Sotheby's
INTERNATIONAL REALTY

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New York City Market Update

Third Quarter 2016

MANHATTAN BROKERAGES
East Side | 38 East 61st Street | t: 212.606.7660
Downtown | 149 Fifth Avenue, 4th Floor | t: 212.431.2440
West Side | 2244 Broadway | t: 212.579.9300

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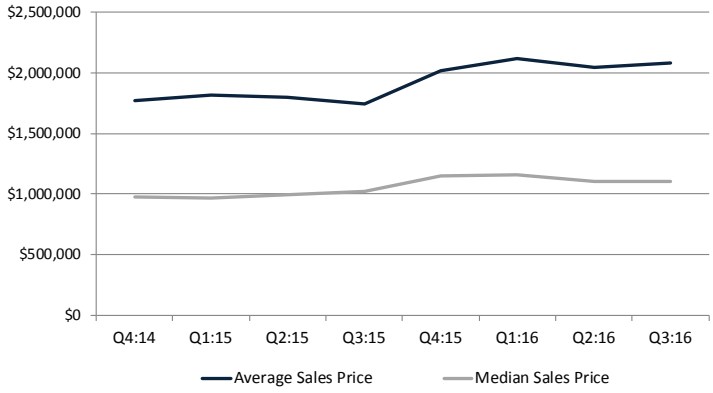
CONDOS & CO-OPS OVERVIEW

The third quarter of 2016 concluded with a strong gain in the overall average sale price and median sale price. However, there is a palpable sense that these indicators are lagging and not representative of the current, softening market trend. With inventory rising, sales volume declining, buyers having pre-election jitters and a general anxiety about economic conditions - the market has transitioned away from the sustained, rising price trend witnessed over the last few years. The clear advantage held by sellers over the last few years appears to have dissipated. With 3,242 closed sales in the third quarter of 2016, there were 18% fewer closing than prior year. Although the overall average sale price was $2,077,000, posting a 19% increase over the prior year, much of the increase in the average sale price can be attributed to a spate of new construction closings. For all properties sold under $3 mil, where 83% of activity falls, the average sale price was essentially flat and the median price rose just 1%. This is the strongest sign of softening market conditions as prior periods posted much higher gains in this price segment. In the $3 mil to $10 mil price bracket, prices were also flat with an average sale price of $4,931,000, nearly equal with prior quarter. In the top price tier segment, units sold over $10mil, the average sale price rose 12% while the median sale price increased a modest 4% than prior year.

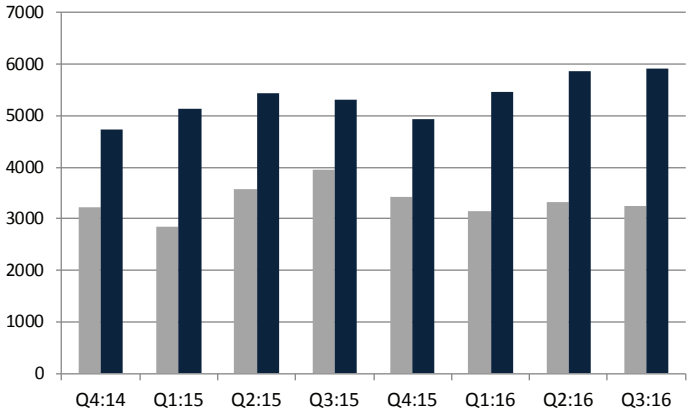
MANHATTAN OVERVIEW	UNDER $3M			$3M TO $10M			OVER $10M			TOTAL		
	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change
Number of Closed Sales	2,697	3,435	-21%	460	483	-5%	85	42	102%	3,242	3,960	-18%
Average Days on Market										84	73	15.1%
Listing Discount										6%	4%	50%
Average Sales Price	$1,112,000	$1,109,000	0%	$4,931,000	$4,915,000	0%	$17,535,000	$15,647,000	12%	$2,077,000	$1,741,000	19%
Median Sales Price	$896,000	$890,000	1%	$4,361,000	$4,455,000	-2%	$14,266,000	$13,700,000	4%	$1,100,000	$1,025,000	7%
Listing Inventory									Further detail on page 3	5,924	5,860	11%
Months of Supply										5.4	5.0	8%

The average sale price of all recorded Manhattan unit sales was $2,077,000, nearly equal with prior quarter but 19% higher than one year ago. The median sale price of $1,100,000 was unchanged from prior quarter and 7% higher than prior year. The median sale price of all Manhattan sales has registered over $1mil for 5 consecutive quarters.

