

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

TOWNHOUSE

MID YEAR REVIEW

1H 2019 Sales

\$2B

Avg. Sales Price

\$7.1M

Avg. Price/Sq.ft

\$1,343

No Of Transactions

284

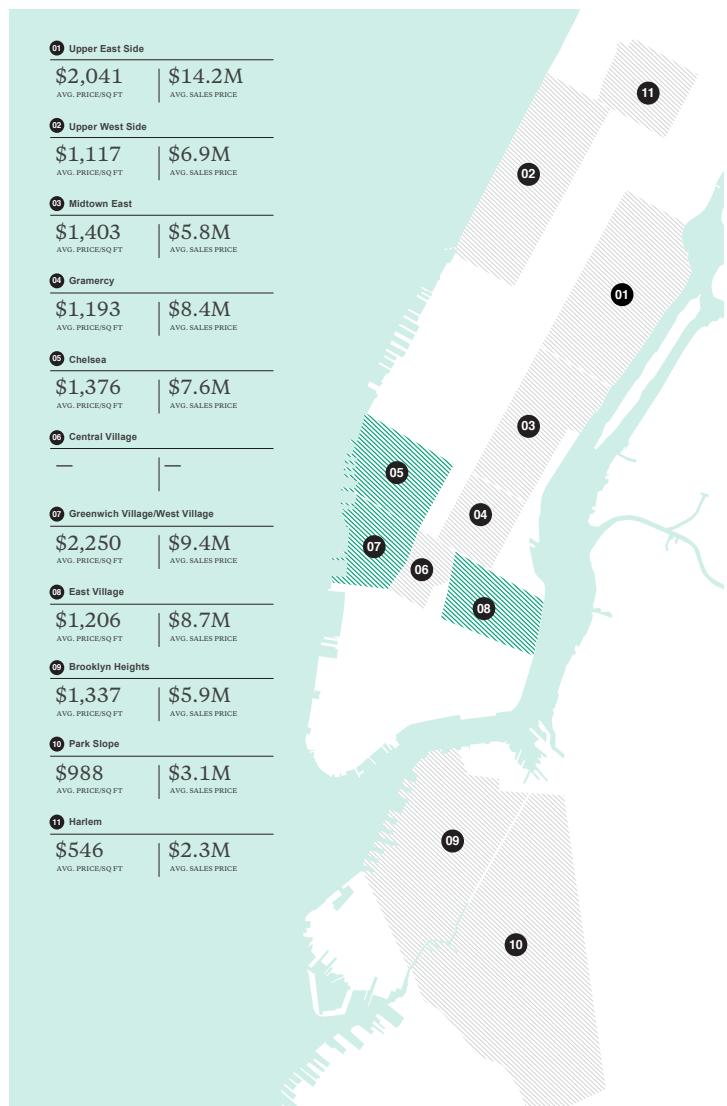
Mansion Tax Drives Surge in 2Q2019 Sales

The mansion tax had a clear impact on the end of 1H2019. Total dollar volume city-wide is up 25% year-over-year, and transaction volume is up 27%. Pricing however, remains flat with only a 1% and 2% increase in average sales price and average price per square foot (PPSF), respectively. The year got off to a slow start in 1Q2019, but dollar volume doubled in 2Q2019 to \$1.3B. This was driven by a surge in sales volume due to the mansion tax increase being implemented in July 2019, as buyers and sellers rushed to complete their transactions before that tax increase went into effect.

Notable sales this quarter included the record breaking sale at 14-16 East 67th Street, a renovated single-family townhouse which sold for \$77.1M and \$5,414/ft, now the highest priced residential townhouse sale in NYC to date. Downtown, one of the more notable sales was in the East Village at 64 East 7th Street, a renovated single-family home which sold for a huge number for the neighborhood at \$15.75M and \$2,100/ft. 15 West 76th Street, sold for \$16,500,000 (\$1,671/ft) to its neighbor, The New York Historical Society. The Upper East Side and Brooklyn Heights had particularly active quarters. There were 24 sales in June alone on the Upper East Side, and 6 in Brooklyn Heights, which had only 3 total sales going into 2H2019.

