

INSIGHTS FROM NEW YORK'S PREMIER BROKER FOR TOWNHOUSES AND SMALL BUILDINGS

TOWNHOUSE

END OF YEAR REVIEW

MARKET SNAPSHOT JAN-DEC 2016

2016 Total Sales

\$3.1B

Avg. Sales Price

\$6.8M

Avg. Price/Sq.ft

\$1,316

No Of Transactions

454

Total New York sales down but optimism remains high for 2017

2016 was characterized by a downturn in townhouse and small building sales in both volume and pricing. Comparing the final numbers of 2016 to the same period in 2015, the number of transactions declined from 492 to 454, total sales dropped from \$4.2 billion to \$3.1 billion, the average price per foot slipped from \$1,405 to \$1,316, and the average sales price saw a reduction from \$8.6 million to \$6.8 million.

Sales of note that occurred during 2016 included 21 West 10th Street for \$31M and \$3,249/ft, and 27 East 79th Street for \$28M and a year to date high of \$4,861/ft.

Looking at the market by neighborhood, Gramercy (\$1,129 in 2016 compared to \$1,080 in 2015) and Park Slope (\$963 in 2016 compared to \$913 in 2015) saw a rise in average price per square foot. Greenwich Village also saw an up tick in average price per square foot (\$2,709 in 2016 compared to \$2,453 in 2015) as well as a surge in average sale price (\$14.3M in 2016 compared to \$11.1M in 2015).

Looking forward to 2017, with President Trump promising tax reductions to the wealthy, the real estate market will likely see a bounce back from the dip of 2016. The continual rise of the stock market since the conclusion of the election has been a strong indicator that the real estate market will follow suit in the coming months. Additionally, with the uncertainty of the election over, we expect foreign investors to once again flock to the NY market.

| | | | |
|------------------|--------------------------------|---------|------------------|
| 01 | Upper East Side | \$1,901 | \$11.2M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 02 | Upper West Side | \$1,313 | \$7.1M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 03 | Midtown East | \$1,298 | \$6.5M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 04 | Gramercy | \$1,129 | \$7.9M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 05 | Chelsea | \$1,427 | \$9.1M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 06 | Central Village | \$1,677 | \$19.9M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 07 | Greenwich Village/West Village | \$2,709 | \$14.3M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 08 | East Village | \$1,042 | \$9.2M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 09 | Brooklyn Heights | \$1,230 | \$6.0M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 10 | Park Slope | \$963 | \$2.8M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |
| 11 | Central Harlem | \$787 | \$3.2M |
| AVG. PRICE SQ/FT | | | AVG. SALES PRICE |



RIGHT: Average prices and PPSF for New York City's Prime Townhouse Neighborhoods

Upper East Side

| | |
|------------------------------------------|-------|
| Total Sales Volume: \$696,857,566 | ↓ 30% |
| Average Sales Price: \$11,239,638 | ↓ 7% |
| Average Price / Sq.ft: \$1,901 | ↓ 5% |
| Number of Transactions: 62 | ↓ 25% |

For Sellers

A slow year for the \$20M plus market was balanced by strength in the \$5-15M market. Properties that are correctly priced continue to sell at pace, while listings that are perceived to be overpriced sit on the market, increasing the risk for sellers.

For Buyers

The highest priced sale was the 25' wide townhouse at 9 East 75th Street for \$28.7M. This property last sold at the beginning of 2015 for \$17.9M.

Looking Forward

There are 9 townhouse properties currently in contract on the Upper East Side. The sales of 19 East 64th Street for \$81M, 12 East 73rd Street, last asking \$42.5M, and 57 East 64th Street for \$28M are positive signs for the over \$20M market, which experienced a slow second half of the year.

Upper East Brokers
Jed Garfield, Caylyn Sullivan, Tom Wexler
Lydia Rosengarten, Francis O'Shea

Average Sales By Number of Units

1-2 units
\$1,921 PPSF

\$9.9M

3-5 units
\$1,529 PPSF

\$6.2M

6-25 units
\$827 PPSF

\$6.4M

**Mixed/
Commercial**
\$1,868 PPSF

\$17.0M

London

For Sellers

The prime central London lettings market remains robust at all levels. For property offered at £4 - £5 million, it may be more cost effective to rent, while at the very top-end, it may be necessary short-term, or just more convenient.

For Buyers

In times when buyers' appetites for risk are decreasing, locations that offer enduring appeal and demand, such as prime central London, hold their value far better. The increased cost of purchase has also impacted the lettings market, with buyers only transacting for the right property, or for upgrading an existing home rather than moving. While waiting for the right property or, for refurbishment works to compete, many people will choose to rent.

