



140 Franklin Street, PHA | \$18,750,000 | WEB: 0138446

New York City Market Update Second Quarter 2016

MANHATTAN BROKERAGES

East Side | 38 East 61st Street | t: 212.606.7660

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sothebyshomes.com/nyc

MANHATTAN MARKET | OVERVIEW

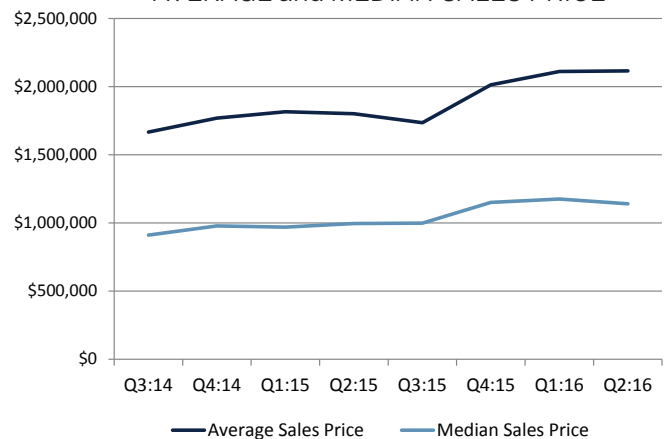
CONDOS & CO-OPS OVERVIEW

The second quarter of 2016 concluded with a record high, overall average sales price and a hefty increase in the median sales price. However, other market indicators – i.e. rising inventory, falling number of closed sales, longer days on market and greater listing discounts – are demonstrating that the market may be entering a transitional phase. Although there is robust buyer demand for properties under \$3mil, weakness at the very top end together with external market forces are undermining confidence. While this quarterly examination of sales data displays strong year-over-year growth in certain sectors, the clear advantage held by sellers over the last few years appears to be dissipating in the face of rising supply and softening demand. With 3,169 closed sales in the second quarter of 2016 (11% fewer than prior year), the overall average sales price was \$2,116,000, a 17% increase over prior year. The overall median sales price also had a significant year-over-year gain posting a 15% increase to \$1,140,000. In the examination of sales data by the three distinct price tiers – less than \$3mil; \$3mil to \$10mil; and over \$10 mil – rising average sales prices were evident only in the lowest price segment. For all properties sold under \$3mil, the average sales price was up 5% and the median sales price was higher by 7% with nearly 13% fewer sales. Units sold under \$3mil accounted for approximately 85% of the total units sold this quarter. In the \$3mil to \$10mil price bracket, prices were essentially flat while closed sales fell 7%. The top price tier segment, units sold over \$10mil, market measures were weakest. With fewer record setting sale prices in the top 1% of the market, the average sales price for units sold over \$10mil fell 19% while the median sales price was 15% lower than prior year.

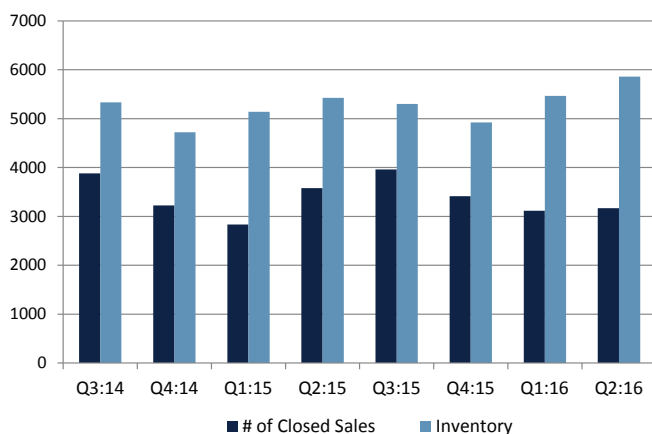
MANHATTAN OVERVIEW	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change
Number of Closed Sales	2,691	3,103	-13%	405	436	-7%	73	40	82%	3,169	3,579	-11%
Average Days on Market										88	84	5%
Listing Discount										7%	4%	75%
Average Sales Price	\$1,134,000	\$1,078,000	5%	\$5,115,000	\$5,099,000	0%	\$15,788,000	\$19,386,000	-19%	\$2,116,000	\$1,801,000	17%
Median Sales Price	\$935,000	\$870,000	7%	\$4,650,000	\$4,600,000	1%	\$14,500,000	\$17,000,000	-15%	\$1,140,000	\$995,000	15%
Listing Inventory	Further detail on page 3									5,860	5,426	8%
Months of Supply										5.6	5.1	10%

The average sales price of all recorded Manhattan unit sales was a record high \$2,116,000, nearly equal with prior quarter but 17% higher than one year ago. The average sales price is now 27% higher than the lowest measure of the past 8 quarterly periods (Q3:2014 ASP \$1,667,000). The median sales price slipped from the record high of \$1,175,000 to end this quarter 3% lower at \$1,140,000.

