



MANHATTAN NEW DEVELOPMENT REPORT

2012 FIRST QUARTER

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INTRODUCTION



MNS is proud to present the First Quarter 2012 edition of our New Development Market Report™. New Development Sales data, defined as such “Arms-Length” first offering transactions where the seller is considered a “Sponsor”, was compiled from the Automated City Register Information System (ACRIS) for sponsor sales that traded during the First Quarter 2012 (01/01/12 – 03/31/12). All data summarized is on a median basis. This report also includes quarterly tracking graphs over a nine-quarter look back and will continue to track the trends going forward.



MARKET SNAPSHOT



- Year-Over-Year Median PPSF – down 1%
Quarter-Over-Quarter Median PPSF – down 6%
- Year-Over-Year Median Sales Price – down 38%
Quarter-Over-Quarter Median Sales Price – down 33%
- Manhattan New Development Sales Inventory - down 35 % from last quarter.
- Total New Development Sales Volume – down 44% to \$375M from \$670M in 4Q11
- Neighborhood with the Most New Dev Sales: Gramercy (21% of Manhattan New Development Sales)
- Largest Quarterly Up-Swing: Upper East Side
PPSF: \$1,427/SF from \$1,377/SF
Sales Price: \$2.71M from \$1.49M
- Largest Quarterly Down-Swing: Murray Hill
PPSF: \$1,267 from \$1,596
Sales Price: \$1.17M from \$1.96M
- Highest New Development Sale:
Laureate - 2150 Broadway – #11ABC - \$17,066,000
- Highest New Development Sale PPSF:
77 Reade St - PHD - \$3,972

MARKET SUMMARY:

Although pricing from last quarter is down 33%, it is evident from price per square foot numbers that the market value is still holding steady. What happened this quarter is a major inventory shift in new development sales in Manhattan. A median price of \$990K begs the question not of why, but of what.

Last quarter, 37% of the inventory sold was studios and one-bedrooms and this quarter the smaller units accounted for 50% of the inventory. This shift brought median pricing down under \$1M from \$1.5M last quarter, but a median price per foot of \$1,220 (2011 average was \$1,235/SF) shows that value is steady, and yet 10% higher than 2010 average of \$1,100/SF.

Year-over-year Manhattan new development condominium sales numbers are down 1% (versus up 14% last quarter) on a price per square foot basis (\$1,220/SF this quarter versus \$1,236/SF in 1Q11). Sales prices are down 38% (\$990K this quarter versus just under \$1.59M in 1Q11).

MARKET SNAPSHOT



MARKET UP-SWINGS:

Due to one \$9M sale in the 8-Unit boutique condo at 350 West Broadway, SoHo's off the chart pricing this quarter might be what the NYTimes referred to as a "Blip". The real upswings can be found downtown, where the condo-hotel market dominated FiDi this quarter and pushed the median price per square foot up to \$1,274/SF from \$922/SF last quarter. 60% of the market downtown sales came from Setai, W, and The Hyatt.

Midtown West, which includes the midtown Setai on 5th Ave with a median sales price of \$1,730/SF, also had a great showing from 13 closings at The Sheffield at a median sales price of \$1,610/SF.

The only new development product on Upper East Side was from 1212 Fifth Ave, and the duplexes at 949 Park Ave. However, strong demand in the long established neighborhood increased its year-over-year median price per square foot 7% to \$1,427/SF and its median sales price to \$2.7M.

MARKET DOWN-SWINGS:

Where the market has fallen on both a median sales price and median sales price per square foot basis this quarter is Harlem. The median sales price was the lowest Harlem has seen since 1Q10; \$505K, down 3% from last quarter's \$520K, and down 15% from the 3Q11 peak of \$599K. Although the median price per foot is hovering around \$600/SF, it's just 6% higher than the 2 year low.

Without top sales from 29th Park Madison, Murray Hill's median price per square foot landed back down to a more normal \$1,267/SF from last quarter's \$1,596/SF, though still 19% higher than its recession pricing of \$1,000/SF.

INVENTORY ANALYSIS:

Manhattan new development sales inventory numbers are down 35% from last quarter, and this quarter's total sales volume was just \$375M, almost cutting the volume in half from last quarter.

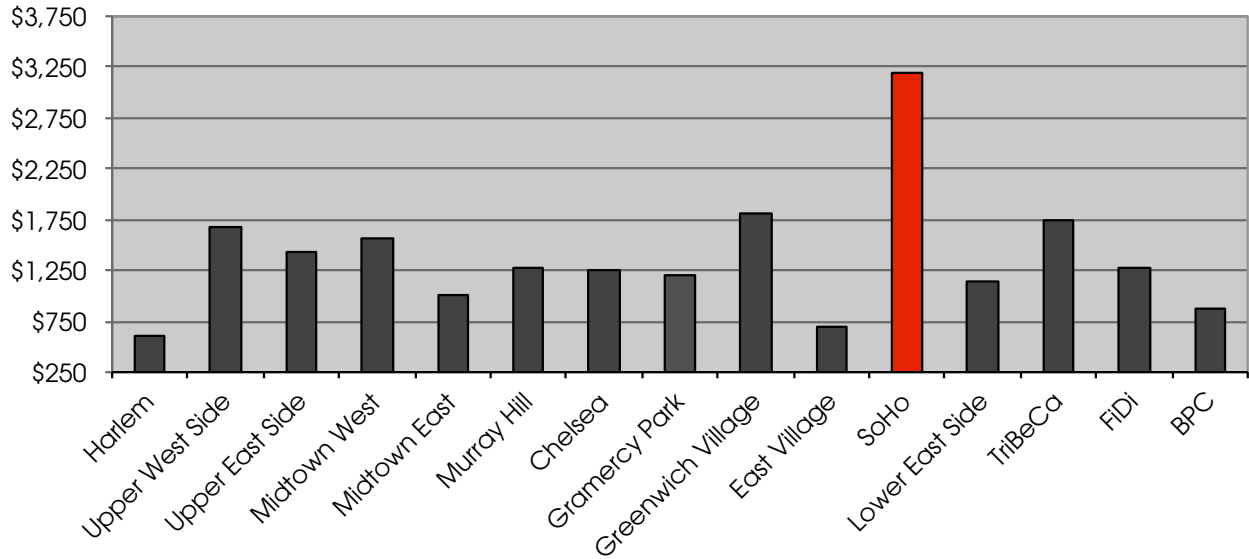
Last quarter, 20% of new development sales were \$3M-\$4M apartments on the Upper West Side. This quarter, 20% of new development sales were in Gramercy at the condo One48 with a median price of \$750K. In addition, 15% of new development sales were in Harlem so this dramatic shift in inventory is what caused the 33% drop in median sales price.