Looking Forward

We anticipate that again this year the market will spring to life in late February/early March. As is normally the case with prime central London, potential buyers understand they have to buy. There are very few alternative locations that offer so many benefits: location, culture, diversity, education, and healthcare.

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↑ Percentage increase from 2015

↓ Percentage decrease from 2015

Upper West Side

Upper West Broker
Richard Pretsfelder

| | |
|------------------------------------------|-------|
| Total Sales Volume: \$313,481,383 | ↓ 33% |
| Average Sales Price: \$7,124,577 | ↓ 20% |
| Average Price / Sq.ft: \$1,313 | ↓ 9% |
| Number of Transactions: 44 | ↓ 20% |

For Sellers

The drop in pricing was largely due to a slowdown at the high end of the market. At \$10M and under, prices actually grew over the last year by 8.75% and price per foot rose 13.8%. Two end of the year high priced contract signings could bode well for a 2017 rebound.

For Buyers

Some price cutting has occurred producing more favorable buy side conditions for finished single-family homes. Demand remains strong for mid-market multi-family townhouses, albeit with some interest rate risk.

Looking Forward

With economic stimulus and tax reductions for the wealthy in the offing, and a strong stock market, we could see an uptick in the luxury market.

Average Sales By Number of Units

1-2 units
\$1,593 PPSF

\$7.1M

3-5 units
\$1,010 PPSF

\$5.7M

6-25 units
\$983 PPSF

\$7.3M

**Mixed/
Commercial** N/A

Midtown East

Midtown East Broker
Dane Hope

| | |
|------------------------------------------|-------|
| Total Sales Volume: \$123,025,000 | ↓ 36% |
| Average Sales Price: \$6,475,000 | ↓ 6% |
| Average Price / Sq.ft: \$1,298 | ↑ 1% |
| Number of Transactions: 19 | ↓ 34% |

For Sellers

Sales prices remained steady while there was a reduction in the number of sales transactions compared to 2015. Notable transactions in the area include the sale of 312 East 52nd Street, an 18'-wide multifamily property. The building sold for \$5.75M and \$1,277 a foot.

For Buyers

The highest priced sale was 224 East 59th St, 28ft wide, \$11.4M, \$996/Sq.ft. The highest Price/Sq.ft sale was at 313 East 58th Street, 25ft wide, \$6.2M, \$2,056/Sq.ft.

Looking Forward

With three mint condition new construction townhouses on the market, it's safe to say investors/end users will find Midtown East highly desirable in 2017.

Average Sales By Number of Units

1-2 units
\$1,546 PPSF

\$4.8M

3-5 units
\$1,285 PPSF

\$6.0M

6-25 units
\$1,056 PPSF

\$8.3M

**Mixed/
Commercial** N/A

Gramercy

Gramercy Broker
Matthew Lesser

| | |
|-----------------------------------|-------|
| Total Sales Volume: \$134,221,875 | ↓ 53% |
| Average Sales Price: \$7,895,404 | ↓ 37% |
| Average Price / Sq.ft: \$1,129 | ↓ 5% |
| Number of Transactions: 17 | ↓ 26% |

For Sellers

There were more 1-3 family end-user townhouse sales in 2016 than any other year since 2012.

Demand for property continues to increase.

For Buyers

The average sales price for vacant, end-user property was \$4.795M which is dramatically less than any other Manhattan neighborhood. Gramercy continues to show good value and opportunity for buyers.

Looking Forward

Recent sales for townhouse conversions and 4 new luxury condominium projects coming to market will bring rise to greater demand. Inventory will remain razor thin causing continued pressure on demand.

Average Sales By Number of Units

1-2 units
\$1,455 PPSF \$3.6M

3-5 units
\$1,021 PPSF \$5.6M

6-25 units
\$935 PPSF \$8.4M

Mixed/
Commercial
\$1,088 PPSF \$11.4M

Greenwich/West Village

Greenwich/West Village Brokers
Matthew Pravda and Christopher Riccio

| | |
|-----------------------------------|-------|
| Total Sales Volume: \$472,798,997 | ↓ 13% |
| Average Sales Price: \$14,327,242 | ↑ 29% |
| Average Price / Sq.ft: \$2,709 | ↑ 10% |
| Number of Transactions: 33 | ↓ 33% |

For Sellers

Inventory throughout 2016 remained extremely scarce. However, there were 32 sales in the Village a quarter of which were over \$20M.

For Buyers

The highest priced sale was 273-275 West 11th Street, 50ft wide, \$34.5M, \$2,464/Sq.ft. The highest price per square foot sale was 278 West 11th Street, 25ft wide, \$27.5M, \$5,589/Sq.ft.

Looking Forward

The fourth quarter of 2016 was the most active and that should carry over into 2017. With demand for townhouses increasing and new listings making their way to the market we expect an influx of buyers and closed transactions throughout 2017.

