>	+2%	+7%	+9%	-18%	+4%
<b>% Change from last year</b>	+16%	+22%	-14%	+30%	+2%

## MANHATTAN MEDIAN SALES PRICE BY NEIGHBORHOOD [COOPS]

	Upper Manhattan	Upper East Side	Upper West Side	Midtown	Downtown
Median Sales Price	\$556,875	\$1,093,250	\$1,027,500	\$1,242,500	\$1,051,250
% Change from last month	+10%	+27%	+13%	+52%	-7%
% Change from last year	+14%	+35%	+17%	-30%	+9%

## MANHATTAN MEDIAN SALES PRICE BY BEDROOM COUNT [CONDOS]

	Studios	1 Bed	2 Bed	3+ Bed
Median Sales Price	\$627,363	\$1,025,500	\$1,966,750	\$3,976,944
% Change from last month	+5%	-1%	+6%	-3%
% Change from last year	+4%	+2%	+4%	-7%

## MANHATTAN MEDIAN SALES PRICE BY BEDROOM COUNT [COOPS]

	Studios	1 Bed	2 Bed	3+ Bed
Median Sales Price	\$423,750	\$708,750	\$1,326,250	\$2,425,000
% Change from last month	+4%	+5%	+10%	+10%
% Change from last year	-10%	+7%	+5%	+13%

## MANHATTAN MEDIAN PRICE / SQUARE FOOT BY PRICE POINT

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
Median PPSF	\$808	\$1,043	\$1,296	\$1,721	\$2,472	\$4,074
% Change from last month	+7%	+3%	-2%	0%	+2%	+11%
% Change from last year	-2%	-1%	0%	-4%	-2%	+2%

**MANHATTAN MEDIAN PRICE / SQUARE FOOT BY NEIGHBORHOOD**

	Upper Manhattan	Upper East Side	Upper West Side	Midtown	Downtown
<b>Median PPSF</b>	\$869	\$1,175	\$1,336	\$1,294	\$1,691
<b>% Change from last month</b>	+6%	+4%	+3%	+1%	+1%
<b>% Change from last year</b>	+4%	+6%	-15%	+8%	+8%

**Across the spectrum,** discounts are down over the last month and year. Median discounts are 4-7%, and properties that are priced accurately are selling for at or above the asking [meaning no discount] very quickly.

**Buyers keen on negotiating** should look at properties that have been on the market for longer than 60-90 days.

**Sellers who have had their** home on the market for this time without an accepted offer should consider reducing their price, or be more willing to negotiate to make a deal.

**MANHATTAN MEDIAN PRICE / SQUARE FOOT BY BEDROOM COUNT**

	Studios	1 Bed	2 Bed	3+ Bed
<b>Median PPSF</b>	\$1,165	\$1,174	\$1,348	\$1,585
<b>% Change from last month</b>	+10%	-1%	+1%	-2%
<b>% Change from last year</b>	+9%	+2%	+5%	0%

**MEDIAN LISTING DISCOUNTS IN MANHATTAN**

As expected, with the increase in demand and firming prices comes decreased negotiability and discounts. Across the spectrum, discounts are down over the last month and year. Median discounts are 4-7%, and properties that are priced accurately are selling for at or above the asking [meaning no discount] very quickly.

Buyers keen on negotiating should look at properties that have been on the market for longer than 60-90 days. Sellers who have had their home on the market for this time without an accepted offer should consider reducing their price, or be more willing to negotiate to make a deal. The median days on market is currently 90, and trending downwards, reflecting that new-to-market properties are generally coming to market priced to sell, resulting in quick contracts for little or no discounts. Multiple bids and bidding wars are also increasingly common for well-priced properties within two weeks of coming on the market.

**MANHATTAN MEDIAN LISTING DISCOUNT BY TYPE**

	Condo	Co-op	Townhouse
<b>% Discount</b>	7%	5.7%	11%
<b>% Change from last month</b>	-14%	-16%	-26%
<b>% Change from last year</b>	-13%	-7%	+21%

**MANHATTAN MEDIAN LISTING DISCOUNT BY PRICE POINT**

	< \$600K	\$600K-1M	\$1-2M	\$2-5M	\$5-10M	> \$10M
<b>% Discount</b>	6.3%	4.4%	6.5%	7.5%	9.4%	10.1%
<b>% Change from last month</b>	-2%	-27%	-19%	-16%	-23%	-31%
<b>% Change from last year</b>	+15%	-19%	-10%	-22%	-5%	-35%

**MANHATTAN MEDIAN LISTING DISCOUNT BY NEIGHBORHOOD**

	Upper Manhattan	Upper East Side	Upper West Side	Midtown	Downtown
<b>% Discount</b>	5.0%	7.0%	5.0%	7.0%	5.0%
<b>% Change from last month</b>	0%	-13%	-29%	-13%	-29%
<b>% Change from last year</b>	0%	-13%	-29%	0%	-29%

**MANHATTAN MEDIAN LISTING DISCOUNT BY BEDROOM COUNT**

	Studios	1 Bed	2 Bed	3+ Bed
<b>% Discount</b>	5.9%	4.9%	6.5%	7.9%
<b>% Change from last month</b>	-8%	-25%	-19%	-18%
<b>% Change from last year</b>	+7%	-14%	-11%	-20%

The Manhattan **Rental Market** continues to improve as tenants return to the city. The rental market started to accelerate in mid-April and has ramped up further since then. Total supply continues to decline and currently stands at ~5,800 units for rent, a decrease of nearly 1,000 since last month. Compared to 2019, an average of nearly 50% more apartments are being rented each week while an average of 40% fewer apartments are coming to market. Taken together, the market is seeing declining inventory, decreasing concessions and rising rents as the balance of power is shifting back towards the landlord.

**WHAT THIS MEANS FOR...**
**Buyers / First Time Home Buyers:**

- Median sales price and median price per square foot are starting to increase across Manhattan.
- Buyer's negotiability and leverage are continuing to decrease.
- Buyers keen on negotiating should focus on listings that have been on the market for 60-90+ days.
- Bidding wars are increasingly common for accurately priced apartments within 2-weeks of coming on the market.

**Sellers:**

- More sellers are coming to the market and overall supply is starting to increase.
- Median days on market are declining and are currently 90 days. Sellers who have been on the market longer than that without an accepted offer should consider either decreasing the asking price or being more negotiable.
- While prices are starting to increase, sellers still need to be realistic and price appropriately to be competitive in the market today.

**Renters:**

- Rental demand has increased sharply in the second quarter of 2021, leading landlords to decrease concessions and increase prices.
- Leverage is shifting quickly from tenants back towards landlords.
- Vacancy rates are declining.
- Renters may experience a rent increase upon renewal.

**Investors:**

- With both the rental and sales market improving and prices increasing, investors are interested in the Manhattan market once again.
- Cap rates are stabilizing and can increase in the coming months and years as the rental and sales market continue to rebound.
- With equities at elevated levels and concerns about inflation, real estate is a compelling alternative asset class.

## ABOUT US

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