In tracking the neighborhoods that sold the most amount of 4Q11 new development inventory per unit size:

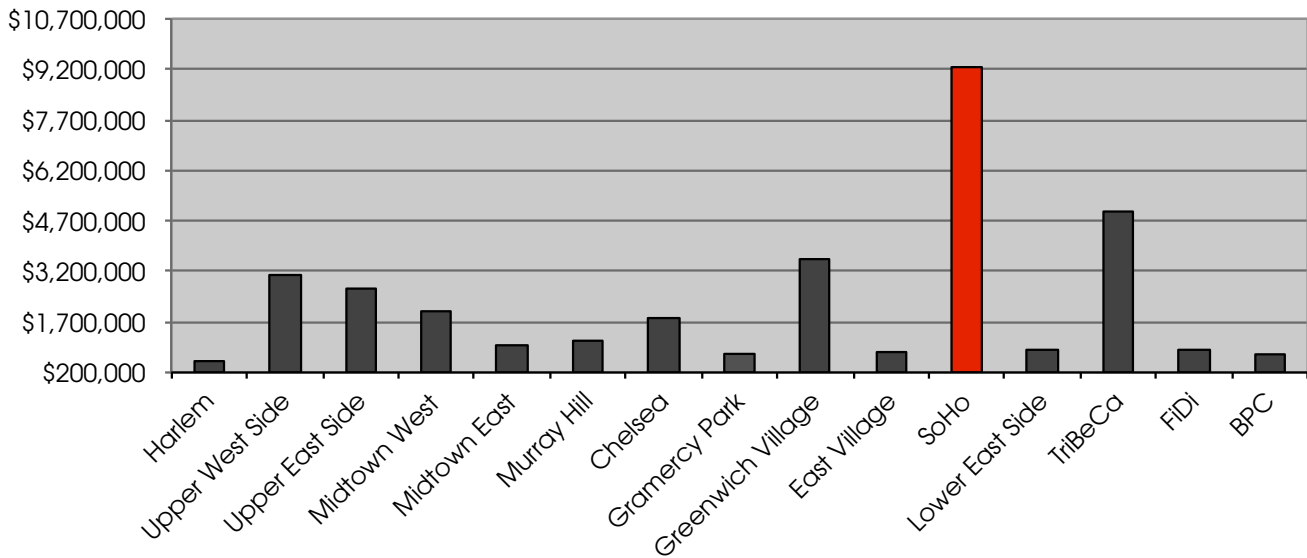
- Studios - Gramercy (63%)
- One Bedrooms - Harlem (20%)
- Two Bedrooms - Harlem (23%)
- Three Bedrooms (1500 +) - Upper West Side (36%)

