

REAL ESTATE

New York's luxury market sees record volume: UrbanDigs

December 28, 2021



View from penthouse condo at the Baccarat Hotel & Residences in Manhattan. Image credit: Douglas Elliman

By KATIE TAMOLA

New York luxury real estate had a record year in terms of volume, according to new findings from [UrbanDigs](#).

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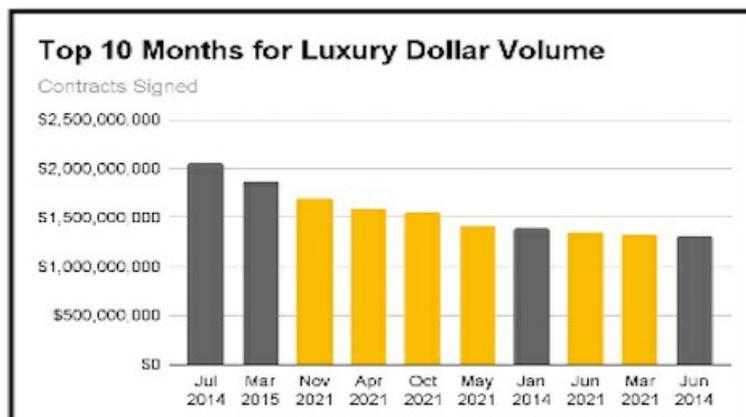
Six of the top 10 luxury sector's months by dollar volume since 2008 occurred in 2021. Although it has been an absolutely booming year for luxury real estate in New York, experts anticipate a slower 2022 with a more balanced market for buyers and sellers.

"I am seeing an ever-strengthening market, particularly in the luxury market arena," said Ellen Sykes, broker for [Warburg Realty](#), in a statement. "New development condos seem to be leading the charge, but there is a bigger appetite for high-end co-ops as well."

Luxury in overdrive

Luxury real estate saw a booming year in 2021.

Luxury listings, which UrbanDigs defines as units listed for more than \$4 million, recorded six record months for dollar volume contracts.



Six of the top ten luxury sector's months by dollar volume since 2008 occurred in 2021. Image credit: UrbanDigs

The median price of listings was originally on the lower side, as buyers were especially cognizant of real estate risks. The increased number of luxury transactions eventually drove the median price up.

The luxury surge could continue short-term, but that a lull could then appear for multiple quarters in 2022. Increased competition among sellers could also have a cooling effect on the market, causing buyers to wait for better deals.

Several big deals unfolded in 2021, with UrbanDigs releasing additional [data](#) logging that as of Dec. 9, six properties in Manhattan sold for \$59 million or more.

Although co-op units comprise 75 percent of the market in the city, an affinity for condominiums is catching on.

In 2021, the ratio of condo sales to co-op sales rose to a new high for resale units listed at more than \$4 million.

The number of luxury condo sales per each luxury co-op sale was 1.94 in 2021 versus 1.58 in 2020.

With developers continuing to build condos, experts expect the ratio of condos to co-ops, especially at luxury price points, will continue rising.



510 Driggs Avenue is a newly developed luxury condominium in Brooklyn's Williamsburg neighborhood. Image credit: 510 Driggs

Owners will also be able to raise price points in luxury condos with amenity packages and highlighting desired locations.

Experts predict however that if interest rates do increase in the second half of 2022, luxury condo and new development prices could fall.

Condo comeback

With the COVID-19 pandemic causing somewhat of an exodus among several New York residents, buyers who remained in the city were left with a breadth of options. Condos, in turn, saw an uptick in popularity.

According to the Mid-Year 2021 Signature Report from real estate brokerage Serhant, a record number of contracts for luxury homes were signed in 2021, reflecting the highest total in the first half of a year. Condo transactions fueled the contract increase, while buyers seem to be less inclined to go the cooperatives route for their city real estate ([see story](#)).

According to a November joint report from Marketproof and UrbanDigs, Manhattan resale deals increased during October, rising 59 percent to 400 contracts, with condos showing significant overall gains from last year.

Median asking prices for resale units in Manhattan rose across the board, with condo owners seeking 7 percent more than a year prior and coop owners asking 12 percent more ([see story](#)).

"In 2022, I expect to see more of the same, I am a bit worried about the economy, but I see that strengthening even if interest rates go up a bit," Ms. Sykes said.

"I see more and better inventory coming to market," she said. "There really is a feeling that New York is back."

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