AVERAGE and MEDIAN SALES PRICE



NUMBER OF CLOSED SALES and INVENTORY



With historically low levels of supply and buyer resistance when faced with record high prices, the number of closed sales declined year-over-year by 11%. The 3,169 closed sales this quarter was just 2% higher than prior quarter. Inventory has risen to nearly 6,000 listings, which is the highest inventory level over the last 8 quarterly periods. The current inventory of 5,860 units available for sale is 24% higher than the lowest level of 4,721 achieved at the end of 2014. This level of inventory is still well below normalized supply levels of approx. 8,000-9,000 listings. However, the rise in overall inventory joined with other market factors, is placing the market in a transitional phase, emerging out of the "seller's market" witnessed over the last few years.

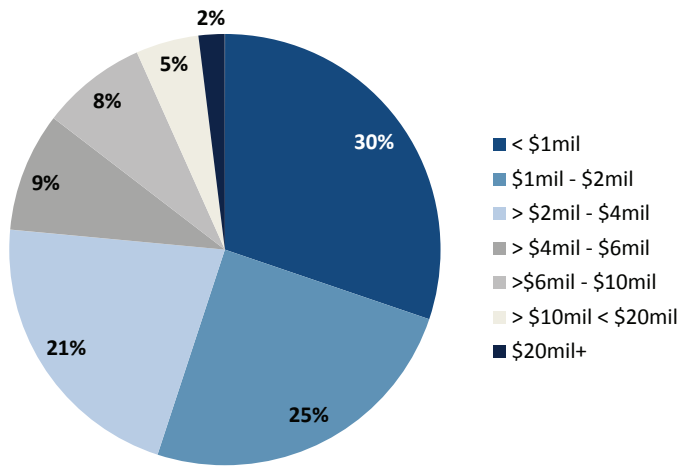
MANHATTAN MARKET | ABSORPTION RATE

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

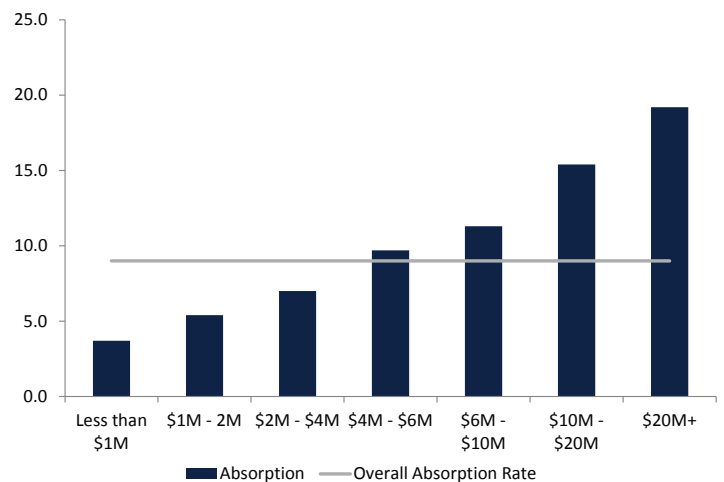
The overall Manhattan absorption rate stands at nearly 6 months which in a general sense signifies a market in "equilibrium". The historic range of equilibrium for the market area is 6-9 months. The absorption rate is calculated by taking the total number of currently active listings and dividing by the average number of closed sales over the 6 month period. The lower price segments have been experiencing unrelenting shortages of inventory with units under \$1mil at 3.7 months of supply and units in the \$1-\$2mil at 5.4 months of supply. The top 2 price tiers have absorption rates well over 1 year, signifying an oversupply that has begun to lead to discounted pricing and longer marketing time for the highest valued properties. As the oversupply continues in the highest price brackets - and becomes exacerbated by the arrival of additional new development units - it is increasingly more difficult for sellers 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	1,771	1,455	1,256	524	462	277	115	5,860
Average Closed Sales / Month	482	268	179	54	41	18	6	1,048
Months of Supply per Price Category	3.7	5.4	7.0	9.7	11.3	15.4	19.2	5.6

