

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

TOWNHOUSE

MID YEAR REVIEW

MARKET SNAPSHOT JAN-JUN 2017

2017 Mid Year Sales

\$1.5B

Avg. Sales Price

\$7.1M

Avg. Price/Sq.ft

\$1,345

Nº Of Transactions

211

Uptown townhouse market heats up as summer season begins

The first half of 2017 was characterized by a slight uptick in townhouse and small building sales in both volume and transactions. Comparing the final numbers of 1H2016 to 1H2017, the number of transactions increased from 178 to 211, total sales increased from \$1.4B to \$1.5B, the average price per foot slipped from \$1,409 to \$1,345, and the average sales price saw a reduction from \$8.1M to \$7.1M

Sales of note that occurred during the first half of 2017 included 19 East 64th Street for \$79.5M (\$4,215 PPSF) and 715 Madison Avenue for \$61.5M (\$6,630 PPSF).

Looking at the market by neighborhood, the Upper West Side saw an increase in all measured categories from 2Q2016 compared to 2Q2017. The total sales rose from \$192.9M to \$252M, the average sales price rose from \$6.8M to \$8.1M, the average price per foot rose from \$1,267 to \$1,355 and the number of transactions rose from 28 to 31.

Looking forward, with the stock market at an all time high, we expect the single family townhouse market to sustain the increase in transaction volume that we saw in the first half of the year. In the multi family sector, it's reasonable to expect an uptick in transactions as investors seek alternatives to fully priced equities, partially offset by a rise in interest rates.

PRIME TOWNHOUSE NEIGHBORHOODS



RIGHT: Average prices and Price Per Square Foot for New York City's Prime Townhouse Neighborhoods

Upper East Side

Total Sales Volume: \$535,600,000	↑ 36%
Average Sales Price: \$14,870,000	↑ 30%
Average Price / Sq.ft: \$1,954	↑ 3%
Number of Transactions: 37	0%

For Sellers

The average sales price on the UES increased largely due to 6 sales over \$20M including two commercial townhouse transactions at 19 East 64th Street for \$79.5M and 715 Madison Avenue for \$61.5M. During the same time period last year there were only 2 sales above \$20M.

For Buyers

The highest priced sale was at 19 East 64th Street. This 41' wide townhouse sold for \$79.5M (\$4,215 PPSF).

Looking Forward

The market for sellers will remain competitive especially in the 60's west of Park Avenue where there is a high amount of inventory compared to other UES neighborhoods.

Upper East Brokers
Jed Garfield, Caylyn Sullivan, Tom Wexler
Lydia Rosengarten

Average Sales By Number of Units

1-2 units
\$2,136 PPSF

\$16.3M

3-5 units
—

N/A

6-25 units
\$1,172 PPSF

\$8.5M

**Mixed/
Commercial**
\$3,088 PPSF

\$24.5M

London

For Sellers

As we enter the summer, which is a natural lull in the market, this is an excellent time for vendors to prepare their property ready for sale and perhaps consult with an agent, who will be able to view impartially and make suggestions for staging, ensuring that the property is ready to market in September, post Labor Day.

For Buyers

For those buyers whose funds are not held in Sterling, London property looks highly attractive, as currency rates remain favorable and look to remain so throughout the summer. However, in many prime central London areas the volume of stock remains depressed, due to some vendors deferring sale or not wanting property on the open market at this time.

Looking Forward

The summer months of July and August will, as is customary, be quiet. The speed with which the Autumn market comes to life and the volume of sales activity generated is hard to anticipate at this time.

International Affiliate
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ESTATES**

↑ Percentage increase from 1H2016

↓ Percentage decrease from 1H2016

Upper West Side

Upper West Broker
Richard Pretsfelder

Total Sales Volume: \$252,000,000	↑ 31%
Average Sales Price: \$8,120,000	↑ 19%
Average Price / Sq.ft: \$1,355	↑ 7%
Number of Transactions: 31	↑ 11%

For Sellers

Sales prices increased 19% from the first half of 2016, while price per foot rose 7%. With nine 8-figure sales vs 5 in all of 2016, the high-end market, although not where it was in 2015, is showing strength in 2017.

For Buyers

The highest priced sale was the 37' wide townhouse at 3 Riverside Drive for \$15.8M. Inventory is above historic norms of 45 listings with approximately 55 townhouses currently on the market.

Looking Forward

With six properties under contract, including two single-family townhouses, the outlook for the rest of the year is positive. Multi-family sales show no sign of slowing, while luxury single-family sales continue to chug along.

