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INTRODUCTION

MNS is proud to present the First Quarter 2013 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 of 2013 (1/01/13 – 3/31/13). All data summarized is on a median basis.

MARKET SNAPSHOT

Market Snapshot

Year-Over-Year
Median PPSF
↓ 6%

Quarter-Over-Quarter
Median PPSF
↑ 4.8%

Year-Over-Year
Median Sales Price
↑ 20%

Quarter-Over-Quarter
Median Sales Price
↑ 1.8%

Manhattan New Development Sales Inventory
↓ 53.94% from last quarter

Neighborhood with the Most New Dev Sales

Harlem - 17% of Manhattan New Development Sales

Total New Development Sales Volume

↓ 58.41% to \$340 Million from \$819 Million in 4Q12

Largest Quarterly Up-Swing

Midtown West
PPSF \$1,514/SF from \$1,308/SF

Largest Quarterly Down-Swing

Gramercy Park
PPSF \$1,202 from \$1,808
Sales Price \$1,195,000 from \$2,240,150

Highest New Development Sale

106 Central Park – 21A-D - \$14,250,000

Highest New Development Sale PPSF

276 Central Park West – PH5A - \$3,045.59/SF

Market Summary

As frequently discussed throughout national media outlets and the MNS 4Q12 New Development Report, the market was replete with inventory due to uncertainty in Washington over possible tax increases. As a result, the previous quarter saw an unprecedented level of transactions. After analyzing the new development activity from January 1st – March 31st, both the level of transactions and total dollar volumes have significantly decreased and returned to their customary levels. However, increased competition from institutional and foreign investors continues to drive up prices throughout Manhattan.

In 1Q13, the total new development sales volume settled at \$340 million, representing a 58.41% decrease from the previous quarter of \$819 million. Albeit the substantial decrease in activity, overall median sale prices managed to appreciate 1.8% from \$1,171,146 in 4Q12 to \$1,192,500 at the end 1Q13. Furthermore, the median PPSF increased by 4.8% from \$1,096 during the 4Q12 to \$1,149 during 1Q13. As mentioned in the previous quarter's report, 56% of the total 393 transactions surpassed the million dollar figure. During 1Q13, similar units trading over a million dollars represented only 52% of the total 181 transactions.

Looking back one year ago to 1Q12, overall median prices have increased by an impressive 20%. However, the overall PPSF has decreased by 6 percent during the same time frame. Another noteworthy statistic to mention is Soho's two year median sales price increase - at a whopping 137%.

MARKET SNAPSHOT

Market Up-Swings

Having experienced a relatively slow previous quarter, Midtown West has rebounded with a 15.7% increase in price per square foot. One particular building, 106 Central Park South, closed a couple transactions with an average sale price of \$7.85 million, while achieving a PPSF of \$2,646. As mentioned earlier, the highest development sale was completed at 106 Central Park South, thus supporting the neighborhoods rebound. The overall median sales price also increased 21.7% from the previous quarter. However, when excluding the previous quarter, the median sale prices are comparatively level with both 2Q12 and 3Q12.

Tribeca continues to foster and maintain its recent PPSF growth while achieving a 12% increase from the previous quarter. Not including 4Q12, Tribeca has experienced 4 consecutive quarters of negative growth (both median PPSF and median sales price) from 1Q12 until the end of 4Q12. Current median sale prices of \$1.4 million are significantly lower than the highs of \$5.9 million achieved during 4Q11, but the outlook remains positive. One particular project under construction, 56 Leonard Street, is anticipating PPSF in the 2-3k range. Once the recent transactions are authorized and confirmed by city sources, MNS will factor these figures into the 2Q13 report.

Market Down-Swings

Having experienced substantial increases of 27% (ppsf) and 73% (median sales price) during 4Q12, the Upper East Side reverted back to anticipated levels during the current quarter. In addition, two units priced above \$7 million traded hands during 4Q12, however, the most expensive unit sold during 1Q13 was over \$6 million. Depending on the handful of proposed developments, especially along 1st Avenue, the Upper East Side should remain an interesting sub-market to closely track.