MARKET SNAPSHOT

1Q12 MEDIAN PPSF BY NEIGHBORHOOD

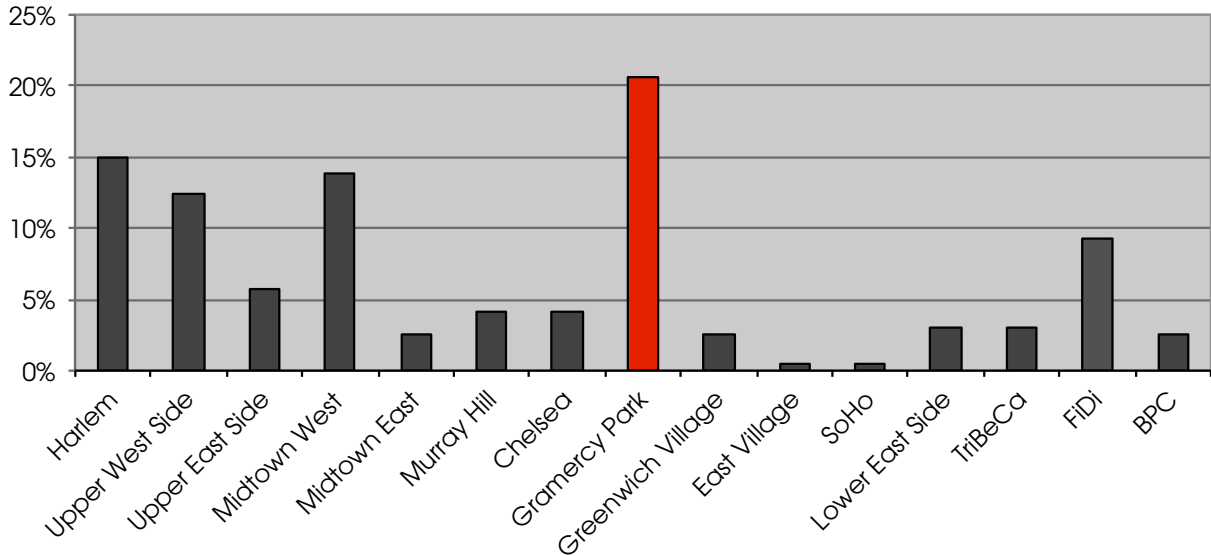


1Q12 MEDIAN SALES PRICE BY NEIGHBORHOOD

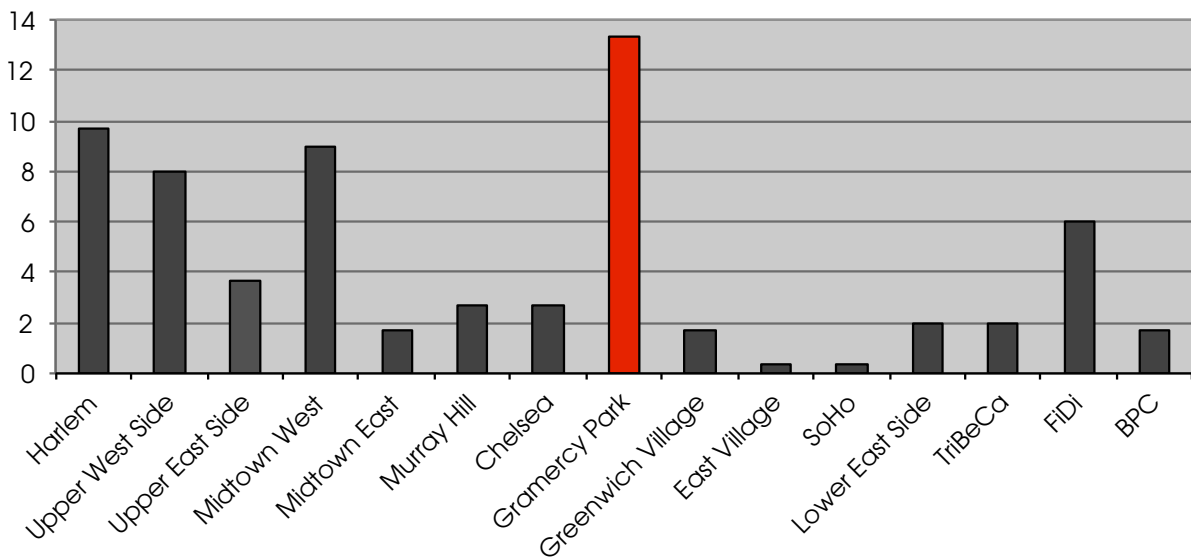


MARKET SNAPSHOT

% OF TOTAL NEW DEVELOPMENT SALES BOROUGH-WIDE



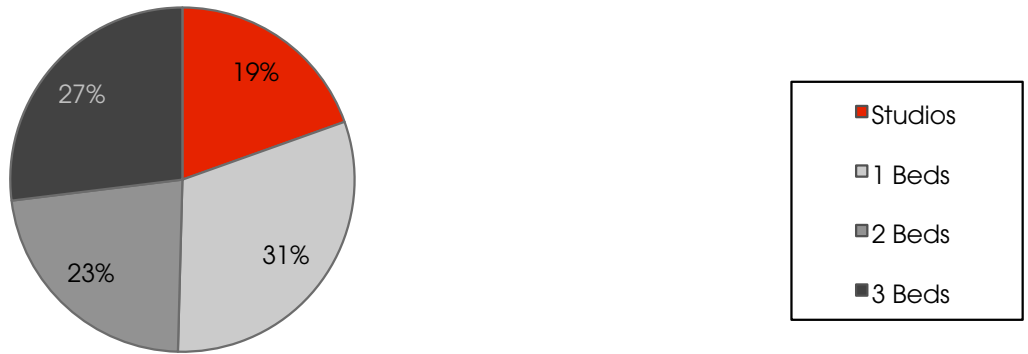
1Q12 MONTHLY ABSORPTION RATE



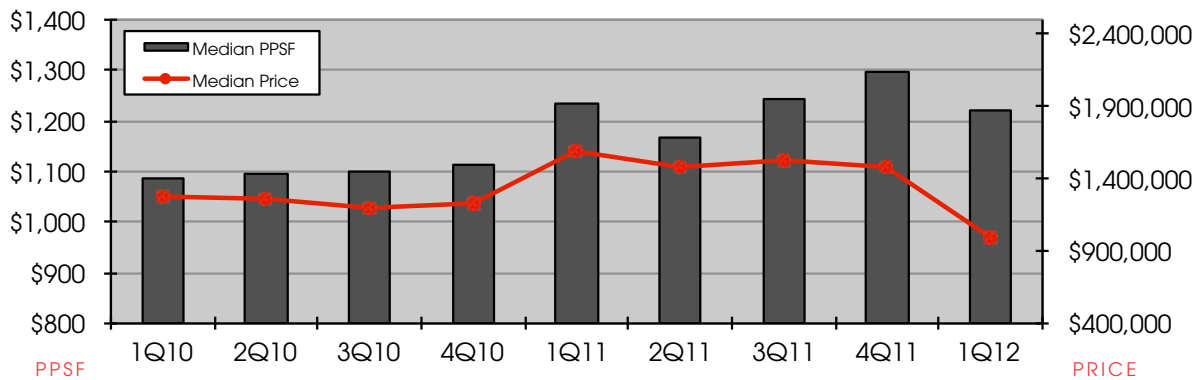
MARKET SNAPSHOT



1Q12 UNIT MIX OF NEW DEVELOPMENT SALES



MANHATTAN QUARTERLY TRACKING

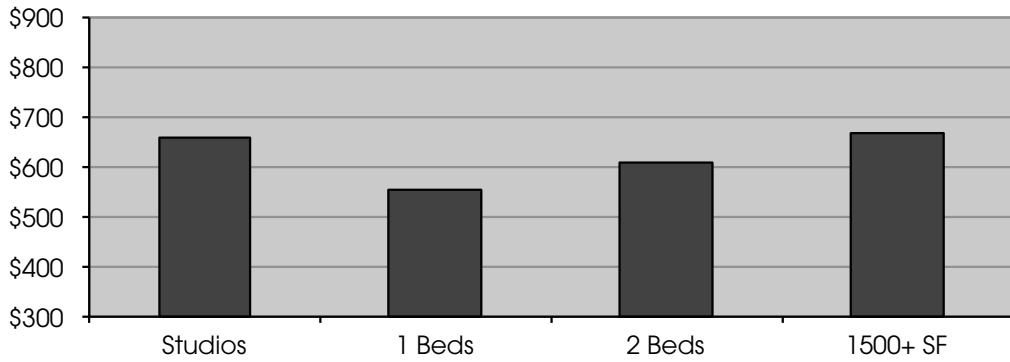


NEIGHBORHOOD PRICE TRENDS

HARLEM



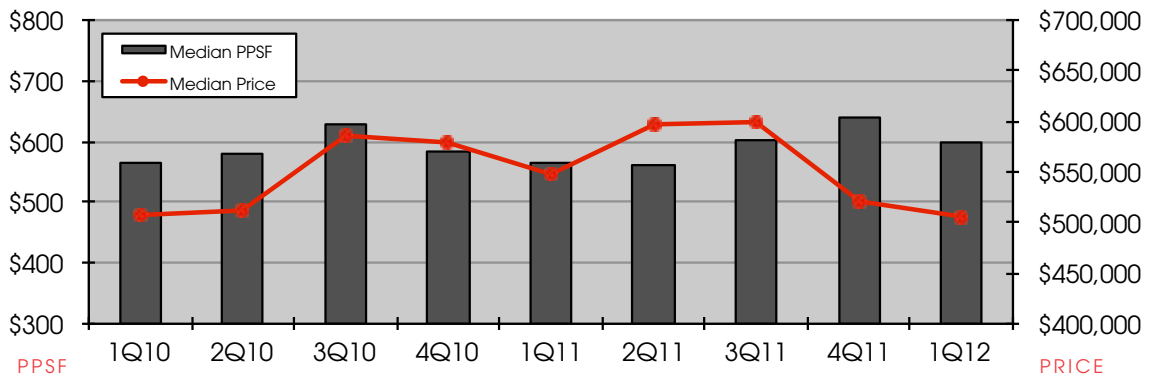
HARLEM PPSF BY UNIT SIZE (\$599/SF Median)



% OF SALES WITHIN HARLEM



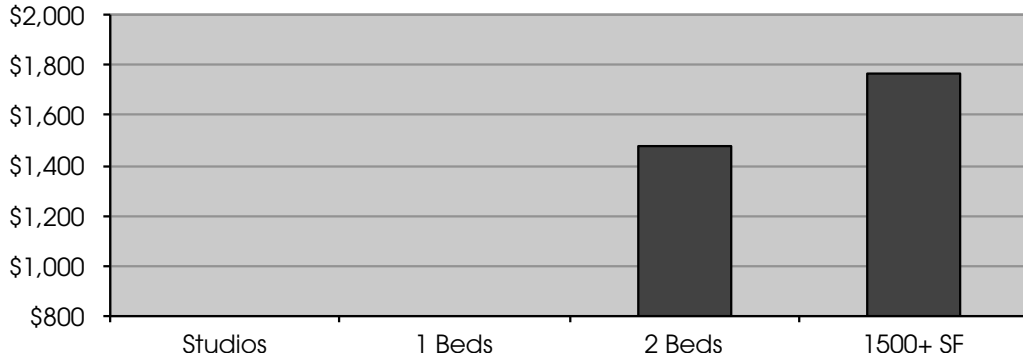
HARLEM QUARTERLY TRACKING



UPPER WEST SIDE



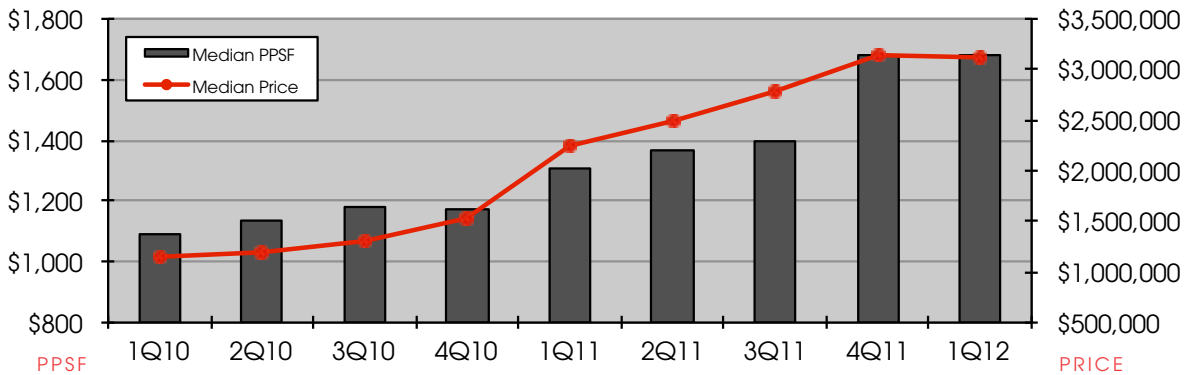
UPPER WEST SIDE PPSF BY UNIT SIZE (\$1,681/SF Median)