NUMBER OF ACTIVE LISTINGS

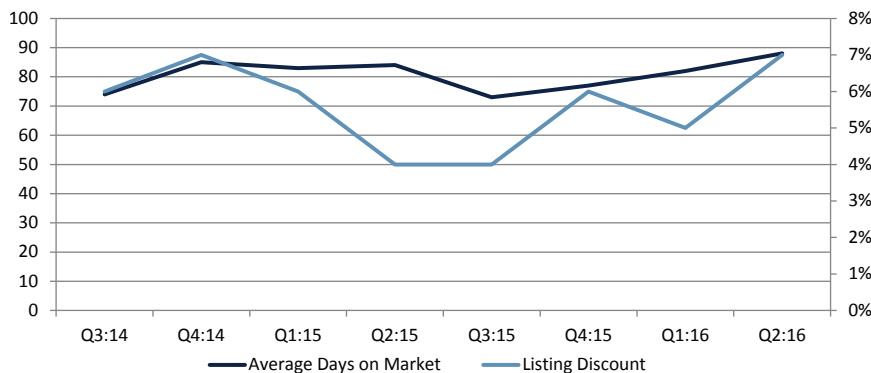


ABSORPTION RATE



AVERAGE DAYS ON MARKET & LISTING DISCOUNT

	Q3 : 14	Q4 : 14	Q1 : 15	Q2 : 15	Q3 : 15	Q4 : 15	Q1 : 16	Q2 : 16
Average Days on Market	74	85	83	84	73	77	82	88
Listing Discount	6%	7%	6%	4%	4%	6%	5%	7%



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.

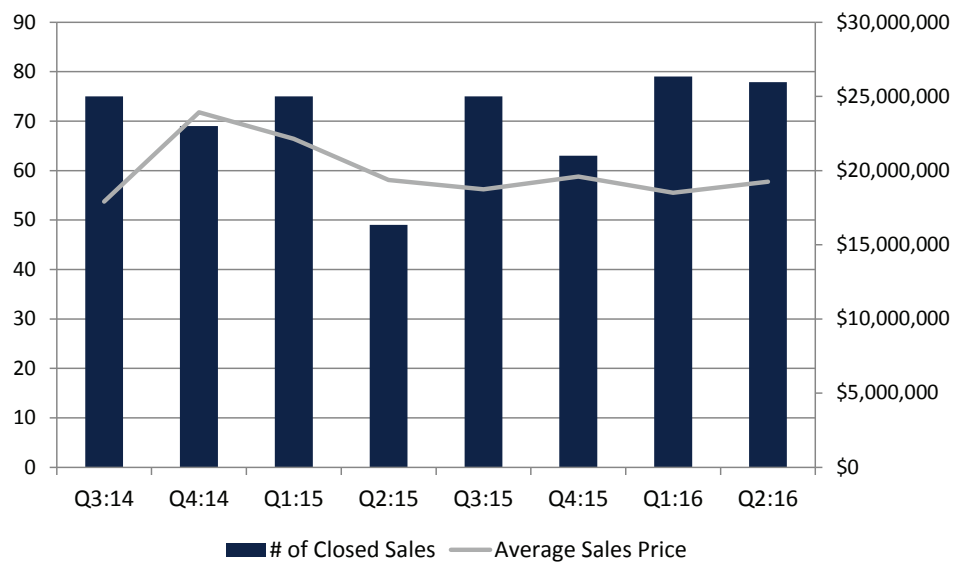
THE ULTRA LUXURY MARKET

CO-OPS, CONDOS & TOWNHOUSES OVER \$10M

Over the second quarter of 2016 there were 78 ultra-luxury sales, nearly equal with prior quarter and far more than prior year. The average sales price in this market sector was \$19,251,000, posting a slight gain of 4% over prior quarter and nearly equal to the prior year. The highest posted sales price this quarter was \$59.144 mil for the 79th floor unit at 432 Park Avenue.

	Q3 : 14	Q4 : 14	Q1 : 15	Q2 : 15	Q3 : 15	Q4 : 15	Q1 : 16	Q2 : 16
Number of Closed Sales	75	69	75	49	75	63	79	78
Average Sales Price	\$17,912,000	\$23,927,000	\$22,138,000	\$19,367,000	\$18,733,000	\$19,600,000	\$18,500,000	\$19,251,000
Highest Sales Price	\$71,300,000	\$100,500,000	\$91,500,000	\$47,800,000	\$37,940,000	\$45,000,000	\$35,336,000	\$59,144,000

