

REAL ESTATE

## New York, South Florida super-prime markets continue thriving

January 31, 2022



Miami saw record super-prime sales in 2021. Image credit: Related Group

By SARAH RAMIREZ

Super-prime sales in New York and South Florida soared in 2021, as high-net-worth buyers gravitate to luxury markets with a wealth of opportunities in real estate, business and culture.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

According to brokerage Serhant Signature, there was a total of 600 transactions priced at \$10 million and above in New York and South Florida combined. Both markets saw record levels of sales, including four deals of at least \$100 million.

"Both markets attract a global purchaser, who oftentimes has multiple residences around the globe," said Garrett Derderian, director of market intelligence at [Serhant](#), New York. "They are fairly similar in that regard.

"A major challenge in the South Florida market that differentiates it from New York is the majority of super-prime and ultra-prime properties are single-family residences," he said. "Given the limited amount of land to build these homes, unless more properties become available, demand will continue to outweigh supply as there are few places to build new construction homes.

"Conversely, New York has more opportunities to build a greater amount of super-prime residences given it is a more vertical landscape. New towers can offer a greater number of residences, whereas in South Florida a single plot of land would only have one residence."

Serhant's Year-End 2021 Signature Report covers a decade of super-prime sales of at least \$10 million in New York and South Florida. New York figures include both Manhattan and Brooklyn, while the South Florida metro area covers Miami north to Palm Beach.

### City comeback

New York saw 235 super-prime sales last year, with a median sales price of \$14.5 million and an average price-per-square-foot of \$4,371.

South Florida recorded 365 super-prime sales. Although the median sales price was higher than New York's at \$15.91 million, the average price-per-square-foot was lower at \$2,823 indicative of the larger single-family homes available

in the market.



*Super-prime condo sales continue to perform well in Manhattan. Image credit: Serhant*

Although condo sales prices in New York were slightly down from 2020, property sales were up 79 percent year-over-year from \$2.5 billion to \$4.5 billion. Condo sales were up 115 percent y-o-y to 200, approaching 2017's peak of 232.

New York cooperatives saw 35 transactions at this price tier as they have fallen out of favor, but this represents a 169.2 percent jump from 2020. Both condos and co-ops saw the lowest average discounts in several years.

The city's 325 super-prime contracts signed surpassed the number of contracts signed in 2019 and 2020 combined, as well as the previous peak of 215 deals in 2015.

In downtown Manhattan alone, 130 condo contracts were signed making it the most competitive luxury market in the city. The Upper East Side followed with 67 condo contracts and 32 of the city's co-op contracts.

According to previous research from Serhant, new developments at super-prime price points of \$10 million and above had the shortest listing times, averaging 97 days on the market during the fourth quarter of 2021 ([see story](#)). Midtown, lower Manhattan and Brooklyn are less competitive neighborhoods and have higher supply levels of super-prime homes overall.



*Brooklyn is an emerging super-prime residential market. Image credit: Serhant*

"Even as recently as three years ago, there was not much of a super-prime market in Brooklyn very few people purchased condos and cooperatives at that level," Mr. Derderian said. "However, the market has changed; we now see the emergence of the luxury Brooklyn buyer, craving more space and unbeatable views of Manhattan."

#### Sunny forecast

Further south, both Palm Beach and Miami saw more super-prime home sales last year than 2018, 2019 and 2020 combined.

"New York and South Florida remain intertwined, and that has only become more pronounced due to COVID," Mr. Derderian said. "Both markets are experiencing a surge of luxury sales."

"Assuming the pandemic is more under control by summer and global travel returns to its pre-pandemic state, these markets should perform equally well."



*An interior rendering of Bentley Residences Miami. Image courtesy of Bentley*

Purchases in South Florida have surged since the start of the pandemic, in large part to buyers leaving the northeast for warmer weather and less populated areas.

In Palm Beach, super-prime sales jumped 91.1 percent y-o-y to 107. The median price of \$18 million was up 15 percent y-o-y, while the average price increased 18 percent y-o-y to a record \$25.31 million.

For the first time, Miami saw more than 200 sales of at least \$10 million. The market ended the year with super-prime sales up 134.5 percent y-o-y for a total of 258.

Miami's super-prime median and average prices hit new records a respective \$15 million and \$17.65 million but trail Palm Beach figures.

"I cannot understate just how strong demand is for super-prime homes in Palm Beach," Mr. Derderian said. "2021 was a remarkable year, and 2022 is off to a strong start."

In terms of contracts, Palm Beach saw 61 super-prime contracts in 2021 up 74 percent y-o-y while Miami saw 199 contracts signed an increase of 134 percent y-o-y.

Luxury brands looking to delve into the branded residential space are also turning to Miami to attract high-net-worth clientele.

British automaker Bentley Motors is building its first branded residences in South Florida, becoming the latest luxury marque to expand into real estate. Bentley Residences Miami is set to debut in Sunny Isles Beach in 2026, with units starting at \$4.2 million ([see story](#)).

Marriott's St. Regis Residences is also expanding its portfolio in South Florida with a new property in Miami's Brickell Financial District. St. Regis also has residences at its Bal Harbour Resort, just north of Miami ([see story](#)).

"Miami is giving Palm Beach a run for its money as the hottest luxury market in Florida," said Serhant's Mr. Derderian. "Moreso, this does not seem to be a bubble, but appears sustainable."