AVERAGE and MEDIAN SALES PRICE



NUMBER OF CLOSED SALES and INVENTORY



Buyers have been faced with limited choices given low levels of supply and are feeling resistant to record high prices. These factors have sidelined buyers resulting in the number of closed sales falling year-over-year by 18%. However, the 3,242 closed sales this quarter was just 3% lower than prior quarter. Inventory has risen to 5,924 listings, which is the highest inventory level over the last 8 quarterly periods, and is an increase of 11% over prior year. This level of inventory is still well below normalized supply levels of 8,000-9000+/- listings. However, the rise in overall inventory joined with other market factors, has resulted in a transition out of the "seller's market" witnessed over the last few years.

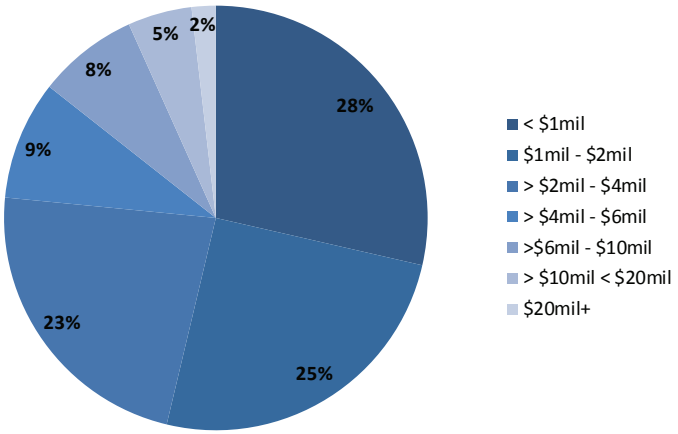
MANHATTAN MARKET | ABSORPTION RATE

CONDOS & CO-OPS (based on 6 months of closed sales 12.01.2015 - 05.31.2016)

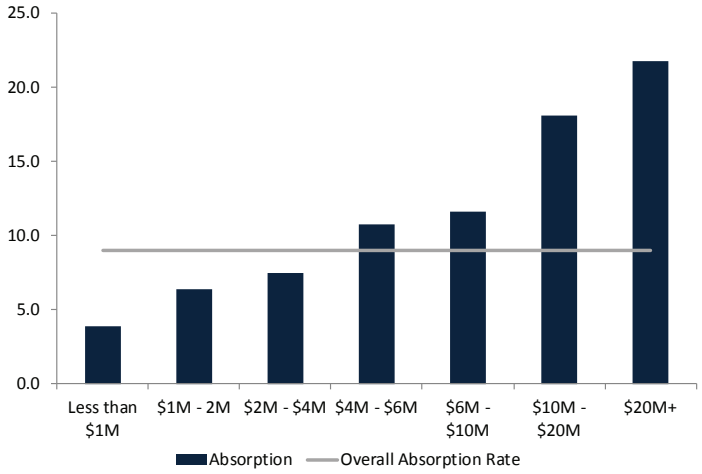
The overall Manhattan absorption rate stands at nearly 6 months which in a general sense signifies a market in "equilibrium". The historic range of equilibrium for the market area is 6-9 months. The absorption rate is calculated by taking the total number of currently active listings and dividing by the average number of closed sales over the 6-month period. The lower price segments continue to experience shortages of inventory with units under $1mil at 3.9 months of supply and units between $1mil to $2mil at 6.4 months of supply. The top 2 price tiers have absorption rates well over 1 year, signifying an oversupply that has resulted in discounts and longer marketing time for the highest valued properties. As the oversupply continues in the highest price brackets it is increasingly more difficult for seller's in the top price segments to remain inflexible in their price expectations.

	Less than $1M	$1M - $2M	$2M - $4M	$4M - $6M	$6M - $10M	$10M - $20M	$20M+	TOTAL
Active Listing Inventory	1,693	1,490	1,351	537	454	290	109	5,924
Average Closed Sales / Month	435	233	180	50	39	16	5	1,080
Months of Supply per Price Category	3.9	6.4	7.5	10.7	11.6	18.1	21.8	5.4

