

REAL ESTATE

Ultra-luxury Manhattan units priced above \$10M lead local market in sales growth: Compass

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The firm's Q4 2022 Manhattan market report is out now. Image courtesy of Compass

By AMIRAH KEATON

Real estate brokerage Compass is out with a new report that shows ultra-luxury properties leading the Manhattan real estate market in sales.

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Having jumped 21.9 percent in Q4 2022, the \$10 million to \$20 million-dollar range represented the only price group that saw year-over-year total sales increases in Q4 2022, up 21pc, according to the firm. As a leader in national trends, New York City's most expensive borough to buy property in shows signs of promise for luxury real estate agents.

"Those buying in the ultra-luxury classification are usually long-term investors with the means to weather storms," said Leonard Steinberg, president of **Compass**, New York.

"They are armed with cash and know that buying a quality home in Manhattan is never easy in any market," he said. "Now they see more options in some areas more potential for buying at a better price, slightly less competition, and more realistic sellers.

"In the past three years, they learned the value of time more than ever, so holding off on life plans when you don't have to seems unwise at best."

For the report, Compass tapped company data sets such as recorded sales – figures for the quarter are based on known closings recorded at the time the report is prepared – average price – the sum of all prices divided by the total number of properties – and inventory – calculated based on all properties actively listed during the quarter at the time the report is prepared – for Manhattan market insights.

Luxury takes the lead

Fueled by inflation fears and heightened mortgage rates, Compass' **Manhattan Market Report** reflects relative losses incurred across multiple areas of the local market in Q4 2022.

In terms of overall market performance, data reflects that sales volume a measure inclusive of all property price ranges dipped 22.5 percent year-over-year, and 17.8 percent quarter-over-quarter during the time period covered by the report.

Luxury figures, however, are far more encouraging.



Image credit: Compass "Apartments priced between \$10 million and \$20 million saw a 16.9 percent transaction volume surge year-over-year," said Rory Golod, president of North East and California at Compass and Elizabeth Ann Stribling-Kivlan, senior managing director at Compass, in a joint report introduction.

"This bright spot indicates that high-net-worth buyers will transact in today's environment when quality turn-key quality homes are presented optimally and priced accurately," Mr. Golod and Ms. Stribling-Kivlan said.

"The benefits for buyers purchasing now are many, including less competition and greater odds of higher long-term appreciation than keeping money in the bank."

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The average sales price in Manhattan from October to December equaled \$1,969,422. New listings dropped 27.6 percent year-over-year and 23.1 percent quarter-over-quarter.

On the bright side for buyers, across the city, Compass reports that sellers chopped an average discount of 6 percent off their listing prices during the last quarter of last year. Meanwhile, listings spent an average of 147 days on the market.

Compass shares that inventory for studio apartments fell to its lowest level since 2019, while two bedrooms reached new market share highs.

Both signal the return-to-city predictions, prompted by return-to-the-office policies ([see story](#)), are real.

Expensive expansions

With the launch of [Luxury Division at Compass](#), in addition to related releases such as its first-ever ultra-luxury report

last year, Compass has made great strides in positioning its firm as a top contender in the world of luxury real estate.

Introducing the Compass Luxury Division's 2021 Ultra-Luxury Report, a year-end market snapshot of \$10M+ sales nationwide, as well as insights, trends and lifestyles aligned from coast to coast. Click the link below to read the full report. [#luxuryatcompass](https://t.co/AN8woLAfdG)
<https://t.co/AN8woLAfdG> [pic.twitter.com/Y2veX4VBZ6](https://t.co/AN8woLAfdG)

Compass (@Compass) [January 27, 2022](#)

Efforts are for good reason, as the firm's report shows signs of solid luxury market health.

Compass' investment in luxury properties could come in handy if, indeed, more conservative estimates are sounding the alarm on lower-priced options taking a hit at the hands of harsher economic conditions in 2023. Variances in the methodologies used to define the luxury market could be partially responsible for the disparity.

While real estate competitor Redfin, for example, real estate firm bases conclusions on the performance of properties falling within the top 5 percent of national market values ([see story](#)), Compass uses \$10 million dollars and above to back its confidence in the further-stratified ultra-luxury home segment.

"More Manhattan apartments traded in 2022 than in all but three years since 2012," Compass' Mr. Golod and Ms. Stribling-Kivlan said.

"This 10-year macro-level view illustrates that the market now more closely resembles pre-pandemic levels, dismissing any doomsday narratives and pointing to a continued market rebalancing after two frantic and unsustainable two years of record activity."

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