Looking forward, on the residential front downward pricing and volume risks exist now that the mansion tax is in place. On the commercial front, there is the potential for significant disruption in the multi-family market due to the new rent regulation laws, as the income growth potential for properties in the sector will clearly be diminished.

PRIME TOWNHOUSE NEIGHBORHOODS



Upper East Side

Total Sales Volume:	\$891,917,844	↑ 41%
Average Sales Price:	\$14,157,426	↓ 6%
Average Price / Sq.ft:	\$2,041	↓ 1%
Number of Transactions:	63	↑ 50%

For Sellers

We have seen a significant increase in transaction volume with 47 sales this quarter compared to 23 in 2018. This is heavily due to the new mansion tax law which motivated buyers and sellers to close before July 1, 2019.

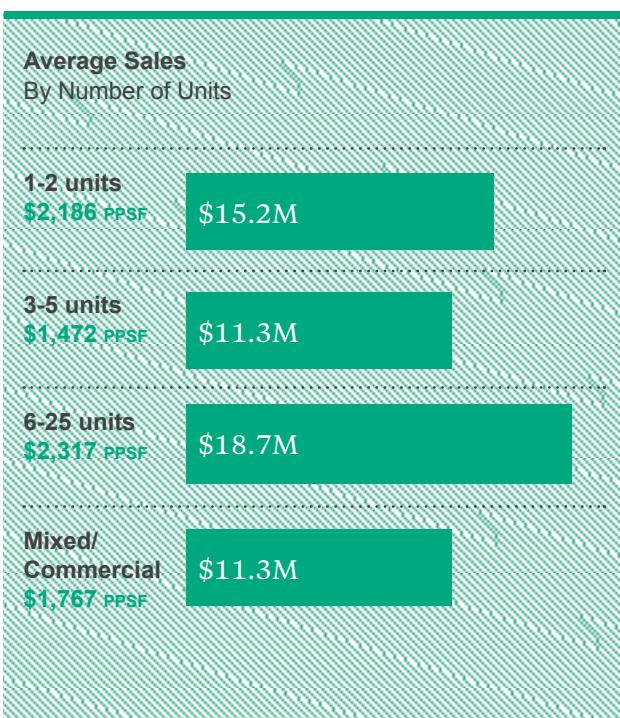
For Buyers

14-16 East 67th Street, a renovated single-family townhouse sold for \$77.1M (\$5,414/ft), making it the highest priced residential townhouse sale in NYC to date. The property last sold for \$49M in 2008.

Looking Forward

This quarter we saw a drastic increase in the number of townhouses entering contact. At one point in May there were 21 homes in contract, and most have since closed. With more price drops, a lower average PPSF, and an increase in sales volume - it is apparent that sellers are more motivated.

Upper East Side Brokers
**Jed Garfield, Tom Wexler,
Lydia Rosengarten, Caylyn Sullivan,
Kristina McNerney & Filomena Hamaric**



London

For Sellers

It is clear that the Brexit negotiations have caused uncertainty in the market and resulted in the greatest impact on the prime Central London property market. The lower numbers of transactions are likely to be a result of the needs-based sales and lettings continuing, whilst any discretionary transactions, both from UK and overseas investors, have paused to await a more certain financial climate.

For Buyers

The volume of new instructions to the market fell by approximately 7% year-over-year. Sales volumes across prime central London were at their lowest in over a decade in 2018, slightly lower than at the height of the global financial crisis in 2008, 9% down on 2017 and 48% lower than the peak of the prime central London market in 2013. Data from LonRes shows little change to date for 2Q2019.

Looking Forward

Clarity over the direction of Brexit holds the key to the current impasse. The PCL property market has proven time and again to be extremely resilient and the future will show the longer term impact of the protracted Brexit negotiations.