NUMBER OF ACTIVE LISTINGS

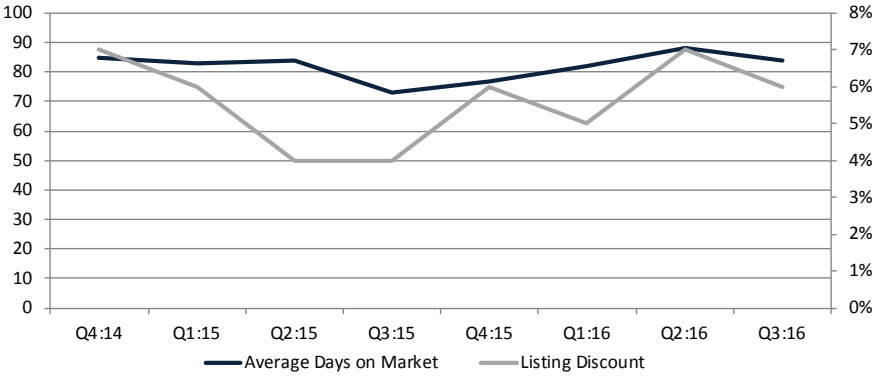


ABSORPTION RATE



AVERAGE DAYS ON MARKET & LISTING DISCOUNT

	Q4 : 14	Q1 : 15	Q2 : 15	Q3 : 15	Q4 : 15	Q1 : 16	Q2 : 16	Q3 : 16
Average Days on Market	85	83	84	73	77	82	88	84
Listing Discount	7%	6%	4%	4%	6%	5%	7%	6%



AVERAGE DAYS ON MARKET

The total number of days a listing is on the active market before an offer is accepted. It is calculated by totaling the total days on market for every closed sale, and dividing the total days by the total number of closed sales.

LISTING DISCOUNT

The percent change between the original asking (listing) price of a home, and the final sales price of the home. It is calculated by subtracting the sales price from the original listing price, and dividing the result by the original listing price.

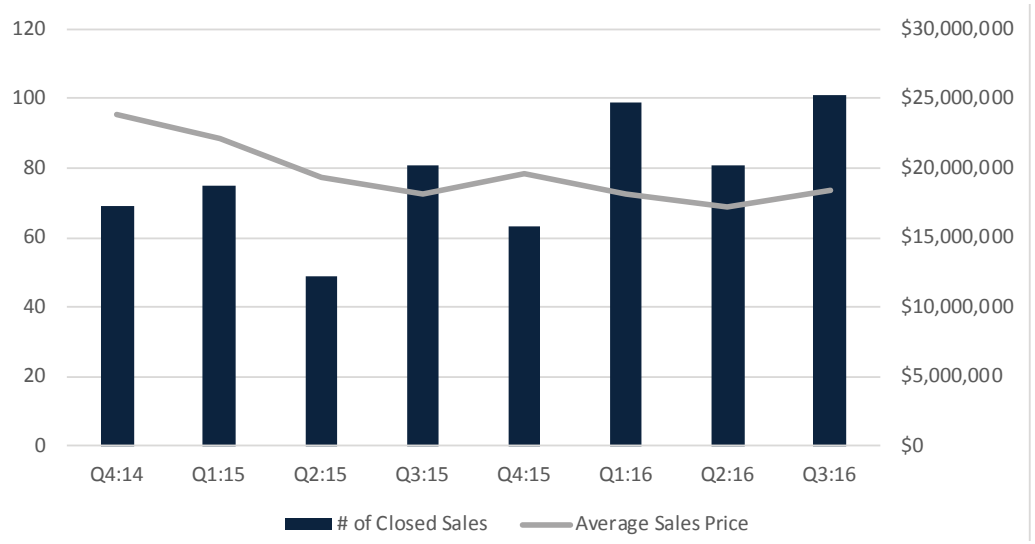
THE ULTRA LUXURY MARKET

CO-OPS, CONDOS & TOWNHOUSES OVER $10M

Over the third quarter of 2016 there were 101 ultra-luxury sales, 25% more than prior year, due to a wave of new construction closings. The average sale price in this market sector was $18,424,000, posting a slight gain of 2% over prior year and 7% gain from prior quarter. The highest posted sale price this quarter was $86.090mil for the 96th floor unit at 432 Park Avenue.

