

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

TOWNHOUSE

QUARTERLY REVIEW

Q3 2019 Sales

\$2.3B

Avg. Sales Price

\$6.5M

Avg. Price/Sq.ft

\$1,303

No Of Transactions

363

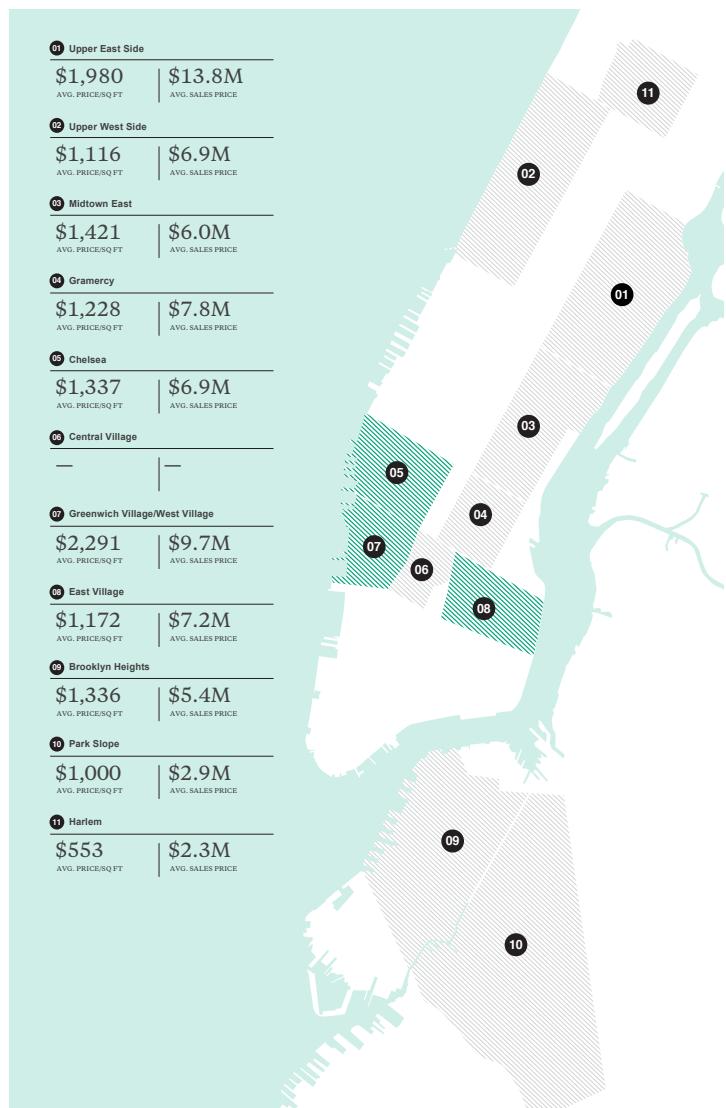
After Slow 3Q2019, Residential Market Shows Some Stability, Multifamily Downturn Continues

3Q2019 marked one of the slowest quarters in terms of dollar and transaction volume since 2009, preceded by uncharacteristically high volume in 2Q2019. The 3Q slowdown is clearly attributable to the passage of Tenant Protection Act and increases in the mansion tax and transfer tax, as buyers and sellers sought to beat the increased transaction costs prior to the July 1, 2019 implementation date. Year-over-year, dollar volume through 3Q2019 was down 18%, and transaction volume was down 19%. However, pricing remains flat year-over-year with barely any change in both average sales price and average Price Per Square Foot (PPSF).

Notable sales this quarter include 18 East 73rd Street, a 23'-wide single-family home which sold for \$27M and \$2,679/ft, and 141 West 11th Street, a townhouse within the Greenwich Lane new development which sold for \$19.995M.

With the irregular ups and downs of the 2nd and 3rd quarters behind us, we are seeing signs that the market is bouncing back or at least reaching an equilibrium between buyers and sellers, particularly on the residential side. In most neighborhoods, there were a healthy number of contract signings toward the end of 3Q2019. In addition, anecdotally, showings and general interest seems to be at a high point for the year and it is important to note that pricing has held up compared to 2018. However, on the commercial side, the multifamily market is experiencing a major shift due to the new rent laws. While the transaction volume of single-family homes is actually up 8% year-over-year, transaction volume of multifamily/commercial properties is down 30% from 3Q2018. It remains to be seen if the momentum in the residential market can be carried forward into 4Q2019 and 2020.