NUMBER OF CLOSED SALES and AVERAGE SALES PRICE



SOTHEBY'S INTERNATIONAL REALTY - MANHATTAN SIGNIFICANT SALES



124 West Houston Street
Last Asking: \$20,000,000
Gordon T. Roberts | 212.400.8710



122 East 95th Street
Last Asking: \$8,750,000
Serena Boardman | 212.606.7611



25 North Moore Street, Apt 10 / 11C
Last Asking: \$8,450,000
Jeremy V. Stein | 212.431.2427

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

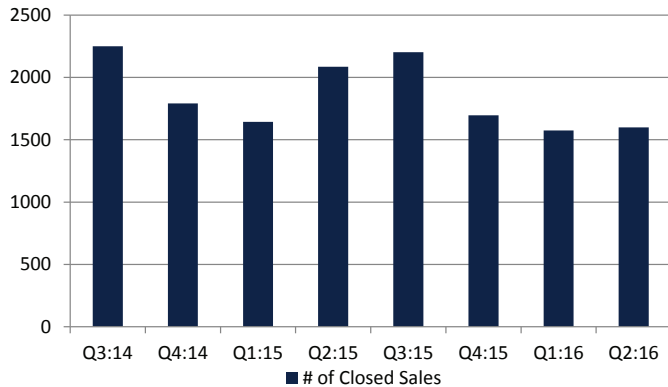
MANHATTAN MARKET | CO-OPS & CONDOS

CO-OPS

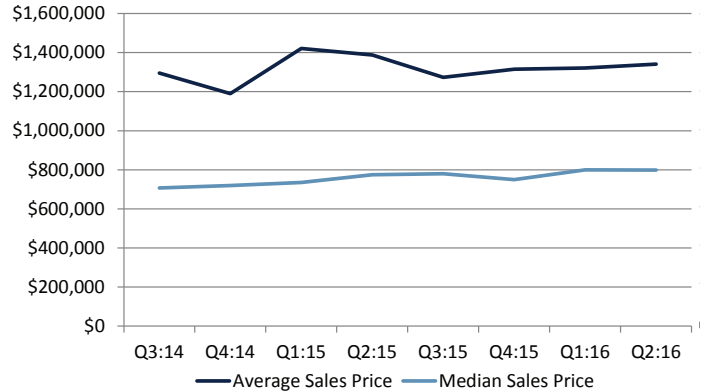
Second quarter 2016 co-op closed sales fell 23% compared to same time last year. The overall average sales price posted a slight decline of 3% to end at \$1,341,000. For closed sales below \$3M, average sales price remained flat while median sales price posted a small gain of 3%. In the \$3mil to \$10mil price segment, both average sales price and median sales price declined by 2% and 7%. Only 8 closed sales above \$10mil closed in the second quarter.

CO-OPS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change
Number of Closed Sales	1,444	1,910	-24%	148	159	-7%	8	17	-53%	1,600	2,086	-23%
Average Sales Price	\$940,000	\$947,000	-1%	\$4,783,000	\$4,900,000	-2%	\$18,631,000	\$18,081,000	3%	\$1,341,000	\$1,388,000	-3%
Median Sales Price	\$749,000	\$725,000	3%	\$4,150,000	\$4,450,000	-7%	\$17,645,000	\$16,750,000	5%	\$799,000	\$775,000	3%

NUMBER OF CLOSED SALES



AVERAGE and MEDIAN SALES PRICE

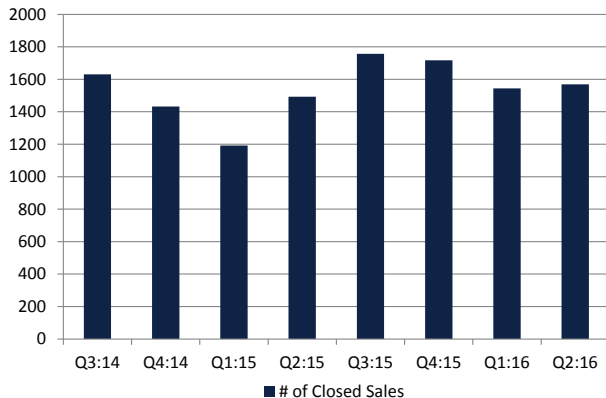


CONDOS

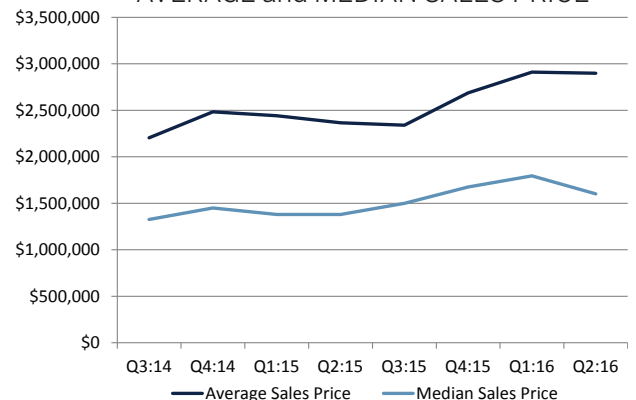
Compared to second quarter 2015, second quarter 2016 condo closed sales increased slightly by 5%. Overall condo sales showed impressive gains as a result of new construction activity. The average sales price rose 23% to \$2,898,000; the average price per square foot reached 11% higher to \$1,773; and the median sales price increased 16% to \$1,600,000. Condo sales below \$3mil price bracket charted gains of 5% in average sales price and 7% in median sales price. In the \$3mil to \$10mil price segment, there was a 6% gain in the average price per square foot. For closed sales over \$10mil, all market measures were lower this quarter with a drop of 5% in the average sales price; a 12% decline in median sales price and a price per square foot that was 4% lower to end at \$4,197/SF.