Inventory Analysis

As mentioned earlier in the report, the overall volume of sales has decreased by 53.94%, from 393 sales in the previous quarter to a total of 181 in the current quarter. Both the Upper East Side and Harlem had the greatest number of total sales with 30, representing over 33% of the total sales in Manhattan. On the contrary, Gramercy Park, Greenwich Village, and the East Village only had 1 transaction each.

In tracking the neighborhoods that sold the most amount of 1Q13 new development inventory per unit size:

24%
Studios
Financial District

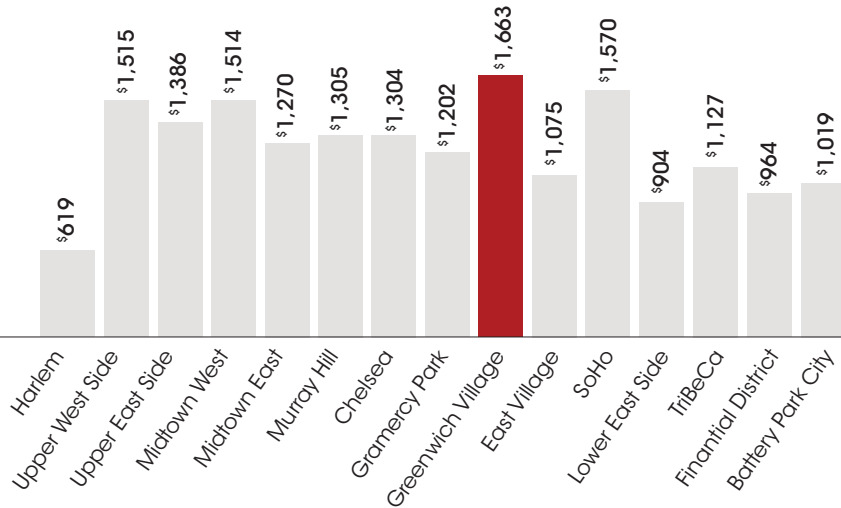
21%
One Bedrooms
Harlem

25%
Two Bedrooms
Harlem

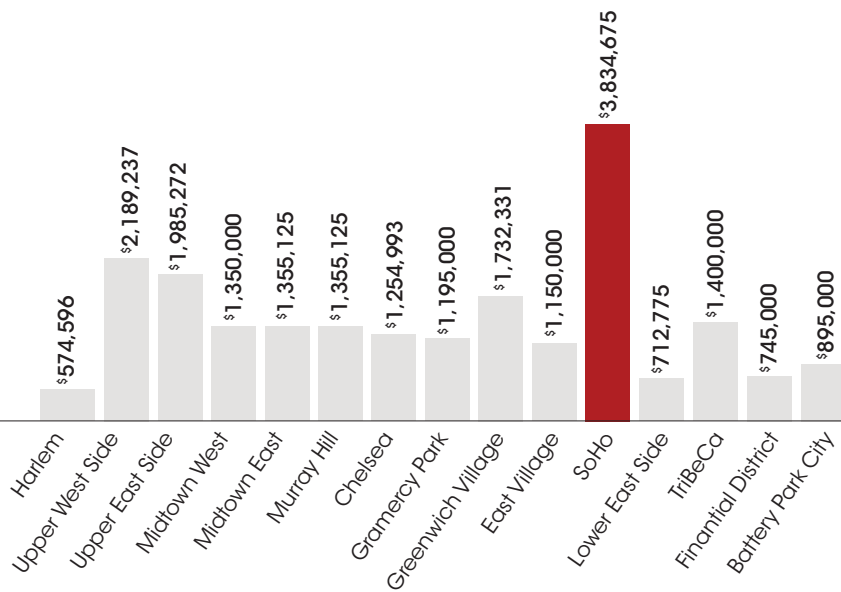
29%
Three Bedrooms
Upper West Side

MARKET SNAPSHOT

1Q13 Median PPSF By Neighborhood

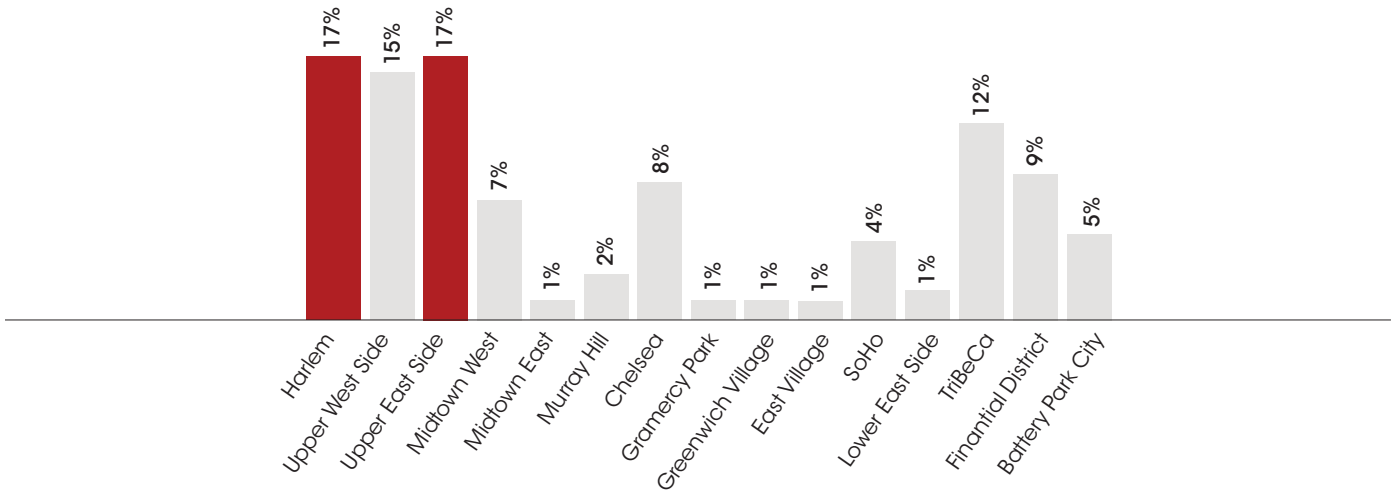


1Q13 Median Sales Price By Neighborhood