PRIME TOWNHOUSE NEIGHBORHOODS



Upper East Side

Total Sales Volume:	\$965,047,844	↑ 6%
Average Sales Price:	\$13,786,398	↓ 2%
Average Price / Sq.ft:	\$1,980	↓ 0.4%
Number of Transactions:	70	↑ 8%

For Sellers

Year-to-date, transaction volume is up slightly, but 3Q2019 was slow with only 6 sales, as a result of the surge in sales that took place in 2Q2019 (44 total) due to the new mansion tax law.

For Buyers

The highest priced sale this quarter was the 23' wide renovated townhouse at 18 East 73rd Street closing for \$27M (\$2,679/ft). This townhouse last sold for \$19.5M in 2013. Inventory is high with 93 townhouses on the market.

Looking Forward

While a decline in sale prices on a PPSF are inevitable with high inventory, the UES has been and will continue to be the center of “moneyed” Manhattan and shoppers do need a home. Where the buyers locate opportunity, on a relative basis, they will buy.

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



London

For Sellers

As activity levels continue to remain relatively low, the market is extremely price sensitive. Sellers who react to the current climate and lower their expectations accordingly are managing to sell and those who do not need to sell are either leaving their properties on the market waiting for it to improve, or considering renting them out.

For Buyers

The political uncertainty surrounding Brexit continues to negatively impact the market. However, Prime London property is attracting savvy dollar based buyers who sense real value in the market now. The upper end of the market has gained some traction although the core market remains challenging.

Looking Forward

The general feeling in the market is that the delivery of a Brexit, in whatever form, will be the watershed moment with a “bounce” expected in the property market. Unfortunately, at this time, it is impossible to predict accurately when that might be.

International Affiliate
 BEAUCHAMP
ESTATES

Upper West Side

Total Sales Volume:	\$160,760,400	↓ 36%
Average Sales Price:	\$6,989,583	↓ 8%
Average Price / Sq.ft:	\$1,116	↓ 2%
Number of Transactions:	23	↓ 28%

For Sellers

Across the board, 3Q2019 was a low point in the market, and the Upper West Side was no exception with zero sales since the end of June. The temporary slowdown can be attributed to the change in mansion tax law that went into affect July 1.

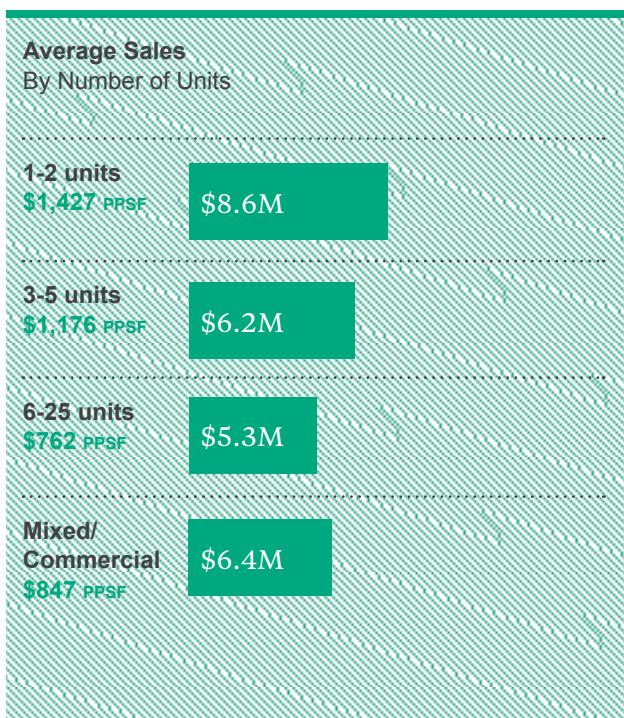
For Buyers

Inventory is high with about 80 townhouses currently on the market on the UWS, but down from its peak of 93 townhouses on market earlier this year. The average asking price is \$8M.

