

REAL ESTATE

Over last decade, New York real estate saw record-breaking prices per square foot

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New York is important in luxury real estate. Image credit: Douglas Elliman

By BRIELLE JAEKEL

While market-wide activity in luxury real estate in New York's Manhattan borough saw a drop of 11.2 percent in the past 10 years, all price indicators saw record highs.

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According to the [Douglas Elliman 2017 Manhattan Townhouse Decade Sales Report](#), from 2008 to 2017 negotiability became more flexible in New York luxury real estate, resulting in a decline in on-the-market time. The average sales price in the past 10 years in luxury was reported as \$20,382,189.

"In Manhattan, the co-op and condo market showed strength and despite the decline of closings in the new development pipeline of legacy sales, market-wide price trend indicators all set record highs," said Steven James, CEO of New York City, [Douglas Elliman](#). "As for quantity of sales, after three years of declines, numbers rose year-over-year as the market rebounded from the doldrums of 2016."

Townhomes and luxury

In the past decade in New York luxury real estate, new records were set in terms of price-per-square foot. 2017 saw an average price-per-square foot of \$3,489.

Average square footage saw a steep decline down to an average of 6,075 in 2017, compared to 9,482 in 2008.



Condo in New York's One57 building. Image credit: Sotheby's International Realty Affiliates

The luxury market peaked in 2013 and 2014 in terms of number of sales, while average price per square foot saw its peak in 2014, 2015 and last year, each year landing between \$3,000 and \$4,000.

2008 and 2009 were the lowest years for the number of sales, each below 20. After the housing bubble burst in 2008, a steep price drop was seen 2009, the lowest in the past decade.

New York's luxury market steadily increased until 2012, and then saw a small drop the following year that quickly bounced back heading into 2014. Another plummet was seen from 2015 to 2016, almost as steep as 2008 to 2009 but quickly saw an even steeper increase going into 2017.

The townhouse market saw record prices set in 2015, but fell short of that in 2017. However, inventory numbers continue to remain low, marking the second lowest on record.



Townhouse listing in the New York. Image credit: Sotheby's.

A 13.9 percent decrease from 2016 brought the number of townhome listings down to 354 at the end of the year. Overpriced homes leaving the market have supported the steady decrease in inventory.

The number of townhome sales fell to 250, an 18.3 percent drop within a year and a 6.7 percent decrease in median sale prices to \$4,637,500.

Additional insight

As the luxury real estate market as a whole begins to recover from a slow run, San Francisco is still struggling with the largest decline of the year.

The last quarter of 2017 saw 7 percent growth in luxury home prices, fueled by an increase in demand, stock market gains and finally a shrink in demand, according to a report from Redfin. While in the recent past the luxury real estate market was plagued by an overabundance of listings, on-the-market properties priced for more than \$1 million saw a 23.8 percent drop ([see more](#)).

Despite a slightly weakened 2017, luxury housing in the United States is still booming, particularly in states such as Colorado and Hawaii.

According to a new report from realtor.com, growth in the sales of luxury homes in 2017 slowed compared to 2016,

but the market remains strong overall with high demand. Luxury real estate dealers will have to be smart about selling houses in key markets and fast growing cities such as Seattle and San Francisco ([see more](#)).

"The biggest takeaway from the report is what a good investment real estate is," Douglas Elliman's Mr. James said. "There are ups and there are downs, but as well take a ten-year glance, we can see how consistent and resilient New York City is."

"The most surprising finding is how unbelievably strong the entry level market place is," he said. "It is remarkable how consistently strong the under \$3million dollar market is!"

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