% OF SALES WITHIN UPPER WEST SIDE



UPPER WEST SIDE QUARTERLY TRACKING

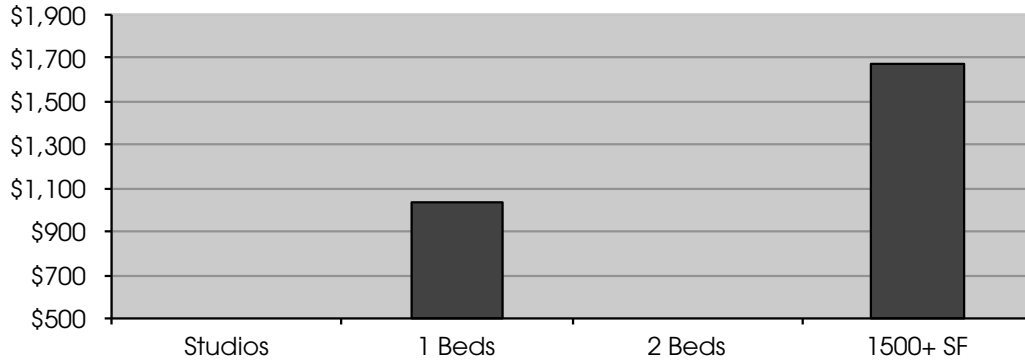


NEIGHBORHOOD PRICE TRENDS

UPPER EAST SIDE



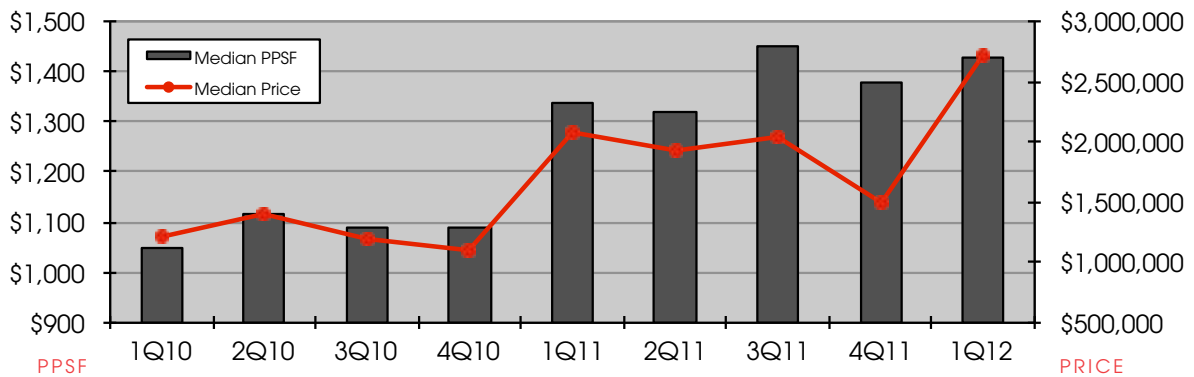
UPPER EAST SIDE PPSF BY UNIT SIZE (\$1,427/SF Median)



% OF SALES WITHIN UPPER EAST SIDE

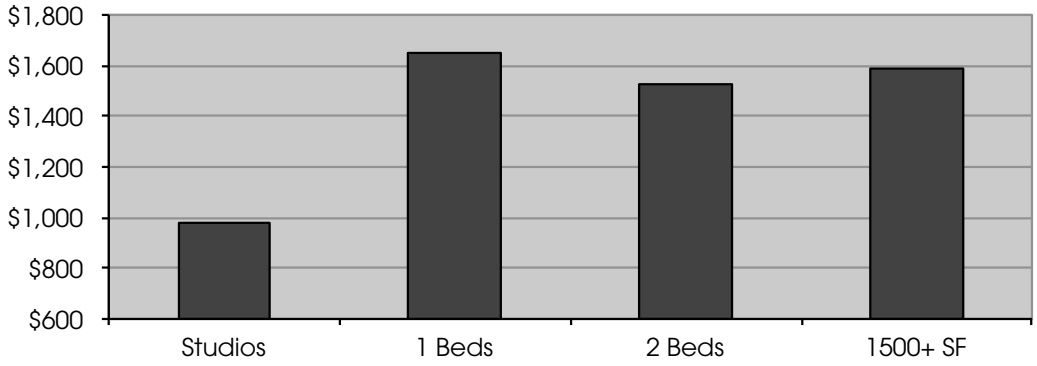


UPPER EAST SIDE QUARTERLY TRACKING



MIDTOWN WEST

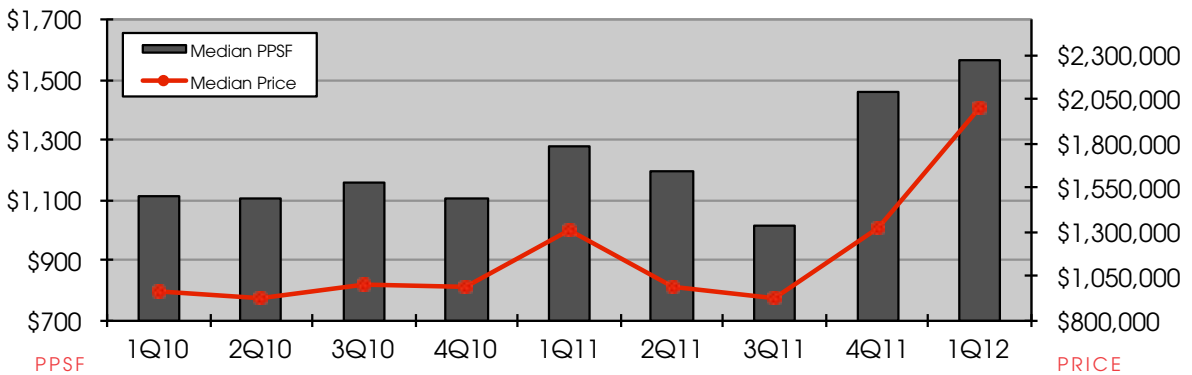
MIDTOWN WEST PPSF BY UNIT SIZE (\$1,562/SF Median)



% OF SALES WITHIN MIDTOWN WEST



MIDTOWN WEST QUARTERLY TRACKING

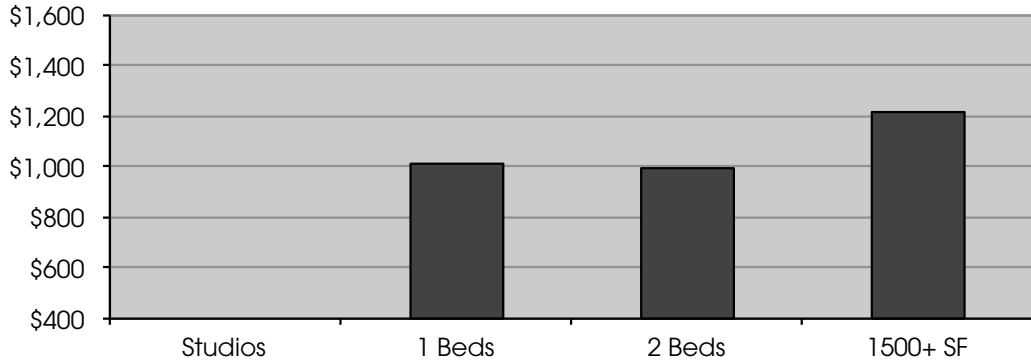


NEIGHBORHOOD PRICE TRENDS

MIDTOWN EAST



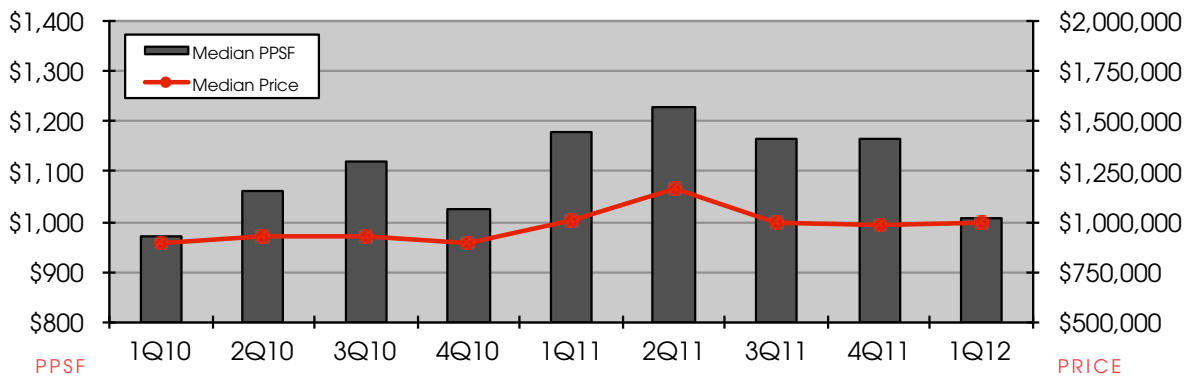
MIDTOWN EAST PPSF BY UNIT SIZE (\$1,009/SF Median)