Looking Forward

We expect to bounce back quickly from this slow quarter with 11 properties currently in contract on the UWS. Anecdotally, showings and offers have increased to what feels like a high point for the year.

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



Midtown East

Total Sales Volume:	\$84,556,002	↓ 48%
Average Sales Price:	\$6,039,714	↓ 22%
Average Price / Sq.ft:	\$1,421	↑ 6%
Number of Transactions:	14	↓ 33%

For Sellers

Along with most of the City, Midtown East has had a slow 3Q2019 with just 1 sale on record, compared with 5 in 2Q2019.

For Buyers

The only sale of 3Q2019 was at 126 East 57th Street, a mixed-use building that sold for \$9.8M and \$1,652/ft.

Looking Forward

There are 4 properties in contract, including 1 Sutton Place with a last asking price of \$18.5M, as well as Leslie J. Garfield's listing at 211 East 48th Street which is in contract asking \$3.995M.

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



Gramercy

Total Sales Volume:	\$46,897,500	↓ 19%
Average Sales Price:	\$7,816,250	↓ 6%
Average Price / Sq.ft:	\$1,228	↓ 3%
Number of Transactions:	6	↓ 14%

For Sellers

Transaction volume through 3Q2019 is slightly down with 6 sales thus far in 2019, compared to 7 through 3Q2018. 2 single-family transactions occurred with average prices of \$12M and \$1,780/ft

For Buyers

There are 11 townhouse properties available for sale between \$5.2M-\$21.5M with an average time on market of 226 days.

Looking Forward

Gramercy continues to be good value compared to other neighborhoods. With adjusted pricing, and continued neighborhood developments, we should see greater transaction volume in 4Q2019 and onwards.

Gramercy Brokers
Matthew Lesser
& Gian Mitchell



Greenwich/West Village

Total Sales Volume:	\$320,915,506	↓ 6%
Average Sales Price:	\$9,724,712	↓ 23%
Average Price / Sq.ft:	\$2,292	↓ 12%
Number of Transactions:	33	↑ 22%

For Sellers

Sales volume has decreased significantly in 3Q2019 over 2Q2019, after a wave of closed transactions in June prior to the City's new Mansion Tax implementation.

For Buyers

The beginning of September saw a boost of new inventory with 9 new townhouses brought to market. Price drops are becoming more commonplace with most signs pointing towards a buyer's market.

Looking Forward

Although transactions have decreased through 3Q2019, PPSF remains among the highest in the City. With 5 townhouses currently in contract, we anticipate an increase in sales in 4Q2019.

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



Chelsea

Total Sales Volume:	\$83,131,040	↓ 19%
Average Sales Price:	\$6,927,587	↓ 30%
Average Price / Sq.ft:	\$1,337	↓ 4%
Number of Transactions:	12	↑ 9%

For Sellers

Average sales price, average PPSF and dollar volume have all decreased year-over-year. However, transaction volume is up slightly from this time last year.

For Buyers

Inventory is high with 18 properties currently on the market at all price points, and properties are lingering. New properties priced competitively are likely to sell quickly due to the volume of stale inventory.

Looking Forward

There are currently no townhouses under contract. However, asking prices are dropping, which will likely lead to an increase in transaction volume.

Chelsea Broker
Matthew Lesser



Central Village

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

For Sellers

The Central Village remains a small submarket. With low available inventory, properties should yield strong prices. However, required property upgrades and rising construction costs have contributed to the decreased volume in 2019.