Average Sales By Number of Units

1-2 units
\$1,801 PPSF

\$10.1M

3-5 units
\$1,666 PPSF

\$10.0M

6-25 units
\$1,046 PPSF

\$6.7M

**Mixed/
Commercial**
\$964 PPSF

\$5.9M

Midtown East

Midtown East Broker
Dane Hope

Total Sales Volume: \$39,650,000	↓ 41%
Average Sales Price: \$6,600,000	↑ 9%
Average Price / Sq.ft: \$1,272	↓ 7%
Number of Transactions: 6	↓ 45%

For Sellers

Sales prices remained steady while there was a reduction in the number of sales transactions compared to the last half of 2016. Notable transactions in the area include the sale of 149 East 38th Street, a 25'-wide live/work property. The building sold for \$7.8M and \$1,333 PPSF.

For Buyers

The highest priced sale was 149 East 38th Street, 25' wide, \$7.8 M, and \$1,333 PPSF.

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 the second half of 2017.

Average Sales By Number of Units

1-2 units
\$1,421 PPSF

\$6.1M

3-5 units
\$674 PPSF

\$8.2M

6-25 units
\$1,276 PPSF

\$7.2M

**Mixed/
Commercial** N/A

Gramercy

Gramercy Broker
Matthew Lesser

Total Sales Volume:	\$58,900,000	↑ 16%
Average Sales Price:	\$11,780,000	↑ 62%
Average Price / Sq.ft:	\$1,722	↑ 81%
Number of Transactions:	5	↓ 28%

For Sellers

Confidence levels should remain high as two townhouse conversions sold for an average price of \$18.3M and \$2,156 PPSF. The most expensive at 4 Gramercy Park West, at 26.5'-wide, 10,335 Square feet and \$23M.

For Buyers

Average sales price rose 62%; while, average PPSF rose 81%. This is mainly attributed to two transactions over \$13M. Available inventory remains on the market for an above average time, suggesting opportunity to greater negotiate.

Looking Forward

There are currently 2 unrenovated and 2 renovated properties available for sale with average time on market of 137 days. Each of those properties has reduced their asking prices.

Average Sales By Number of Units

1-2 units
\$2,101 PPSF

\$7.0M

3-5 units
\$1,624 PPSF

\$11.1M

6-25 units
\$1,629 PPSF

\$14.8M

Mixed/
Commercial N/A

Greenwich/West Village

Greenwich/West Village Brokers
Matthew Pravda and Christopher Riccio

Total Sales Volume:	\$99,960,000	↓ 64%
Average Sales Price:	\$12,490,000	↓ 14%
Average Price / Sq.ft:	\$2,303	↓ 11%
Number of Transactions:	8	↓ 58%

For Sellers

Listing your home with an asking price as close as possible to the actual market value proves to garner more activity, offers and leads to a signed contract in a shorter period of time

For Buyers

The highest price per square foot sale was 252 West 12th Street, a 20' wide renovated townhouse, at just under \$4,000 PPSF.

Looking Forward

Inventory remains strong, and throughout the Q2 we saw an uptick in properties going into contract. This was partially due to owners making price improvements and new homes coming on the market at asking prices closer to market expectations.

Average Sales By Number of Units

1-2 units
\$2,575 PPSF

\$11.8M

3-5 units
\$3,425 PPSF

\$27.4M

6-25 units
\$1,063 PPSF

\$6.7M

Mixed/
Commercial N/A

Chelsea

Chelsea Broker
Matthew Lesser

Total Sales Volume:	\$49,100,000	↓ 55%
Average Sales Price:	\$7,010,000	↓ 42%
Average Price / Sq.ft:	\$1,311	↓ 15%
Number of Transactions:	7	↓ 22%

For Sellers

The Chelsea market saw slightly decreased activity with 7 total transactions vs. 9 in 1H2016. The highest priced sale occurred at 444 West 22nd Street for \$8.3M (\$1,660 PSF)

For Buyers

Inventory remains thin, and despite some softening in the market, there continues to be multiple offers on appropriately priced property. For example, once reduced, 461 West 21st Street received multiple offers and went to contract over ask.

Looking Forward

Opportunity to acquire assets below \$10M is minimal; while above \$10M there are 15 available properties.

Average Sales By Number of Units

1-2 units
\$1,660 PPSF

\$8.3M

3-5 units
\$1,705 PPSF

\$7.9M

6-25 units
\$1,405 PPSF

\$7.4M

Mixed/
Commercial
\$901 PPSF

\$5.9M

Central Village

Central Village Broker
Matthew Lesser

Total Sales Volume:	\$38,700,000	↓ 3%
Average Sales Price:	\$12,910,000	↑ 29%
Average Price / Sq.ft:	\$2,148	↑ 187%
Number of Transactions:	3	↓ 25%

For Sellers

While only 3 transactions in 1H2017, Average price and PPSF rose dramatically thanks to the sale of 14 East 11th, a renovated single family home for \$21.75M (\$2,900 PSF).