CONDOS	UNDER \$3M			\$3M TO \$10M			OVER \$10M			TOTAL		
	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change	Q2 : 16	Q2 : 15	% Change
Number of Closed Sales	1,247	1,193	5%	257	277	-7%	65	23	181%	1,569	1,493	5%
Average Sales Price	\$1,372,000	\$1,288,000	7%	\$5,248,000	\$5,213,000	1%	\$19,117,000	\$20,152,000	-5%	\$2,898,000	\$2,365,000	23%
Average PPSF	\$1,464	\$1,389	5%	\$2,413	\$2,284	6%	\$4,197	\$4,355	-4%	\$1,773	\$1,601	11%
Median Sales Price	\$1,200,000	\$1,150,000	4%	\$4,800,000	\$4,750,000	1%	\$15,150,000	\$17,250,000	-12%	\$1,600,000	\$1,380,000	16%

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 sales price for co-ops declined 10% from prior year to \$1,876,000. However, the median sales price increased 8% to \$991,000. The decline in the average co-op sales price was caused by fewer closings at the high end. The average and median condo sales prices fell 13% and 12% respectively. The decline in condo prices was the result of a majority of condo sales in this market area classified as resales or conversions. There was minimal new construction closing activity.

CO-OPS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	426	566	-25%
Average Sales Price	\$1,876,000	\$2,078,000	-10%
Median Sales Price	\$991,000	\$920,000	8%

CONDOS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	242	201	20%
Average Sales Price	\$2,937,000	\$3,358,000	-13%
Median Sales Price	\$1,495,000	\$1,700,000	-12%

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 321, a decrease of 24% from prior year. Co-ops in this market area posted an average sales price of \$1,333,000, a 7% decrease from prior year. The average condo sales price was \$2,446,000, a 16% increase from prior year. The median condo sales price also posted a gain with an 8% increase to \$1,460,000.

CO-OPS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	321	423	-24%
Average Sales Price	\$1,333,000	\$1,429,000	-7%
Median Sales Price	\$930,000	\$925,000	1%

CONDOS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	181	216	-16%
Average Sales Price	\$2,446,000	\$2,103,000	16%
Median Sales Price	\$1,460,000	\$1,350,000	8%

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

The average co-op sales price in this market area increased 3% to \$968,000 while the median co-op sales price rose to \$712,500, a strong 10% increase over prior year. The average and median condo sales prices also posted gains with an 18% increase and 13% increase, respectively. There were an equal number of condo closings while the co-op closed sales declined 31%.

CO-OPS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	251	363	-31%
Average Sales Price	\$968,000	\$936,000	3%
Median Sales Price	\$712,500	\$650,000	10%

CONDOS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	417	417	0%
Average Sales Price	\$2,799,000	\$2,372,000	18%
Median Sales Price	\$1,460,000	\$1,290,000	13%

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

The average sales price of co-ops was higher by 6%, reaching \$514,000. The median sales price increase was more impressive with a 24% rise to \$509,000. Market measures were modestly higher in the condo unit sector with a minor 1% gain in the average condo sales price and an 8% increase in the median condo sales price. The average sales price reached \$757,000 while the median sales elevated to \$705,000.

CO-OPS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	127	151	-16%
Average Sales Price	\$514,000	\$483,000	6%
Median Sales Price	\$509,000	\$410,000	24%

CONDOS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	125	145	-14%
Average Sales Price	\$757,000	\$748,000	1%
Median Sales Price	\$705,000	\$650,000	8%

NEIGHBORHOOD BREAKDOWN

DOWNTOWN *south of 34th Street through Tribeca*

The 454 co-op sales in the second quarter of 2016 was a decline of 21% as compared to prior year. However, co-op sale price measures ended higher with a 9% gain in the average sales price and a 10% gain in the median sales price. Huge gains were evident in the condo price measures with a 28% increase in the average sales price of a condo; and a 19% increase in the median sales price. This is a result of far more closed sales in new construction developments like Greenwich Lane, 56 Leonard and 10 Sullivan.