	Q4 : 14	Q1 : 15	Q2 : 15	Q3 : 15	Q4 : 15	Q1 : 16	Q2 : 16	Q3 : 16
Number of Closed Sales	69	75	49	81	63	99	81	101
Average Sales Price	$23,927,000	$22,138,000	$19,367,000	$18,145,000	$19,600,000	$18,200,000	$17,200,000	$18,424,000
Highest Sales Price	$100,500,000	$91,500,000	$47,800,000	$37,940,000	$45,000,000	$44,833,000	$59,144,000	$86,090,000

NUMBER OF CLOSED SALES and AVERAGE SALES PRICE



SOTHEBY'S INTERNATIONAL REALTY - MANHATTAN SIGNIFICANT SALES

230 Central Park South
Last Asking: $13,400,000
Pamela A. O'Connor | 212.606.7709
Rebecca Cavallaro | 212.606.7641

43 Fifth Avenue
Last Asking: $6,500,000
Mara Flash Blum | 212.431.2447

414 Washington Street
Last Asking: $6,500,000
Gina Kuhlenkamp | 212.606.7610

*Due to client confidentiality the final sales price cannot be disclosed.

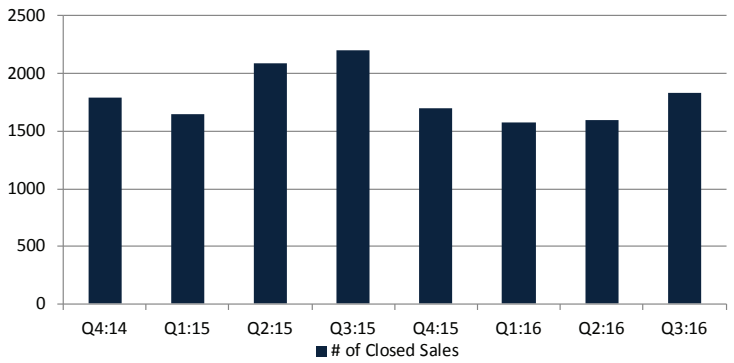
MANHATTAN MARKET | CO-OPS & CONDOS

CO-OPS

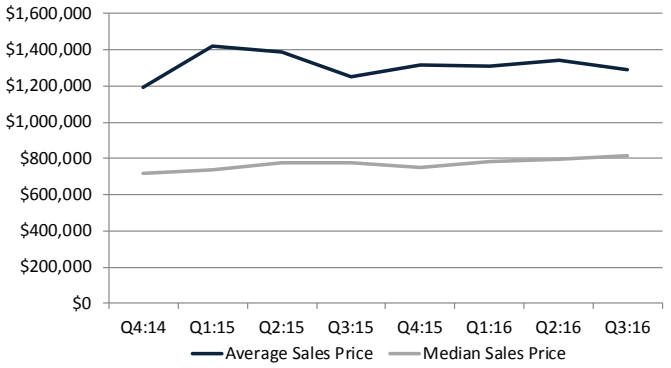
Third quarter 2016 co-op closed sales fell 17% compared to prior year. The average overall sale price posted a slight increase of 3% from prior year to end at $1,291,000. In the below $3M price segment, both average sale price and median sale price increased 3% and 5% respectively. For co-op units in the price tier ranging from $3mil to $10mil, the measures posted losses of 4% off the average sale price and 6% off the median sale price. Within the top tier coop price bracket, $10mil and higher, there were 14 closed sales to just 9 sales in the prior year.

CO-OPS	UNDER $3M			$3M TO $10M			OVER $10M			TOTAL		
	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change
Number of Closed Sales	1,695	2,035	-17%	121	159	-24%	14	9	59%	1,830	2,203	-17%
Average Sales Price	$970,000	$944,000	3%	$4,387,000	$4,583,000	-4%	$15,283,000	$15,315,000	0%	$1,291,000	$1,252,000	3%
Median Sales Price	$775,000	$737,000	5%	$3,900,000	$4,150,000	-6%	$15,250,000	$14,500,000	5%	$815,000	$775,000	5%