International Affiliate
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↑ Percentage increase from 1H2018

↓ Percentage decrease from 1H2018

Upper West Side

Total Sales Volume:	\$160,760,400	↓ 4%
Average Sales Price:	\$6,989,583	↓ 6%
Average Price / Sq.ft:	\$1,117	↓ 5%
Number of Transactions:	23	↑ 9%

For Sellers

2Q2019 saw increased sales volume aided by accelerated closings connected to the mansion tax, while average pricing was down roughly 5%. Median time on market for properties in the \$8M-\$12M price range is 400 days.

For Buyers

Inventory is near a record high with 93 townhouses on the market, which speaks to the true shift to a buyer's market over the last year.

Looking Forward

The urgency created by the mansion tax is behind us, the new rent laws will drive multi-fam prices down, and the seasonal summer slow down is upon us. Offsetting these elements is an impending drop in interest rates.

Upper West Side Brokers
**Richard Pretsfelder
& Sophie Smadbeck**



Midtown East

Total Sales Volume:	\$74,712,520	↓ 34%
Average Sales Price:	\$5,747,117	↓ 34%
Average Price / Sq.ft:	\$1,403	↑ 7%
Number of Transactions:	13	No change

For Sellers

Transaction volume is flat year-over-year. The drop in pricing and dollar volume can be attributed to a \$22M sale and two other 8-figure sales in early 2018, but the current Midtown East sales market remains strong with 13 transactions in 1H2019.

For Buyers

The highest priced sale so far this year was 16 Sutton Square, a 4,000 sq. ft. single-family home which sold for \$13M and \$3,250/ft.

Looking Forward

There are 3 properties in contract, including 1 Sutton Place with a last asking price of \$18.5M, which is a positive sign for the coming months.

Midtown East Brokers
**Caylyn Sullivan, Jed Garfield,
Richard Pretsfelder, Matthew Lesser**



Gramercy

Total Sales Volume:	\$42,197,500	↓ 45%
Average Sales Price:	\$8,439,500	↓ 13%
Average Price / Sq.ft:	\$1,193	↓ 6%
Number of Transactions:	5	↓ 38%

For Sellers

Gramercy remains a small but exclusive market. Given the small sample size of only 5 sales so far this year, the year-over-year decrease isn't necessarily indicative of the overall market.

For Buyers

The most notable sale of 2Q2019 was 117 East 15th Street, a 22.5' wide mixed-use building which sold for \$11M (\$1,938/ft).

Looking Forward

There is currently one property in contract which may prompt the Gramercy market to return to last year's pricing. There is also ample supply in this neighborhood, particularly on East 18th Street. 214, 216, and 315 East 18th Street are all available.

Gramercy Brokers
Matthew Lesser
& Gian Mitchell



Greenwich/West Village

Total Sales Volume:	\$263,420,506	↑ 25%
Average Sales Price:	\$9,407,875	↓ 16%
Average Price / Sq.ft:	\$2,250	↓ 12%
Number of Transactions:	28	↑ 47%

For Sellers

While sales volume is up with 28 transactions (15 in 2H2018) both average sales price and PPSF are down 16% and 12%, respectively. This rise in volume and simultaneous decrease in pricing is largely due to 72% of the transactions in 1H2019 being below \$10M, compared to 47% 1H2018.

For Buyers

The rise in sales activity has led to an increase in listings on market, with 40 townhouses available for sale.

Looking Forward

The strong beginning of 2019 seems to have slowed down. While PPSF remains the highest in the City, we anticipate a decrease in volume through the summer months.

Greenwich/West Village Brokers
Matthew Pravda, Christopher Riccio & Elana Zinoman



Chelsea

Total Sales Volume:	\$53,356,040	↓ 40%
Average Sales Price:	\$7,622,291	↓ 23%
Average Price / Sq.ft:	\$1,376	↓ 11%
Number of Transactions:	7	↓ 22%

For Sellers

The Chelsea townhouse market is characterized by a downturn in pricing and volume this quarter. This is largely due to a handful of large investment transactions that took place 1H2018, but the residential market 1H2019 remains on par with last year.