% OF SALES WITHIN MIDTOWN EAST



MIDTOWN EAST QUARTERLY TRACKING

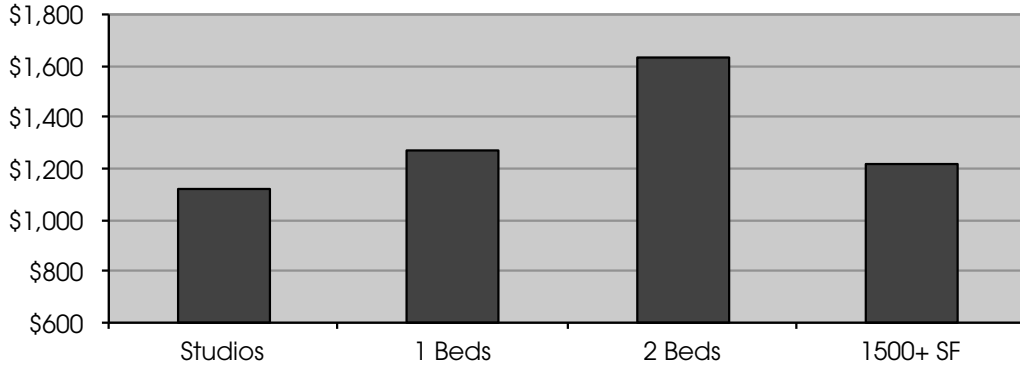


NEIGHBORHOOD PRICE TRENDS

MURRAY HILL



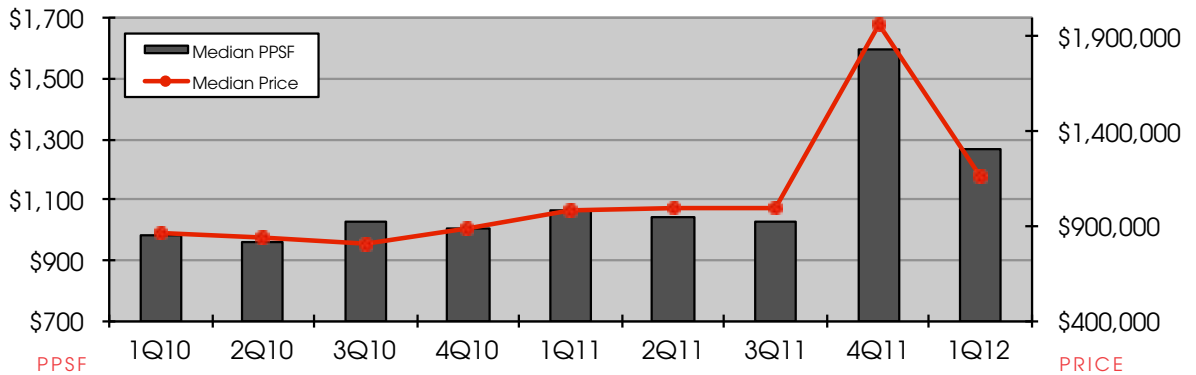
MURRAY HILL PPSF BY UNIT SIZE (\$1,267/SF Median)



% OF SALES WITHIN MURRAY HILL



MURRAY HILL QUARTERLY TRACKING

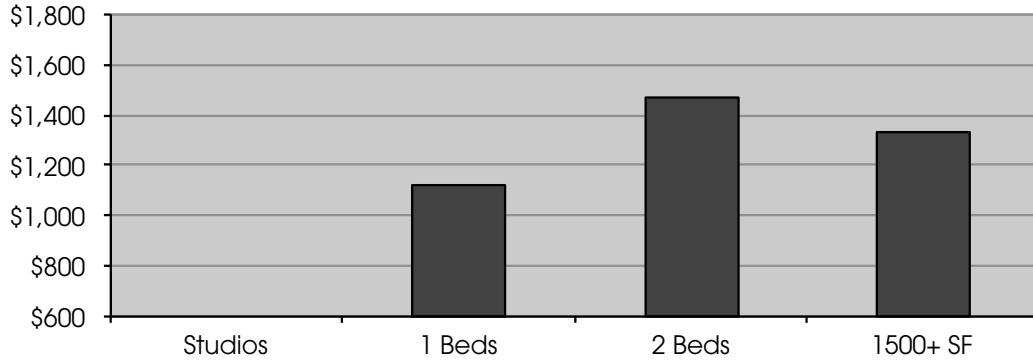


NEIGHBORHOOD PRICE TRENDS

CHELSEA



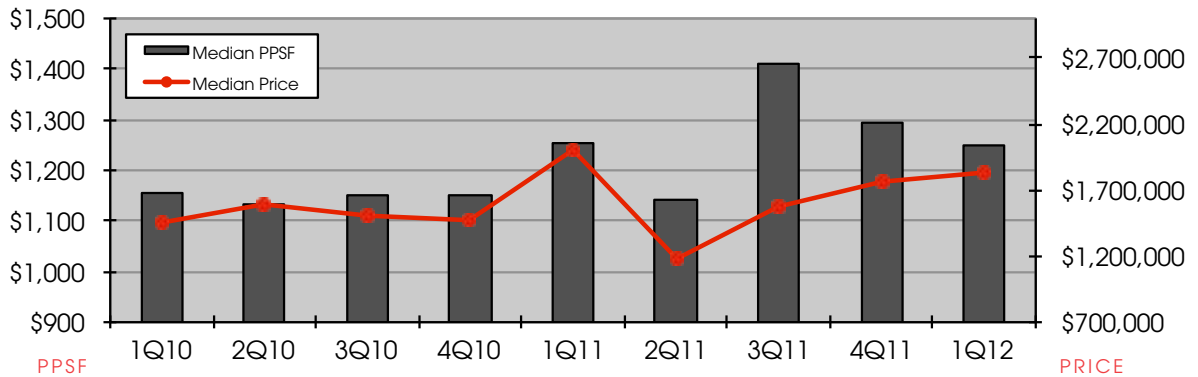
CHELSEA PPSF BY UNIT SIZE (\$1,250/SF Median)