NUMBER OF CLOSED SALES



AVERAGE and MEDIAN SALES PRICE

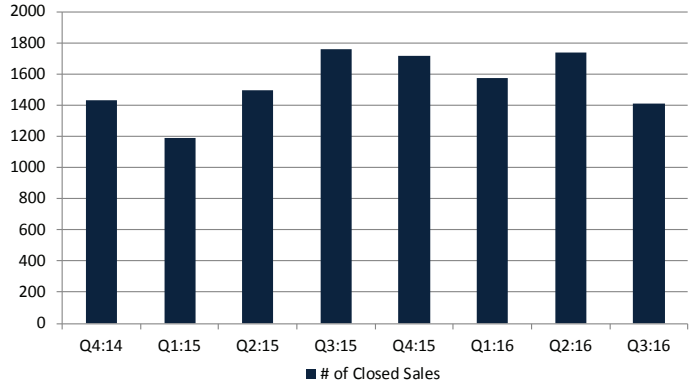


CONDOS

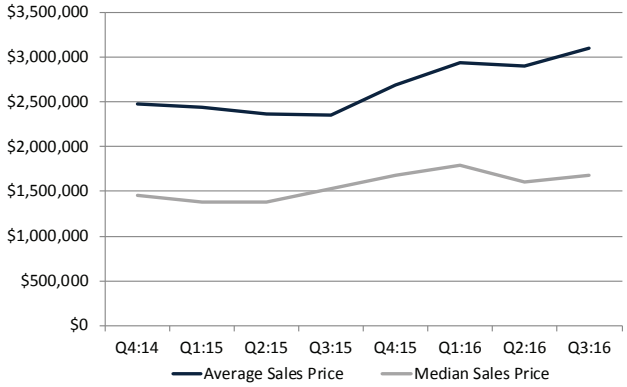
Condo closed sales decreased by 20% in the third quarter of 2016 compared to third quarter of 2015. Overall condo sales showed impressive gains as a result of new construction activity. The average sale price rose 32% to $3,096,000; the average price per square foot reached 12% higher to $1,814; and the median sale price increased 10% to $1,680,000. For units below $10M, there was very little change in both average sale price and median sale price. However, condo units over $10mil, both average sale price and median sale price rose 14% and 8% respectively. Most of these high-end deals were procured in pre-construction phases from 2014-2015 and are not representative of present trends in the top tier of the market.

CONDOS	UNDER $3M			$3M TO $10M			OVER $10M			TOTAL		
	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change	Q3 : 16	Q3 : 15	% Change
Number of Closed Sales	1,002	1,400	-28%	339	324	5%	70	33	113%	1,411	1,757	-20%
Average Sales Price	$1,352,000	$1,348,000	0%	$5,126,000	$5,064,000	1%	$17,916,000	$15,727,000	14%	$3,096,000	$2,348,000	32%
Average PPSF	$1,444	$1,414	2%	$2,369	$2,209	7%	$4,299	$3,884	11%	$1,814	$1,616	12%
Median Sales Price	$1,215,000	$1,225,000	-1%	$4,598,000	$4,590,000	0%	$14,100,000	$13,000,000	8%	$1,680,000	$1,525,000	10%

NUMBER OF CLOSED SALES



AVERAGE and MEDIAN SALES PRICE



NEIGHBORHOOD BREAKDOWN

UPPER EAST SIDE *north of 58th Street and south of 96th Street, Fifth Avenue to East End Avenue*

The average coop price of $1,577,000 was a 3% increase from prior year while the median coop price declined 3% to $900,000. There were 22% fewer co-op sales while the condo sector had a 14% decrease in sales activity. The average condo price was essentially equal with prior year and the median condo price posted a 7% increase to $1,390,000.

CO-OPS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	481	615	-22%
Average Sales Price	$1,577,000	$1,532,000	3%
Median Sales Price	$900,000	$925,000	-3%

CONDOS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	215	250	-14%
Average Sales Price	$2,475,000	$2,488,000	-1%
Median Sales Price	$1,580,000	$1,475,000	7%

UPPER WEST SIDE *north of 58th Street and south of 110th Street, Central Park West to Riverside Drive*

The total number of co-op sales on the Upper West Side was 384, a decrease of 6% from prior year. Coops in this market area posted an average sale price of $1,440,000, essentially equal with prior year. The average condo price was $2,445,000, a 7% increase from prior year. The median condo sale price also posted a gain with a 2% increase to $1,650,000.

CO-OPS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	384	410	-6%
Average Sales Price	$1,440,000	$1,425,000	1%
Median Sales Price	$985,000	$850,000	16%

CONDOS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	167	354	-53%
Average Sales Price	$2,445,000	$2,291,000	7%
Median Sales Price	$1,650,000	$1,615,000	2%

MIDTOWN *north of 34th Street and south of 57th Street*

The average coop sale price in this market area increased 6% to $1,014,000 while the median coop price rose to $700,000, a minor 4% increase over prior year. Closings at 432 Park Avenue, including the sale of PH96 at $86.1mil propelled the average condo price in the market to a 50% gain to $3,192,000. However, the median condo sale price was lower by 2%, falling to $1,399,00.