For Buyers

With a small pool of available property, buying opportunity remains low. A recent 25'-wide townhouse conversion opportunity signed contracts in under 2 months at approximately \$1,300 PSF.

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
\$2,043 PPSF

\$14.3M

3-5 units
\$2,357 PPSF

\$10.2M

6-25 units
—

N/A

Mixed/
Commercial
—

N/A

East Village

Total Sales Volume: \$77,870,000	 24%
Average Sales Price: \$6,480,000	 18%
Average Price / Sq.ft: \$1,083	 18%
Number of Transactions: 12	 50%

For Sellers

In the East Village, transaction volume picked up but this commercially dominated market is still slow due to market uncertainty and rising interest rates.

For Buyers

As the East Village condominium market continues to reach record heights, it seems inevitable that residential townhouse prices will follow. For now, there is still good value in this highly desirable neighborhood.

Looking Forward

As the rental market in prime areas of Manhattan has struggled, investors expect lower sale prices and higher capitalization rates. Until sellers match these expectations in pricing, this market will see decreased transaction volume.

East Village Broker
Ravi Kantha

Average Sales By Number of Units

1-2 units
\$1,149 PPSF

\$5.3M

3-5 units
\$1,149 PPSF

\$4.8M

6-25 units
—

N/A

**Mixed/
Commercial**
\$684 PPSF

\$13.8M

Park Slope

Total Sales Volume: \$244,600,000	 103%
Average Sales Price: \$3,100,000	 12%
Average Price / Sq.ft: \$1,059	 12%
Number of Transactions: 81	 138%

For Sellers

Park Slope has been very active in the \$2.5-5M range. 536 4th Street remains as the highest-priced residential sale so far this year, at \$6.129M.

For Buyers

This market remains active and competitive. It is imperative to move quickly if you find a townhouse suitable for purchase.

Looking Forward

This classic Brownstone neighborhood remains one of the most sought after destinations in NYC. In such a large and diverse market, houses that are priced appropriately will continue to see high demand.

Park Slope Broker
Ravi Kantha

Average Sales By Number of Units

1-2 units
\$1,115 PPSF

\$2.9M

3-5 units
\$869 PPSF

\$2.7M

6-25 units
\$617 PPSF

\$6.6M

**Mixed/
Commercial**
—

N/A

Brooklyn Heights

Brooklyn Heights Broker
Ravi Kantha

Total Sales Volume:	\$80,910,000	↑ 29%
Average Sales Price:	\$6,230,000	↓ 1%
Average Price / Sq.ft.:	\$1,304	↑ 33%
Number of Transactions:	13	↑ 30%

For Sellers

Transaction volume is up and prices are coming down. Asking prices on stale listings are starting to come down and it's time to be realistic about pricing. Buyers are ready to step up, but there is too much inventory on the market to be overpriced.

For Buyers

As prices come down, opportunities are available to buy quality real estate at fair prices.

Looking Forward

We will continue to see more reasonably priced product come to market. Overpriced listings will either reduce price or come off the market. This will help set new pricing standards for the high end of the market.

Average Sales By Number of Units

1-2 units	\$6.2M
\$1,629 PPSF	
3-5 units	\$6.4M
\$1,144 PPSF	

6-25 units	\$6.0M
\$816 PPSF	

Mixed/ Commercial	N/A
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Central Harlem

Central Harlem Broker
Richard Pretsfelder

Total Sales Volume:	\$23,600,000	↓ 44%
Average Sales Price:	\$2,400,000	↓ 27%
Average Price / Sq.ft.:	\$777	↓ 10%
Number of Transactions:	10	↓ 23%

For Sellers

There are currently six listings in contract in Central Harlem with two trades in the second quarter. Both sales price and average PPSF have increased this quarter showing positive signs for the market as we move into the summer months.

For Buyers

There are currently eleven townhouses available for sale with an average sale price of \$2.5 M and PPSF of \$672

Looking Forward

The sales price increases we are seeing in the second quarter reflect the steady growth that has been seen in Central Harlem in the last five years. As trades continue to take place we can expect this trend to continue as consumers being to invest in this neighborhood.

Average Sales By Number of Units

1-2 units	\$2.6M
\$797 PPSF	
3-5 units	\$1.3M
\$435 PPSF	

6-25 units	\$3.0M
\$1,314 PPSF	

Mixed/ Commercial	N/A
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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
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
Park Slope & East Village

Richard Pretsfelder
Central Harlem

Get in Touch

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

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