% OF SALES WITHIN CHELSEA



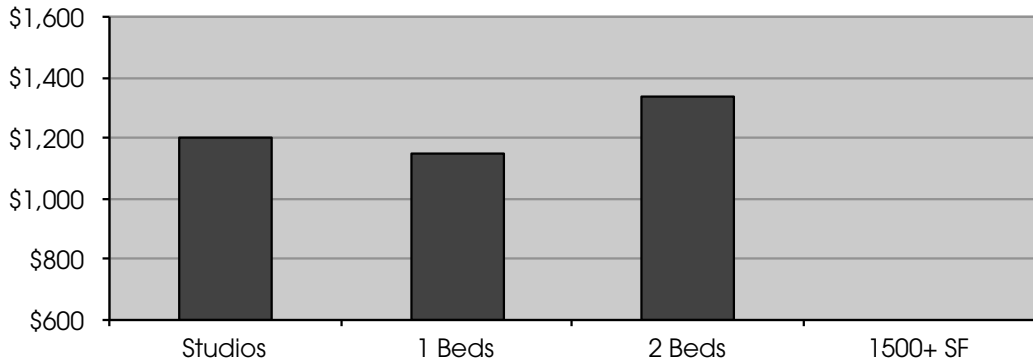
CHELSEA QUARTERLY TRACKING



GRAMERCY PARK



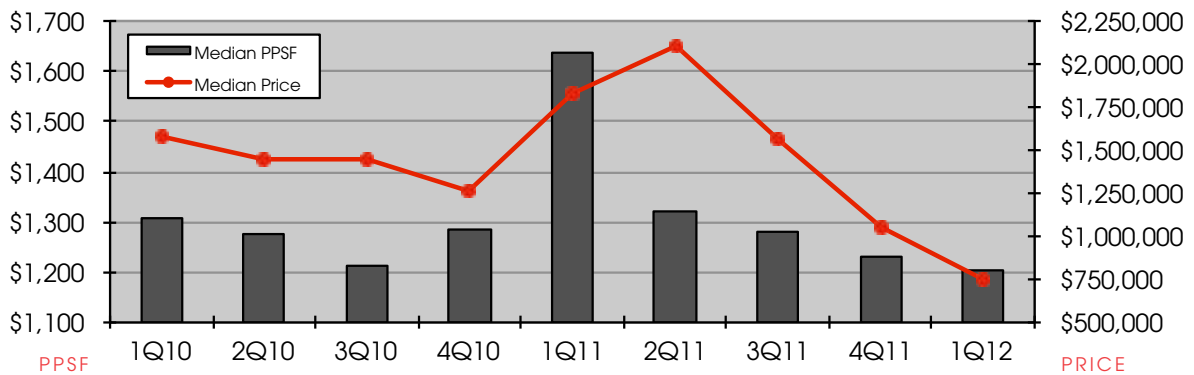
GRAMERCY PARK PPSF BY UNIT SIZE (\$1,203/SF Median)



% OF SALES WITHIN GRAMERCY PARK



GRAMERCY PARK QUARTERLY TRACKING

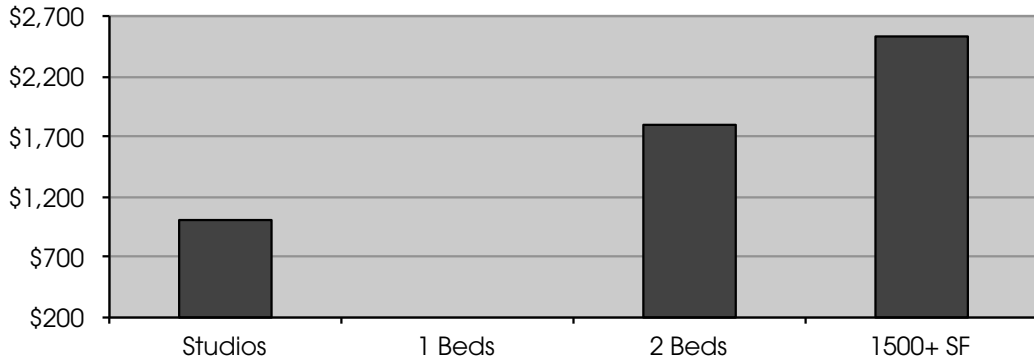


NEIGHBORHOOD PRICE TRENDS

GREENWICH VILLAGE



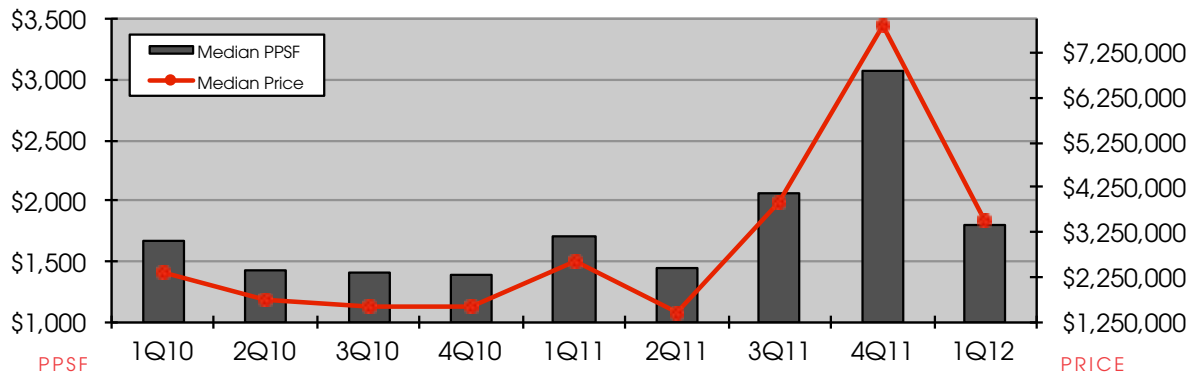
GREENWICH VILLAGE PPSF BY UNIT SIZE (\$1,803/SF Median)



% OF SALES WITHIN GREENWICH VILLAGE



GREENWICH VILLAGE QUARTERLY TRACKING





EAST VILLAGE

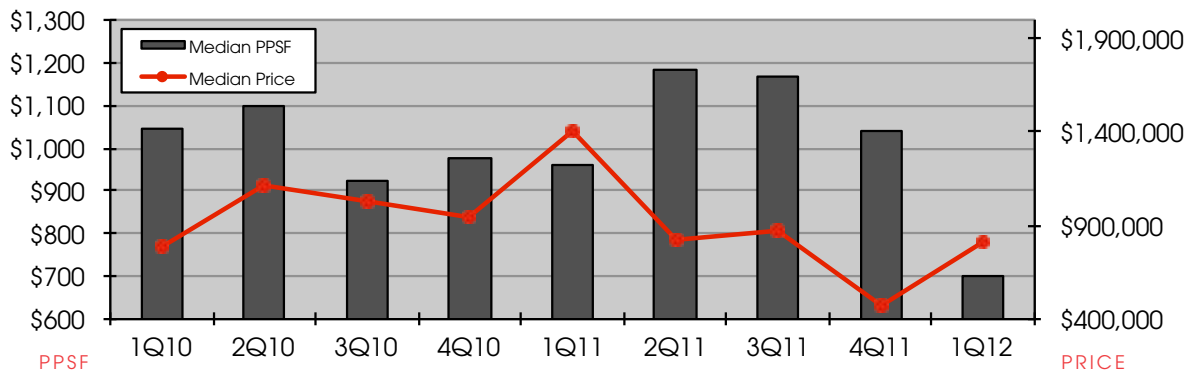
EAST VILLAGE PPSF BY UNIT SIZE (\$702/SF Median)