CO-OPS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	252	332	-24%
Average Sales Price	$1,014,000	$961,000	6%
Median Sales Price	$700,000	$670,000	4%

CONDOS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	314	428	-27%
Average Sales Price	$3,192,000	$2,127,000	50%
Median Sales Price	$1,390,000	$1,421,000	-2%

UPTOWN *north of 96th Street on the East Side and north of 110th Street on the West Side*

The average price of co-op sales was higher by 10%, reaching $584,000. The median sale price increase was also impressive with an 8% rise to $535,000. Market measures were significantly higher in the condo unit sector with a 14% gain in the average condo sale price and a 13% increase in the median condo sale price. The average condo unit price reached $825,000 while the median condo price elevated to $700,000. Both the co-op and condo sectors had 18% fewer sales closed this period.

CO-OPS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	147	180	-18%
Average Sales Price	$584,000	$532,000	10%
Median Sales Price	$535,000	$495,000	8%

CONDOS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	124	152	-18%
Average Sales Price	$825,000	$725,000	14%
Median Sales Price	$700,000	$620,000	13%

DOWNTOWN *south of 34th Street through Tribeca*

The 530 co-op sales in the third quarter of 2016 was a decline of 17% as compared to prior year. However, coop sale price measures ended higher with a 3% gain in the average sale price and a 6% gain in the median sale price. Huge gains were evident in the condo price measures with a 28% increase in the average price of a condo; and a 29% increase in the median condo sale price. This was a result of sales progressing in new construction developments like Greenwich Lane, 56 Leonard and 10 Madison Square North. There were 40 sales closed over $10mil and 3 sales over $30mil which helped propel the price growth. However, it should be noted that these sales were procured during pre-construction phase in 2014-2015.

CO-OPS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	530	642	-17%
Average Sales Price	$1,277,000	$1,234,000	3%
Median Sales Price	$845,000	$799,000	6%

CONDOS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	475	421	13%
Average Sales Price	$4,455,000	$3,470,000	28%
Median Sales Price	$3,200,000	$2,480,000	29%

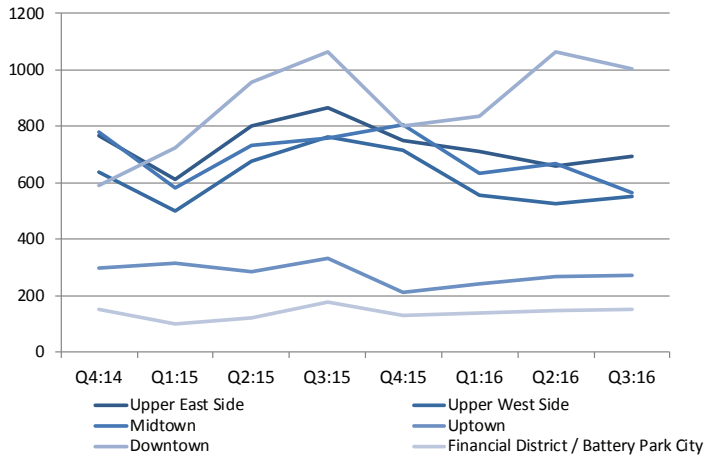
FINANCIAL DISTRICT | BATTERY PARK CITY

There were 117 condo units closed in the third quarter of 2016, a 23% decline over the prior year. Despite the decline in sales volume, this market area had a substantially higher average sale price, posting a 54% increase to $1,802,000. The average sale price was pushed higher by several closings over $10 mil, including the $14mil sale of the PH at 212 Warren. The median measure was higher by 28%, rising to $1,325,000 from prior year's figure of $1,035,000.

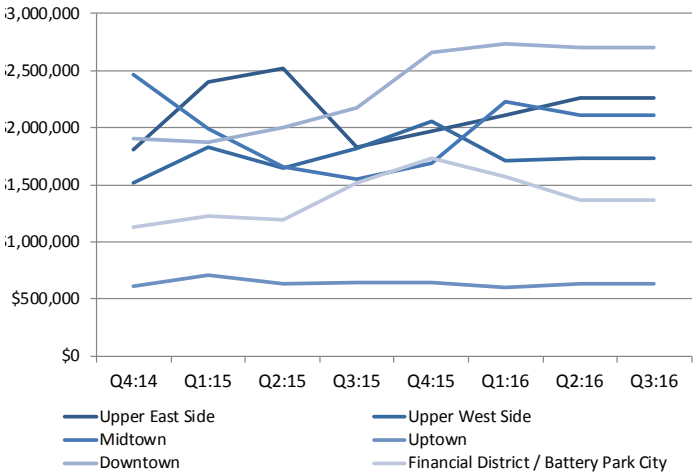
CO-OPS	Q3 : 16	Q3 : 15	% Change
# Closed Sales	36	24	51%
Average Sales Price	$866,000	$1,097,000	-21%
Median Sales Price	$825,000	$841,000	-2%