Average Sales By Number of Units

1-2 units
\$2,868 PPSF \$12.7M

3-5 units
\$3,026 PPSF \$15.8M

6-25 units
\$2,198 PPSF \$17.0M

Mixed/
Commercial N/A

Chelsea

Chelsea Broker
Matthew Lesser

| | |
|------------------------------------------|-------|
| Total Sales Volume: \$263,885,000 | ↓ 41% |
| Average Sales Price: \$9,099,483 | ↓ 22% |
| Average Price / Sq.ft: \$1,427 | ↑ 2% |
| Number of Transactions: 29 | ↓ 24% |

For Sellers

Despite a decrease in avg. sales prices, avg. PPSF increased, especially on vacant conversion opportunities. Avg. time on market increased by 2 months, but demand continues to outweigh supply.

For Buyers

Inventory remains thin, and despite some softening in the market, there continues to be multiple offers on appropriately priced property.

Looking Forward

The initial hysteria of Brexit and the presidential election has cooled. While buyers are taking longer to commit and transact, demand will remain strong with minimal supply.

Average Sales By Number of Units

1-2 units N/A

3-5 units \$1,549 PPSF \$6.8M

6-25 units N/A

Mixed/
Commercial
\$1,483 PPSF \$10.7M

Central Village

Central Village Broker
Matthew Lesser

| | |
|------------------------------------------|-------|
| Total Sales Volume: \$59,800,000 | ↓ 66% |
| Average Sales Price: \$19,933,333 | ↑ 24% |
| Average Price / Sq.ft: \$1,677 | ↓ 1% |
| Number of Transactions: 3 | ↓ 72% |

For Sellers

With low inventory and high demand, Central Village townhouses continue to achieve high prices when they come to market. 27 East 11th Street is 2017's example of this demand, as it sold for \$26M (\$2,889/Sq.ft.)

For Buyers

Inventory is always tight. Buyers seeking a Central Village townhouse must be prepared to move quickly when they come to market.

Looking Forward

As the demand for Downtown townhouses continues, the houses along the Gold Coast, between Fifth and University Avenues, will continue to achieve the neighborhood's highest prices.

Average Sales By Number of Units

1-2 units N/A

3-5 units N/A

6-25 units N/A

Mixed/
Commercial
N/A

East Village

East Village Broker
Ravi Kantha

| | |
|------------------------------------------|-------|
| Total Sales Volume: \$342,091,906 | ↓ 73% |
| Average Sales Price: \$9,245,727 | ↓ 7% |
| Average Price / Sq.ft: \$1,042 | ↓ 21% |
| Number of Transactions: 37 | ↓ 71% |

For Sellers

In the East Village, the market continues to be dominated largely by multi-family tenement buildings, rather than residential townhouses. This remained true in 2016, accounting for all transactions.

For Buyers

The average PPSF in the East Village is approximately \$1,042 per square foot. Compared to other prime downtown neighborhoods, there is tremendous value in purchasing an East Village townhouse.

Looking Forward

As interest rates rise in 2017, the multi-family buildings in this market will see a decrease in transaction volume due to rising capitalization rates. Rarely available residential townhouses will continue to see high demand.



Park Slope

Park Slope Broker
Alex Yoel

| | |
|------------------------------------------|-------|
| Total Sales Volume: \$447,754,928 | ↑ 2% |
| Average Sales Price: \$2,816,069 | ↑ 8% |
| Average Price / Sq.ft: \$963 | ↑ 14% |
| Number of Transactions: 159 | ↓ 1% |

For Sellers

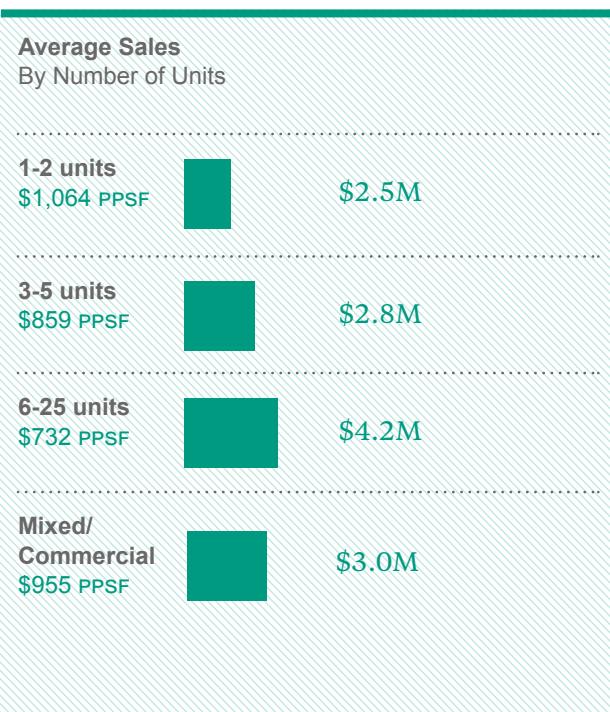
There have been only 3 townhouse sales for less than \$400/Sq.ft. this year, whereas last year there were 18. Competition has focused on the middle market in Park Slope, meaning it is a very good time to sell a \$2.5M-\$3.5M house (or a \$4M-\$5M house off in the more expensive parts of the Slope.)