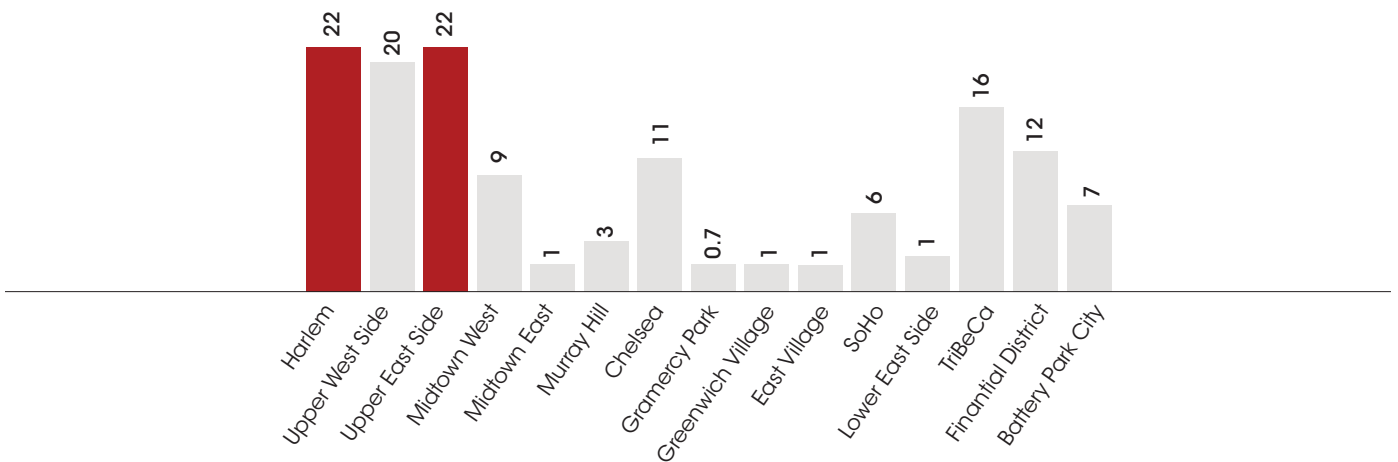


MARKET SNAPSHOT

1Q13 % Of Total Sponsor Sales - Borough-Wide



1Q13 Average Monthly Absorption Rate



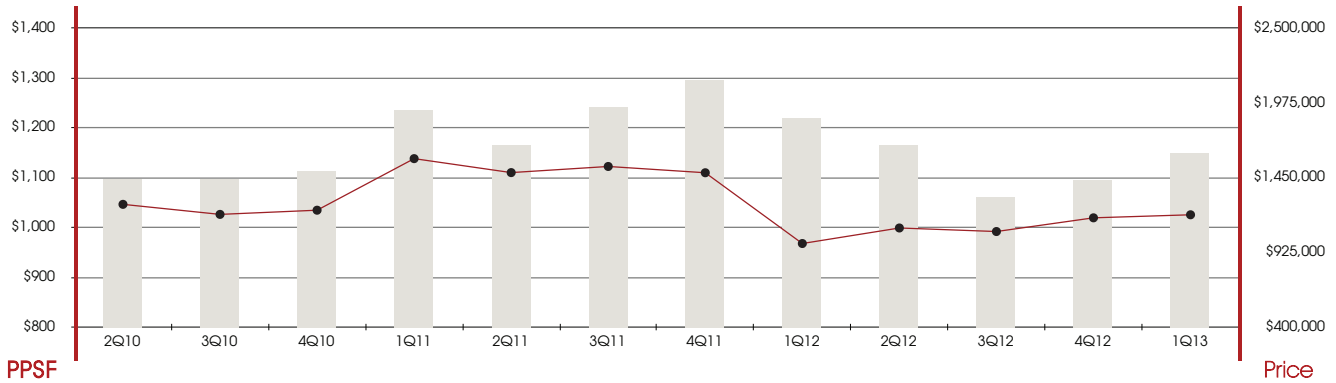
MANHATTAN

1Q13 Unit Mix Of New Development Sales

Studios **9%**
 1 Bedrooms **29%**
 2 Bedrooms **22%**
 3 Bedrooms **40%**

Manhattan Quarterly Tracking

■ Median PPSF ● Median Price



BATTERY PARK CITY

Battery Park City PPSF By Unit Size (\$1,019/SF Median)