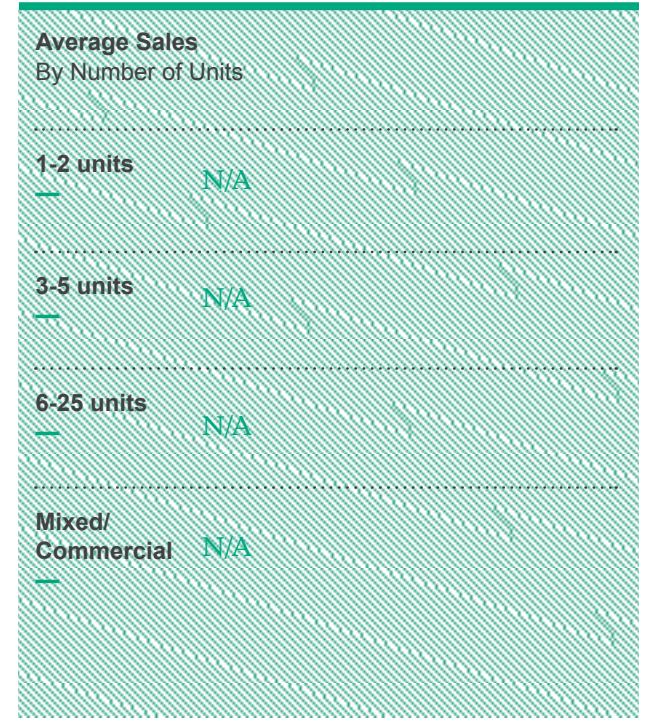
For Buyers

Inventory remains low with only 2 active listings available for sale, with an average price of \$12.9M.

Looking Forward

There is 1 property in contract at 25 East 11th Street with a last asking price of \$14.995M. Should it close before the end of the year, this would mark the only sale of 2019 thus far.

Central Village Broker
Matthew Lesser



East Village

East Village Broker
Ravi Kantha

Total Sales Volume: \$101,225,000	↓ 34%
Average Sales Price: \$7,241,667	↑ 5%
Average Price / Sq.ft: \$1,172	↑ 16%
Number of Transactions: 15	↓ 32%

For Sellers

While volume is down significantly year-over-year, pricing is up. 3Q2019 is relatively flat over 3Q2018, with 5 sales last year and 4 sales this year in that time frame.

For Buyers

3Q2019 was characterized by two particularly low-priced sales at 300 East 3rd Street (12 units) for \$1.95M and \$244/ft and 379 East 10th Street (13 units) at \$975,000 and \$115/ft.

Looking Forward

3 properties are currently in contract in the East Village, which means 4Q2019 is likely to stay on pace with the rest of the year. Inventory is low with only 4 properties available for sale.



Brooklyn Heights

Brooklyn Heights Broker
Ravi Kantha

Total Sales Volume: \$123,030,000	↑ 7%
Average Sales Price: \$5,349,130	↓ 16%
Average Price / Sq.ft.: \$1,336	↓ 3%
Number of Transactions: 23	↑ 26%

For Sellers

After a high-volume 2Q2019, sales and transaction volume have slowed down with 5 transactions in 3Q2019 as opposed to 10 in 3Q2018.

For Buyers

24 townhouse properties are currently available for sale between \$2.2M-\$18M. Average time on market continues to rise, giving buyers more negotiating power.

Looking Forward

With only four properties currently under contract, and multiple price adjustments on properties currently available for sale, properties coming to market should match buyers' pricing expectations to avoid longer sale time frames.



Park Slope

Park Slope Broker
Ravi Kantha

Total Sales Volume: \$298,446,410	↓ 23%
Average Sales Price: \$2,984,464	↓ 0.7%
Average Price / Sq.ft: \$1,000	↓ 16%
Number of Transactions: 99	↓ 23%

For Sellers

Park Slope has decreased in all sales categories year-over-year. However, the pricing is relatively flat. Park Slope was not immune to the effects of the mansion tax changes as well, with 3Q2019 being the slowest of the year.

For Buyers

Our exclusive at 283 1st Street went into contract within 2 weeks of being on the market indicating that properties priced near market value will trade fairly quickly.

Looking Forward

The outlook for the remainder of the year is positive as there are currently 24 houses in contract.



Harlem

Central Harlem Broker
Stanley Montfort

Total Sales Volume: \$156,227,229	↓ 46%
Average Sales Price: \$2,264,163	↓ 17%
Average Price / Sq.ft: \$553	↓ 14%
Number of Transactions: 69	↓ 32%

For Sellers

Transaction volume through 3Q2019 is down 32.35%, 101 in 2018 to 69 in 2019. Similarly, average sales volume is down 46%, \$283,561,860 in 2018 to \$156,227,229 in 2019.

For Buyers

With over 86 houses on the market, and wider spread between the average list price and ask 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 final quarter of 2019.





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International Affiliate



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

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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