For Buyers

In a competitive market like Park Slope is experiencing today, we are seeing faster communications than before. You can expect quicker responses to your offers.

Looking Forward

While many Manhattan neighborhoods have waxed and waned, prices in Park Slope have grown steadily and reliably. I predict more of the same in 2017!



Brooklyn Heights

Brooklyn Heights Broker
Ravi Kantha

| | | |
|-------------------------|---------------|-------|
| Total Sales Volume: | \$139,095,000 | ↓ 18% |
| Average Sales Price: | \$6,047,609 | ↓ 7% |
| Average Price / Sq.ft.: | \$1,230 | ↑ 7% |
| Number of Transactions: | 23 | ↓ 11% |

For Sellers

Transaction volume and average sales price are both down, but the price per square foot average is up for the 7th consecutive year. Buyers are pushing back on pricing and reviewing all comparable sales, which makes pricing accurately extremely important.

For Buyers

As sellers adjust expectations and lower prices, opportunities will arise. If qualified buyers move quickly on these price reductions, they will be able to purchase quality real estate at reasonable prices.

Looking Forward

The neighborhood is experiencing an "asking price correction" at the high end (\$10M+). As prices reduce in Q1 2017, we will see increased sales volume.

Average Sales By Number of Units

| | |
|----------------------|--------|
| 1-2 units | \$5.6M |
| \$1,551 PPSF | |
| 3-5 units | \$5.1M |
| \$1,016 PPSF | |
| 6-25 units | \$7.1M |
| \$894 PPSF | |
| Mixed/ Commercial | \$7.2M |
| \$918 PPSF | |

Central Harlem

Central Harlem Broker
Alex Yoel

| | | |
|-------------------------|--------------|-------|
| Total Sales Volume: | \$89,347,150 | ↑ 15% |
| Average Sales Price: | \$3,190,970 | ↑ 35% |
| Average Price / Sq.ft.: | \$787 | ↑ 26% |
| Number of Transactions: | 28 | ↓ 15% |

For Sellers

The average sales price has risen by over \$750,000 to \$3,190,970 from 2015, and the average price per square foot has risen by about \$150/Sq.ft. to \$787/Sq.ft. Overall, prices have risen by 95% over the past 5 years!

For Buyers

There are 50 townhouses available for sale in Central Harlem. That is plenty of inventory if you are looking for a home or investment.

Looking Forward

28 townhouses in the area sold this year. Last year there were 33 sales, and the two years prior both saw over 50. You can sell your townhouse for more than ever before, but there are fewer buyers in the market at these prices. In 2017, I fully expect transaction volume to rise again.

Average Sales By Number of Units

| | |
|----------------------|--------|
| 1-2 units | \$2.6M |
| \$809 PPSF | |
| 3-5 units | \$3.2M |
| \$907 PPSF | |
| 6-25 units | \$2.6M |
| \$715 PPSF | |
| Mixed/ Commercial | \$5.5M |
| \$668 PPSF | |

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 **BEAUCHAMP
ESTATES**

505 Park Avenue, Suite 303,
New York, NY 10022

TEL +1.212.371.8200
FAX +1.212.371.8206

info@lesliegarfield.com
lesliegarfield.com

Name Surname
Address line 1
Address line 2
City, Zipcode

About Leslie J. Garfield

At Garfield, we believe that every townhouse and small building is unique. Selling such a substantial asset requires a team that truly understands real estate in New York City, knows your neighborhood, and has even sold property on your block.

Jed Garfield
Lydia Rosengarten
Francis O'Shea
Caylyn Sullivan
Tom Wexler
Upper East Side

Matthew Lesser
Chelsea, Gramercy
& Central Village

Matthew Pravda
Christopher Riccio
Greenwich / West Village

Richard Pretsfelder
Upper West Side

Dane Hope
Midtown East & West

Ravi Kantha
Brooklyn Heights
& East Village

Alex Yoel
Central Harlem
& Park Slope

Get in Touch

If you would like a complimentary property valuation or any further market information, please contact us at:

 212.371.8200

 info@lesliegarfield.com

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