CO-OPS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	454	572	-21%
Average Sales Price	\$1,307,500	\$1,200,000	9%
Median Sales Price	\$862,000	\$786,000	10%

CONDOS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	500	372	34%
Average Sales Price	\$3,970,000	\$3,108,000	28%
Median Sales Price	\$2,675,000	\$2,250,000	19%

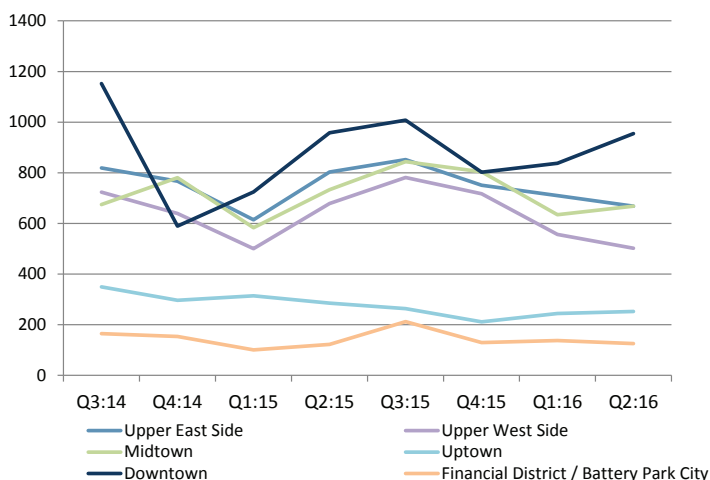
FINANCIAL DISTRICT | BATTERY PARK CITY

There were 104 condo units closed in the second quarter of 2016, a 27% decline over the prior year. Despite the decline in the number of closed sales, this market area had a substantially higher average sales price, posting a 26% increase to \$1,475,000. The median sales price was higher by 6%, rising to \$1,095,000 from prior year's figure of \$1,035,000.

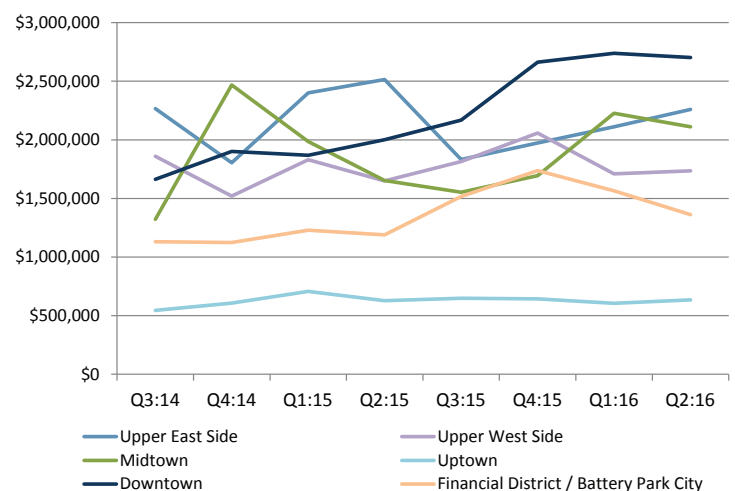
CO-OPS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	21	11	92%
Average Sales Price	\$804,000	\$1,237,000	-35%
Median Sales Price	\$710,000	\$1,400,000	-49%

CONDOS	Q2 : 16	Q2 : 15	% Change
# Closed Sales	104	142	-27%
Average Sales Price	\$1,475,000	\$1,173,000	26%
Median Sales Price	\$1,095,000	\$1,035,000	6%