% OF SALES WITHIN EAST VILLAGE



EAST VILLAGE QUARTERLY TRACKING

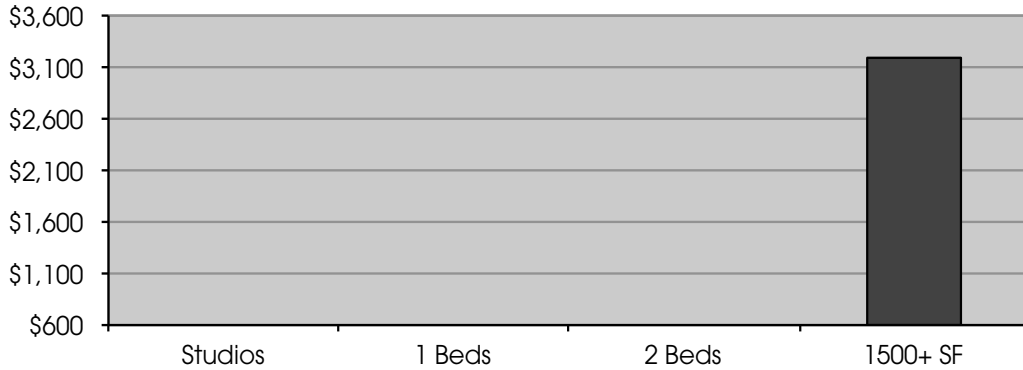


NEIGHBORHOOD PRICE TRENDS

SOHO



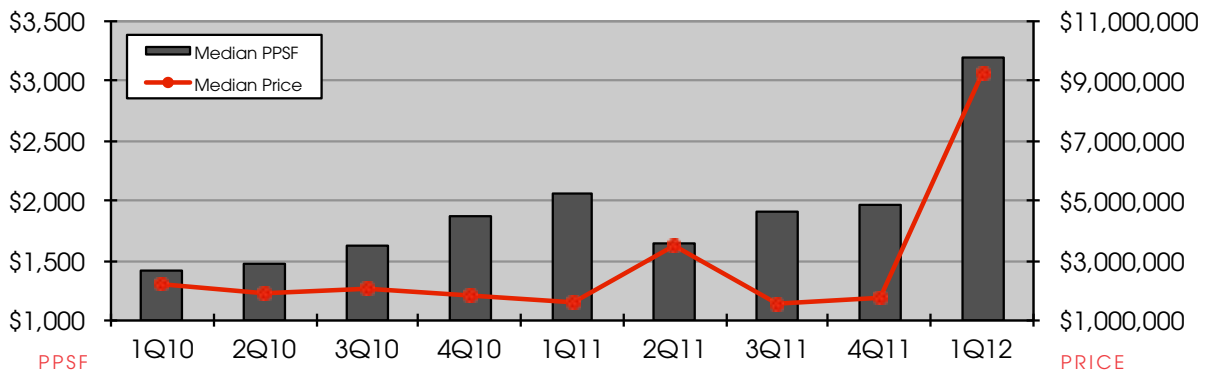
SOHO PPSF BY UNIT SIZE (\$3,193/SF Median)



% OF SALES WITHIN SOHO



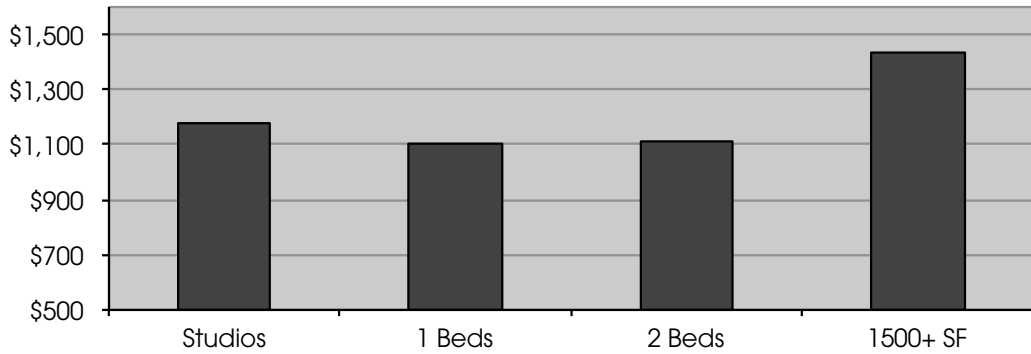
SOHO QUARTERLY TRACKING





LOWER EAST SIDE

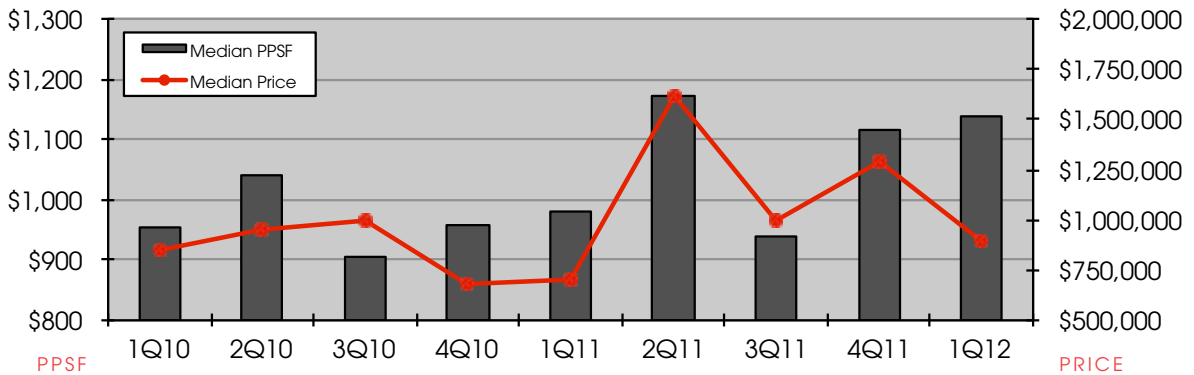
LOWER EAST SIDE PPSF BY UNIT SIZE (\$1,140/SF Median)



% OF SALES WITHIN LOWER EAST SIDE



LOWER EAST SIDE QUARTERLY TRACKING

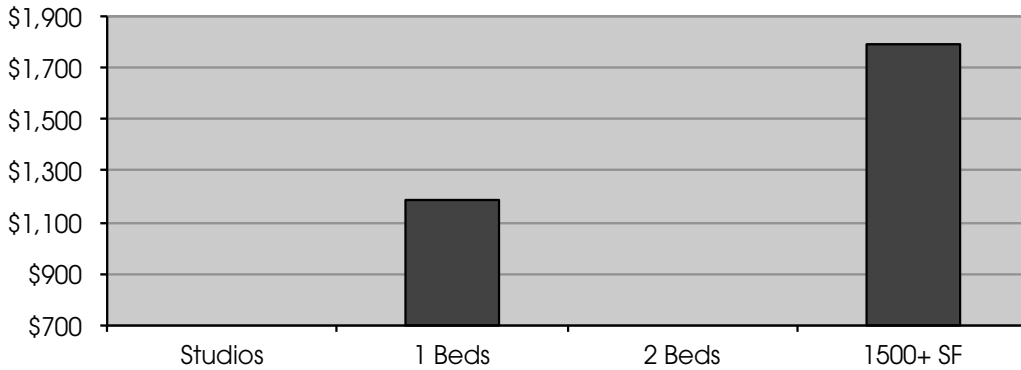


NEIGHBORHOOD PRICE TRENDS

TRIBECA



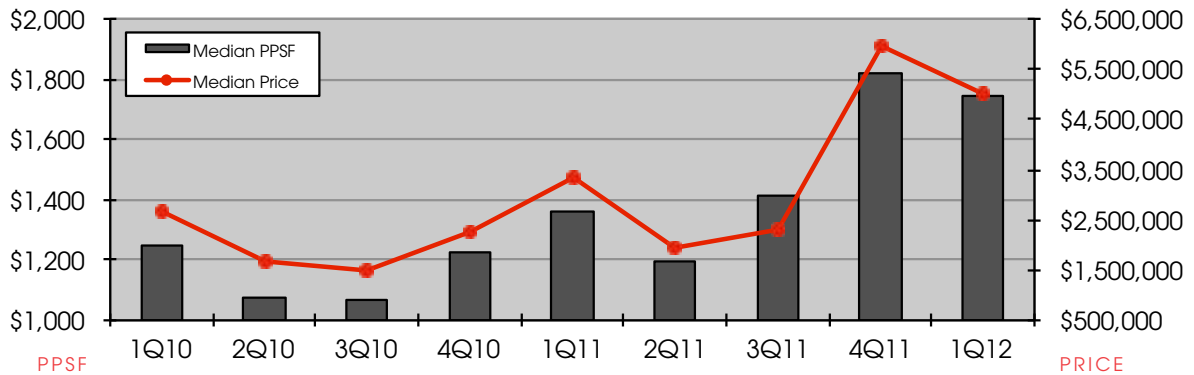
TRIBECA PPSF BY UNIT SIZE (\$1,742/SF Median)