CONDOS	Q3 : 16	Q3: 15	% Change
# Closed Sales	117	152	-23%
Average Sales Price	$1,802,000	$1,173,000	54%
Median Sales Price	$1,325,000	$1,035,000	28%

TOTAL NUMBER OF SALES



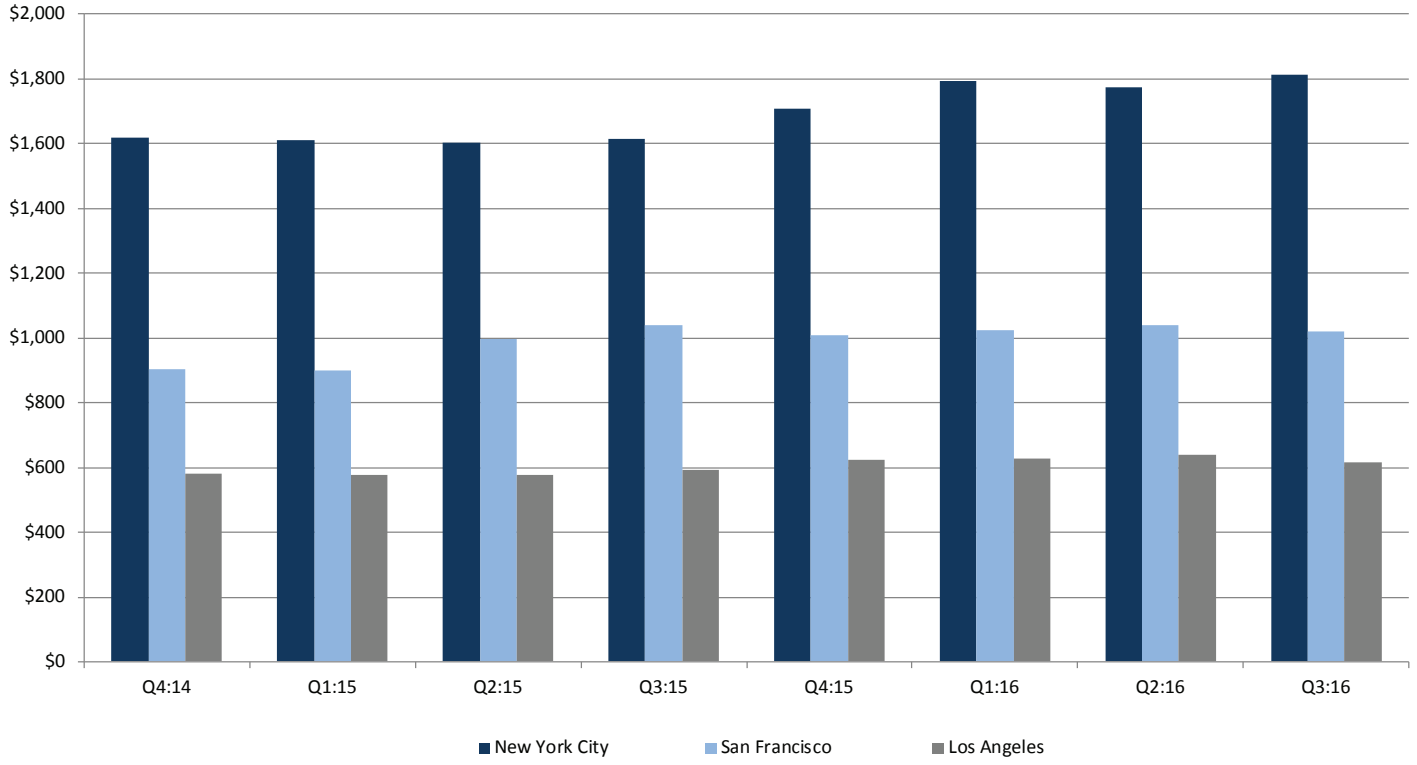
AVERAGE SALES PRICE



MARKET COMPARISONS

Comparing the third quarter of 2015 and the third quarter of 2016, New York City came in the lead with a 12.3% gain in price per sq. ft. and Los Angeles with 3.7% increase. San Francisco however, fell slightly by 1.7%. Comparing this quarter and last quarter price per sq. ft. for New York City increased by 2.3% while San Francisco and Los Angeles fell by 1.6% and 3.8% respectively.