TOTAL NUMBER OF SALES



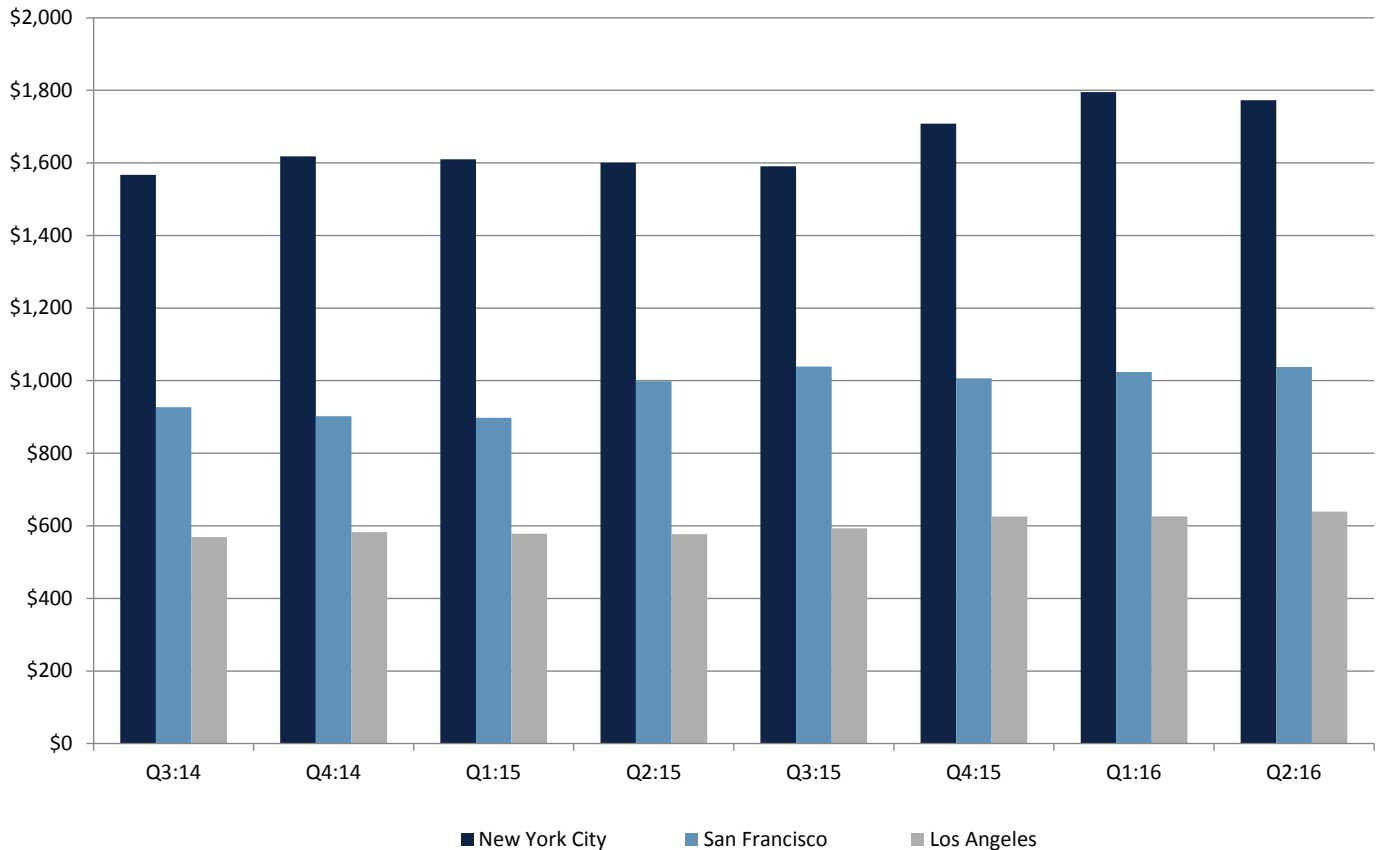
AVERAGE SALES PRICE



MARKET COMPARISONS

Comparing the second quarter of 2015 and the second quarter of 2016, all three markets posted gains in price per sq. ft. with San Francisco and New York City at 10.7% and Los Angeles at 3.9%. Comparing this quarter and last quarter price per sq. ft. for New York City declined by 1.2% while San Francisco and Los Angeles posted modest gains of 1.3% and 2.1%.

AVERAGE PRICE PER SQ. FT. | CONDOS ONLY



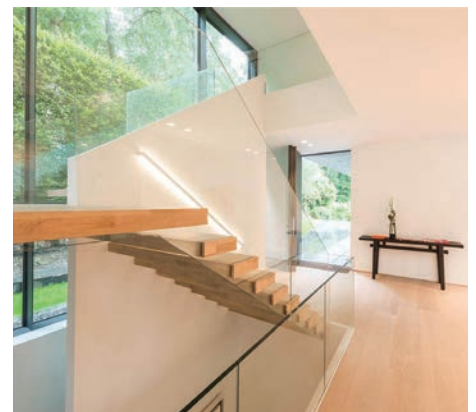
SOTHEBY'S INTERNATIONAL REALTY - ON THE MARKET, AROUND THE WORLD



HONG KONG, CHINA | \$34,544,986
WEB: LK37SS
Hong Kong Sotheby's International Realty



DUBAI, UNITED ARAB EMIRATES | \$14,946,910
WEB: W8W2QL
Gulf Sotheby's International Realty



BRUSSELS, BELGIUM | Price Upon Request
WEB: X4MYJ
Brussels Sotheby's International Realty

FEATURED LISTINGS



132 EAST 71ST STREET | \$22,000,000
6 BR / 3 BA | WEB: 00110605
Louise C. Beit | 212.606.7703



43 WEST 73RD STREET | \$18,950,000
8 BR / 5.5 BA | WEB: 1340254
Michael Sieger | 212.579.9300



247 WEST 13TH STREET | \$16,800,000
5 BR / 6 BA / 4 HF BA | WEB: 0138150
Yvonne Denigris | 212.431.2429



ONE RIVERSIDE PARK | \$11,900,000
5 BR / 7.5 BA | WEB: 00110811
Cathy Taub | 212.606.7772