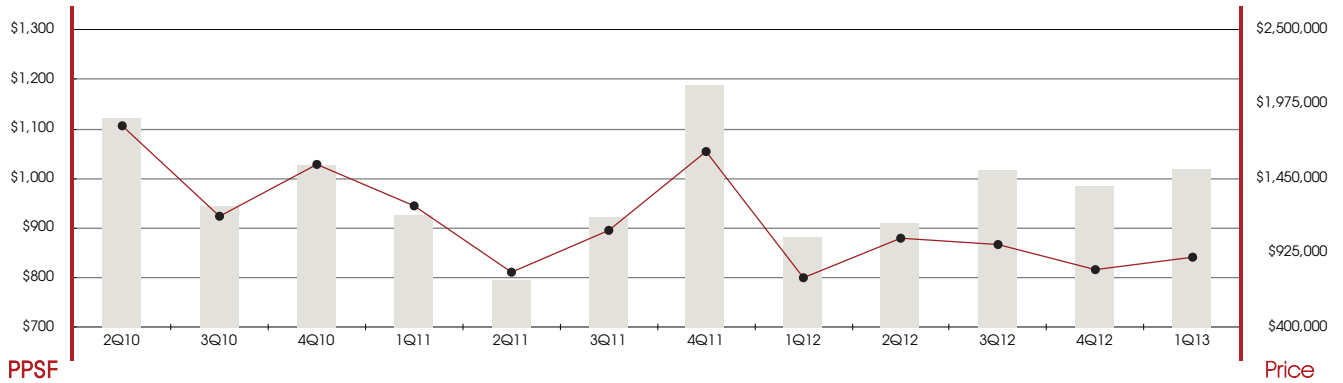
Studios **\$1,255**
 1 Bedrooms **\$963**
 2 Bedrooms **\$1,082**
 1500+ SF **\$943**

% Of Sales Within Battery Park City

Studios **11.1%**
 1 Bedrooms **44.4%**
 2 Bedrooms **33.3%**
 1500+ SF **11.1%**

Battery Park City Quarterly Tracking

■ Median PPSF ● Median Price



CHELSEA

Chelsea PPSF By Unit Size (\$1,304/SF Median)

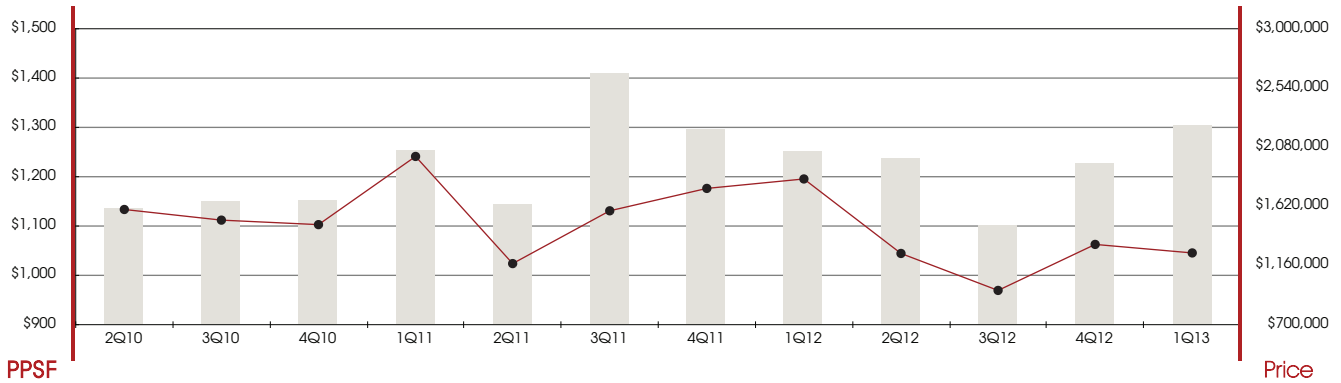
Studios **\$1,088**
 1 Bedrooms **\$1,332**
 2 Bedrooms **\$1,277**
 1500+ SF **\$1,224**

% Of Sales Within Chelsea

Studios **13.3%**
 1 Bedrooms **33.3%**
 2 Bedrooms **46.7%**
 1500+ SF **6.7%**

Chelsea Quarterly Tracking

■ Median PPSF ● Median Price



EAST VILLAGE

East Village PPSF By Unit Size (\$1,075/SF Median)