AVERAGE PRICE PER SQ. FT. | CONDOS ONLY



SOTHEBY'S INTERNATIONAL REALTY - ON THE MARKET, AROUND THE WORLD

LONDON, ENGLAND | $24,603,272
WEB: VXELYQ
United Kingdom Sotheby's International Realty

TOKYO, JAPAN | $9,433,508
WEB: GJE8TG
List Sotheby's International Realty

SLIEMA, MALTA | $4,664,691
WEB: 77SYLJ
Malta Sotheby's International Realty

FEATURED LISTINGS

192 COLUMBIA HEIGHTS | $14,500,000
7 BR / 3.5 BA | WEB: 0138220
Karen Heyman | 212.810.4990
Alan Heyman | 212.810.4991

730 PARK AVENUE | $11,000,000
4 BR / 5.5 BA | WEB: 00111126
Serena Boardman | 212.606.7611

12 EAST 13TH STREET, FL 5 | $9,995,000
4 BR / 4.5 BA | WEB: 00111134
Chris Poore | 212.606.7676
Eyal Dagan | 212.606.7712

300 CENTRAL PARK WEST | $9,795,000
3 BR / 4 BA | WEB: 00111129
Cathy Taub | 212.606.7772

40 EAST 66TH STREET | $7,395,000
3 BR / 4.5 BA | WEB: 00111137
Maria Bazo | 212.606.7647

15 WEST 53RD STREET | $7,000,000
3 BR / 3.5 BA | WEB: 00110780
Kristi Ambrosetti | 212.606.7702

HIGH DRAMA FLATIRON LOFT | $4,995,000
3 BR / 2.5 BA | WEB: 0138909
Mara Flash Blum | 212.431.2447

641 FIFTH AVENUE, APT 48A | $4,950,000
2 BR / 2.5 BA | WEB: 0138868
Jeremy V. Stein | 212.431.2427

70 EAST 96TH STREET | $2,350,000
2 BR / 2 BA | WEB: 00111138
Vannessa A. Kaufman | 212.606.7639

A MESSAGE FROM OUR MANAGERS:

In New York City, during the third quarter of 2016, a significant number of newly constructed units were completed and closed, inciting exciting energy into the fall real estate market. The commitment to purchase new development units have a lead time of one to three years, skewing results for the quarter to show gains in overall average price and median sale price. According to the Vanderbilt Appraisal Company, the number of properties sold for over $10M doubled from 42 in the third quarter of 2015 to 85 in the third quarter of 2016. Noting that luxury buyers are showing some hesitancy, there is a shift in the market to increasingly benefit buyers. There is now more inventory for the buyer to choose from and the price acceleration seen over the last few quarters is leveling off.

EAST SIDE MANHATTAN
Marissa Ghesquiere
Brokerage Manager
t: 212.606.7784
38 East 61st Street
New York, New York 10065

DOWNTOWN MANHATTAN
Diane Levine
Brokerage Manager
t: 212.431.2440
149 Fifth Avenue, 4th Floor
New York, New York 10010

WEST SIDE MANHATTAN
Diane Levine
Brokerage Manager
t: 212.579.9300
2244 Broadway
New York, New York 10024

TERRACE LOVER'S DREAM PENTHOUSE | $9,250,000 | WEB: 0138959
Philip McCarthy, 212.810.4954 | Joshua Judge, 212.431.2476

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METROPOLITAN MARKETS
GREENWICH, CT | Web: 0068155 | $5,250,000
NEW YORK, NY | Web: 00111133 | $4,500,000
SAN FRANCISCO, CA | Web: 0088167 | $4,995,000

RESORT MARKETS
MALIBU, CA | Web: 1300180 | $4,495,000
PALM BEACH, FL | Web: 0076898 | $4,985,000
NAPA VALLEY, CA | Web: 0244147 | $4,250,000

FOREIGN MARKETS
SOUTH AFRICA | Web: LDKL3H | R 77 000 000 ZAR
CHINA | Web: JVEBHK | ¥31,200,000 CNY
ST. BARTHELEMY | Web: GKBQQ6 | 5.300.000 € EUR

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