36 GRAMERCY PARK EAST | \$7,050,000
3 BR / 3.5 BA | WEB: 00110838
Hideko Horiguchi | 212.606.7674



1 YORK STREET, APT 9B | \$4,500,000
2 BR / 2.5 BA | WEB: 0138627
Lisa Verdi | 212.431.2423



1025 FIFTH AVENUE | \$3,250,000
3 BR / 3 BA | WEB: 00110815
Roberta Golubock | 212.606.7704



247 WEST 46TH STREET | \$2,550,000
2 BR / 2.5 BA | WEB: 0138731
John W. Chang | 212.518.3030



200 RIVERSIDE BOULEVARD | \$2,150,000
2 BR / 2 BA | WEB: 1340259
Peter Faherty | 212.372.2976
Sandra Manley | 212.579.9300

A MESSAGE FROM OUR MANAGERS:

With the close of the second quarter of 2016, we move into summer and temperatures become steamy. We hope that you get to take a needed respite at the shore or the beach. The real estate market in New York City seems to be taking a bit of a break as well, as unit sales during Q2 of 2016 slowed from the strong pace set in prior quarters and were 11% below unit sales recorded market-wide in Q2 2015. Number of days on market has been slowly creeping up, and there is now more inventory available than last year. Buyers are starting to feel a little more powerful and are asking the sellers with more regularity to negotiate on the asking price. Sellers trying to achieve a price higher than the previous sale in the building are waiting in hopes of a buyer to step forward. Once the sellers lower their price to be more reflective of today's market conditions, ready buyers are stepping forward and making offers.

Summer is often a great time to jump into the pool of New York City real estate. For ultra-luxury price points (over \$10 million) many choice properties are available with extraordinary amenities. Your own private pool or Olympic-like indoor gym are at the ready. Throughout the summer Sotheby's International Realty agents are available to advise you on what your property is worth or find the next location for you to call home.

EAST SIDE MANHATTAN

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DOWNTOWN MANHATTAN

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New York, New York 10010

WEST SIDE MANHATTAN

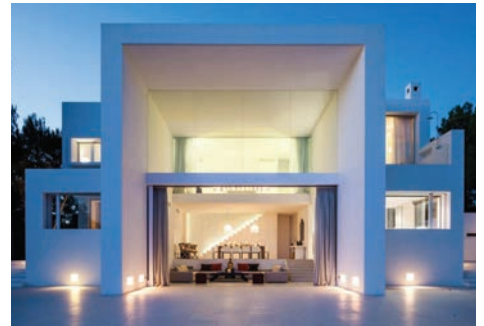
Diane Levine
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t: 212.579.9300
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New York, New York 10024



146 WEST 57TH STREET, PHA | \$14,500,000 | WEB: 00110805
Rebecca Cavallaro, 212.606.7641 | Pamela A. O'Connor, 212.606.7709

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ON THE MARKET



left to right from top to bottom:

METROPOLITAN MARKETS

NEW YORK, NY | Web: 0138486 | \$5,600,000

LOS ANGELES, CA | Web: 0308644 | \$5,555,000

HOUSTON, TX | Web: 1233885 | \$5,495,000

RESORT MARKETS

MONTECITO, CA | Web: 0113991 | \$5,950,000

SONOMA, CA | Web: 0244108 | \$5,850,000

EAST HAMPTON, NY | Web: 0047323 | \$4,995,000

FOREIGN MARKETS

ISRAEL | Web: WPKBBF | \$5,973,871

THAILAND | Web: 3WLKEC | \$5,700,000

IBIZA | Web: RCQ57V | \$5,508,569

sothebysrealty.com

AUCTION CALENDAR JUL | AUG | SEPT 2016

Sotheby's EST. 1744



**Old Master and British Works on Paper
Including drawings from the Oppé
Collection**

London 05-06 July

**Celebration of the English Watch Part II:
John Harrison's Enduring Discovery**

London 07 July

**Victorian, Pre-Raphaelite & British
Impressionist Art**

London 14 July

Contemporary Living

New York 28 July

RM Sotheby's: Motor City

Michigan 30 July

RM Sotheby's: Monterey

Monterey 19 August

**A Unique Crystal Magnum Decanter
of Special Louis XIII Cognac Engraved
with a Map of the Americas & Finest &
Rarest Wines**

New York 09-10 September

Asia Week

New York 13-17 September

Important Jewels

New York 22 September

Contemporary Curated

New York 29 September

CRYSTAL MAGNUM DECANTER
OF UNIQUE LOUIS XIII COGNAC -
AMERICAS EDITION

Estimate \$100,000+
New York 10 September

An Asia and Europe edition were also
commissioned and will be offered
in Hong Kong on 1 October and in
London on 16 November, respectively

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