

COMMERCE

Manhattan sees \$22B in residential sales this year

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CityRealty year-end report

By NANCY BUCKLEY

The average sales price for condominiums and co-ops in New York in 2014 is \$1.8 million, according to CityRealty's year-end report.



Real estate prices in Manhattan have risen this year, reaching all-time highs in some areas. Understanding the highly priced areas in the Manhattan real estate market can help brands understand the neighborhoods to look toward for new store openings and events to best reach ultra affluent consumers.

“It was a record-setting year for real estate in New York, marking records for total sales and average price for both condominiums in co-ops in Manhattan,” said Gabby Warshawer, the director of communications and research at CityRealty, New York.

“It’s notable that while condo prices as of the end of 2013 had already surpassed levels we saw before the crisis, and we’re topping those condo records again in 2014, it’s only as of this year that co-ops have surpassed records set before the downturn,” she said. “I feel that both of these metrics together give the best indication of where the market is as a whole—and so this year’s prices reflect a market that’s fully rebounded from the financial crisis.”

CityRealty's Year-End Market Report covers residential condominium and co-op sales recorded through November 30, 2014. All closed sales data has been provided by the New York City Department of Finance via the Automated City Register Information System. Pricing information for Manhattan does not include buildings north of 96th Street on the East Side, above 110th Street north of Central Park, and above 125th Street west of the Park.

Location matters

The average condo price this year was \$2.4 million, surpassing the 2013 record by \$400,000. Similarly, the average co-op price surpassed the 2008 record by \$20,000.

Residential sales for 2014 are projected to be about \$22.0 billion, \$1 billion more than last year. This increase is expected to be completed with about 1,300 less units sold than last year.

AVERAGE SALES PRICE
CONDOS AND CO-OPS
2014: \$1.8 Million
2013: \$1.5 Million

CityRealty's statistics

"Sales of the most expensive Manhattan apartments also reached an all-time high in 2014, showing a robust demand for ultra-luxury product," Ms. Warshawer said. "Sales of condos and co-ops priced at or above \$10 million had already reached an all-time aggregate high of \$3.4 million through the first 11 months of the year, topping the prior record of \$3.3 billion recorded in 2008."

In 2014, there were fewer sales less than \$1 million there were in 2013 and many more sales above \$10 million.

Total Sales by Price, Year-by-Year



CityRealty's statistics

Within the total of \$22 billion worth of residences sold in 2014, \$3.8 billion of the total was a result of those condos and co-ops above \$10 million. The most expensive property in Manhattan this year closed at \$71.3 million.

Within the neighborhoods of Manhattan, Flatiron and Union Square area saw the largest percent increase for condos from 2013 with a 40 percent change since last year. Central Park West and Midtown West also saw an increase above 30 percent.

These areas are slowly seeing an emergence of luxury stores as well.

For instance, Department store chain Neiman Marcus is planning to open its first Manhattan location in 2018.

The retailer plans to open a 250,000-square-foot store in New York's Hudson Yards. Although the location is on the Far West Side, and not as developed as Fifth Avenue or Madison Avenue, the steady amount of construction, both retail and residential, will likely transform the neighborhood ([see story](#)).

Co-op sales saw the highest total sale numbers along Central Park on both the East and West Sides.

In 2014, there were 737 new developments sales, a large portion of the sales Downtown.

Other real estate options

Sales and rentals in Manhattan this year reached record highs as the economy stabilizes and individuals and companies look for investment opportunities.

For instance, High rent prices are the norm in large cities, but renting a residence for \$500,000 a month changes the way real estate agents approach renters.

The entire 39th floor of The Pierre Hotel will be rented from the end of November through December for the large sum. When looking to reach interested tenants, it is important that real estate agents understand their clients' desires and know the right marketing strategies ([see story](#)).

Also, Hilton Worldwide sold the Waldorf Astoria's New York flagship hotel to a Chinese insurance company for \$1.95 billion.

The property will remain a hotel, and Hilton will continue to operate it, but the Anbang Insurance Group will own the 47-story building. This move will allow Hilton to remain connected with the iconic hotel, but also gain an income for purchasing other hotels worldwide ([see story](#)).

Looking over the past year, real estate agents and brands must use the past results and future predictions to move diligently throughout this market.

"We don't expect prices to rise as rapidly as they have risen in the past couple of years because more supply is coming to market, but it's unlikely that we'd see a marked drop in prices anytime soon," Ms. Warshawer said.

Final Take

Nancy Buckley, editorial assistant on Luxury Daily, New York

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