For Buyers

Inventory is high with 17 townhouses available on the market. This can partially be attributed to the number of new construction projects near the high line providing more options for buyers in the neighborhood.

Looking Forward

We may see a positive turn in the market given the rising tech presence in the neighborhood, such as Google's new campus which is expected to be completed in 2022.

Chelsea Broker
Matthew Lesser



Central Village

Total Sales Volume:	—
Average Sales Price:	—
Average Price / Sq.ft:	—
Number of Transactions:	0

For Sellers

Central village remains one of Manhattan's most exclusive residential neighborhoods due to the limited supply and premium pricing.

For Buyers

On market inventory has increased, which means that some buyers may finally be lucky enough to find a property that suits their needs in this neighborhood.

Looking Forward

With two active listings on the market, it can be observed that transactions are possible in the near future. These listings are 25 East 11th Street, which is offered at \$14.995M and 54-56 Third Avenue, which is offered at \$15.5M.

Central Village Broker
Matthew Lesser



East Village

East Village Broker
Ravi Kantha

Total Sales Volume:	\$95,150,000	↓ 19%
Average Sales Price:	\$8,650,000	↑ 25%
Average Price / Sq.ft:	\$1,206	↑ 19%
Number of Transactions:	11	↓ 35%

For Sellers

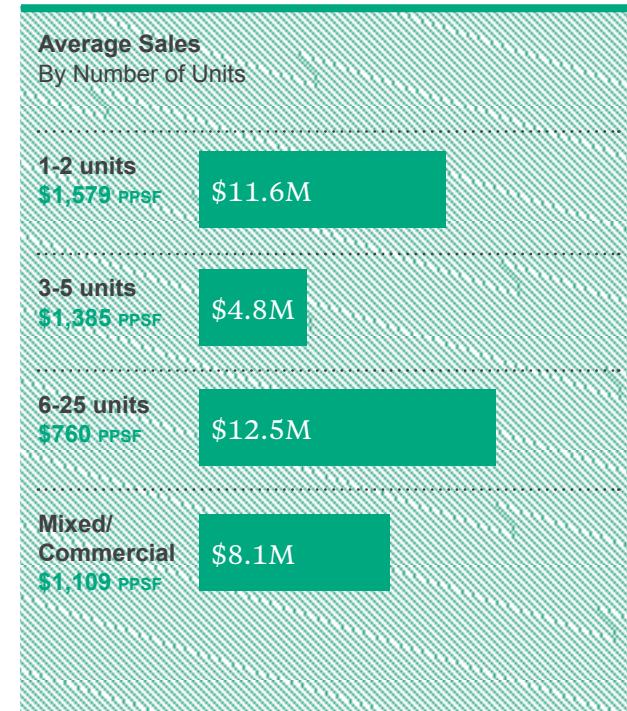
Transaction and dollar volume are down year-over-year. Pricing is up, largely due to two high priced sales. 64 East 7th Street was a single-family home which sold for \$15.75M and \$2,100/ft, a huge price for the neighborhood. 211-217 1st Avenue was a mixed-use portfolio that sold for \$19.65M and \$801/ft.

For Buyers

There are currently 10 properties available for sale with an average time on market of 78 days and an average PPSF of \$1,549.

Looking Forward

The East Village market is more active to date, but the effect of the new rent laws on transaction volume in this neighborhood is still unknown.



Brooklyn Heights

Brooklyn Heights Broker
Ravi Kantha

Total Sales Volume:	\$88,725,000	↑ 67%
Average Sales Price:	\$5,915,000	↓ 11%
Average Price / Sq.ft.:	\$1,337	↑ 13%
Number of Transactions:	15	↑ 88%

For Sellers

The Brooklyn Heights market has been more active in the \$4-7M range. Buyers are still very price conscious. The highest priced single-family sale was 16 Sidney Place at \$9.8M and \$1,485/ft.