% OF SALES WITHIN TRIBECA



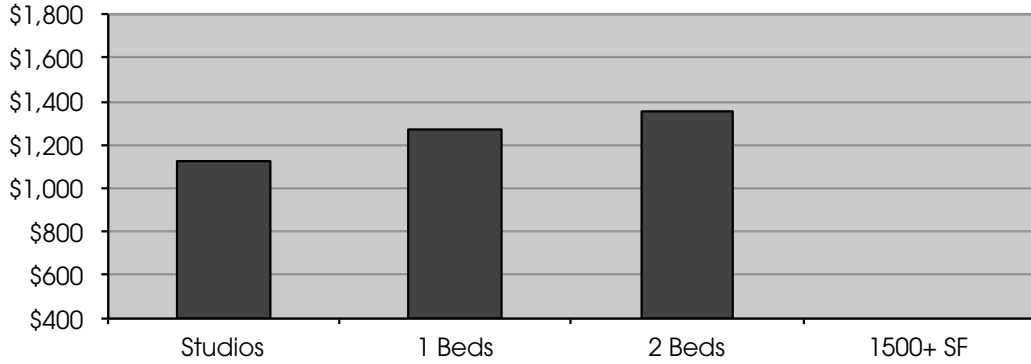
TRIBECA QUARTERLY TRACKING





FINANCIAL DISTRICT

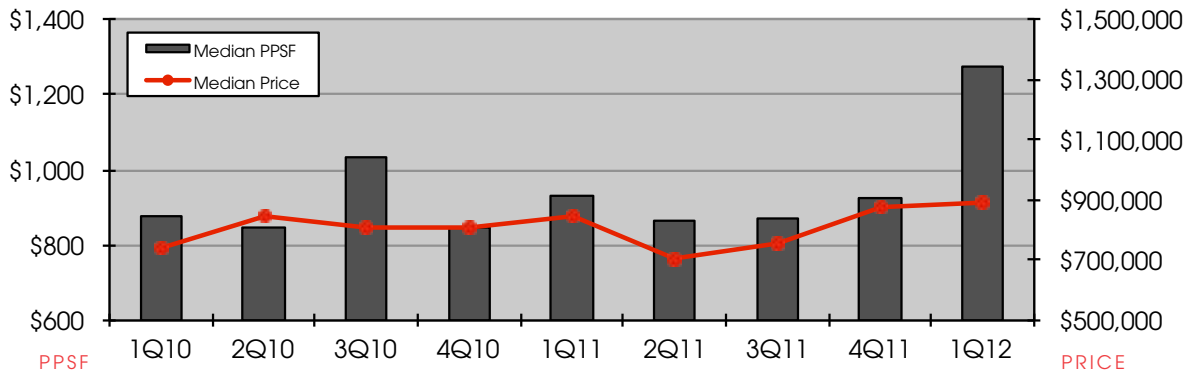
FINANCIAL DISTRICT PPSF BY UNIT SIZE (\$1,274/SF Median)



% OF SALES WITHIN FINANCIAL DISTRICT



FINANCIAL DISTRICT QUARTERLY TRACKING

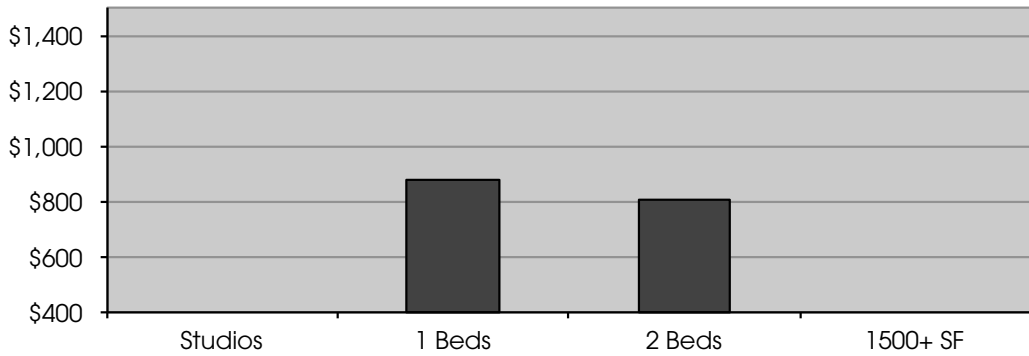


NEIGHBORHOOD PRICE TRENDS

BATTERY PARK CITY



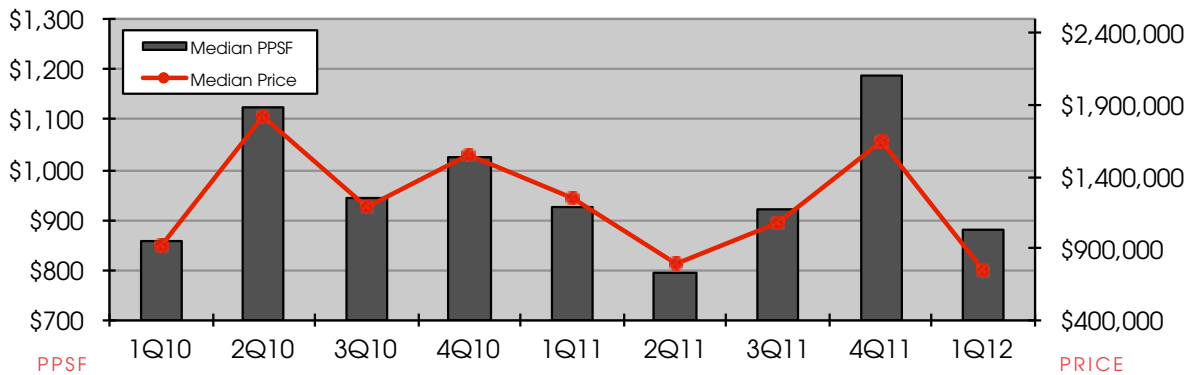
BATTERY PARK CITY PPSF BY UNIT SIZE (\$881/SF Median)



% OF SALES WITHIN BATTERY PARK CITY



BATTERY PARK CITY QUARTERLY TRACKING



THE REPORT EXPLAINED

Included in this research are walk-up and elevator new development condominium buildings, as well as new conversion condominiums if the sales were applicable sponsor transactions. Excluded from the report are all cooperative sales. Unit types such as studios, one-bedrooms, and two-bedroom units are grouped by square footage ranges. Studios are under 700 square feet, one-bedrooms are under 900 square feet, and two-bedrooms are under 1,450 square feet. Added to the report is the over-sized unit type that ranges from 1,500 square feet to 5,500 square feet.

Presented with a quarter-over-quarter and year-over-year comparison, both city-wide and by neighborhood, MNS New Development Report™ tracks the market trends throughout Manhattan and Brooklyn. MNS offers a unique insight into the new development market by tracking stalled construction sites on a quarterly basis, a great indicator of where development in general is moving. MNS is your source to find neighborhood price per square foot analysis, average sale prices, unit type sales trends, overall price movement, neighborhood inventory comparisons, and absorption rates.

Can't find what you're looking for? Ask MNS for more information at www.mns.com.

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Note: All market data is collected and compiled by MNS marketing department. The information presented here is intended for instructive purposes only and has been gathered from sources deemed reliable, though it may be subject to errors, omissions, changes or withdrawal without notice.

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