For Buyers

Inventory remains high, but much of the new inventory is priced to sell. Sellers must recognize where market value is or they risk extended time on the market.

Looking Forward

There are currently 24 townhouses on the market. The average days on market is 131 days, but this can be avoided with realistic pricing, as demonstrated by the quick sales of 65 Pineapple Street, 135 Joralemon Street, and 16 Grace Court Alley.



Park Slope

Park Slope Broker
Ravi Kantha

Total Sales Volume:	\$220,249,681	↓ 15%
Average Sales Price:	\$3,146,424	↑ 6%
Average Price / Sq.ft:	\$988	↑ 2%
Number of Transactions:	70	↓ 20%

For Sellers

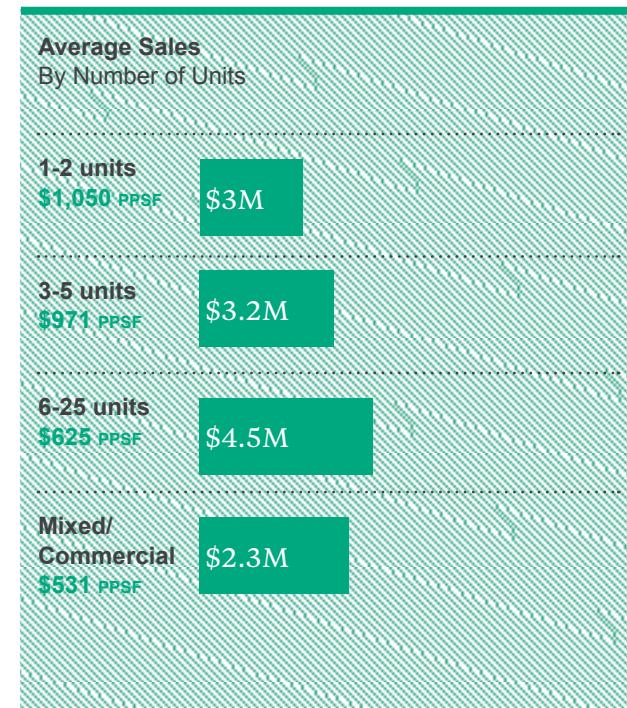
Park Slope has seen a decrease in sales volume this year, but an increase in pricing. This market continues to benefit from its desirability and more accessible price point for \$2-4M townhouse buyers.

For Buyers

Quality inventory moves quickly, so it's imperative to stay up to date on the latest availability.

Looking Forward

Park Slope will likely remain busy this year. Beautiful historic rowhouses, Prospect Park, a bustling food scene, good schools, and convenient public transit options continue to make this market a top choice for many buyers.



Harlem

Harlem Broker
Stanley Montfort

Total Sales Volume:	\$112,037,316	↓ 47%
Average Sales Price:	\$2,286,476	↓ 18%
Average Price / Sq.ft.:	\$546	↓ 2%
Number of Transactions:	49	↓ 36%

For Sellers

Transaction volume through for the first half of 2019 is down 36% (76 in 2018 to 49 in 2019). Similarly, the average sales price is down 18.4%, and the average list price in 2019 is 10.64% below the average sales price.

For Buyers

With over 100 houses on the market and wider spread between the average list price and asking price, buyers are well positioned to negotiate a great deal.

Looking Forward

Sellers will need to match buyers' pricing expectations in order to see movement going into the second half of 2019.





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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

Christopher Riccio

Punit Sabharwal

SoHo & Tribeca

Richard Pretsfelder

Upper West Side

Caylyn Sullivan

Jed Garfield

Richard Pretsfelder

Matthew Lesser

Midtown East

Ravi Kantha

Brooklyn Heights,

East Village & Park Slope

Stanley Montfort

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Get in Touch

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

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