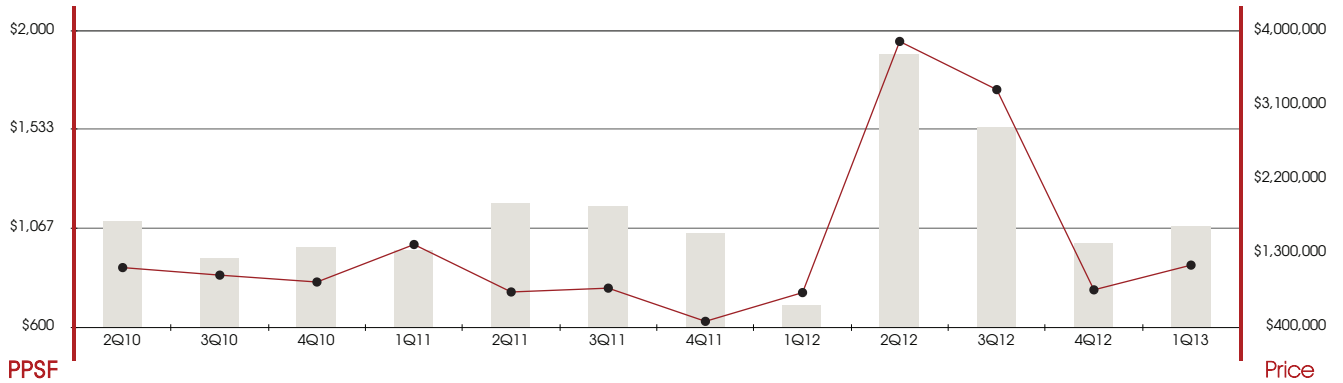
Studios
1 Bedrooms
2 Bedrooms **\$1,075**
1500+ SF

% Of Sales Within East Village

Studios
1 Bedrooms
2 Bedrooms **100%**
1500+ SF

East Village Quarterly Tracking

■ Median PPSF ● Median Price



FINANCIAL DISTRICT

Financial District PPSF By Unit Size (\$964/SF Median)

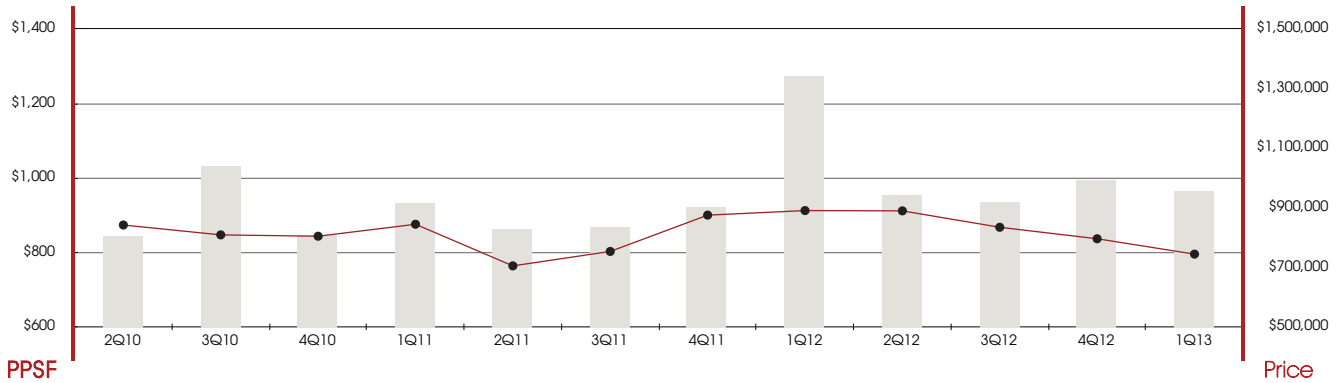
Studios **\$966**
 1 Bedrooms **\$934**
 2 Bedrooms **\$1,001**
 1500+ SF **\$1,006**

% Of Sales Within Financial District

Studios **25%**
 1 Bedrooms **25%**
 2 Bedrooms **25%**
 1500+ SF **25%**

Financial District Quarterly Tracking

■ Median PPSF ● Median Price



GRAMERCY PARK

Gramercy Park PPSF By Unit Size (\$1,202/SF Median)

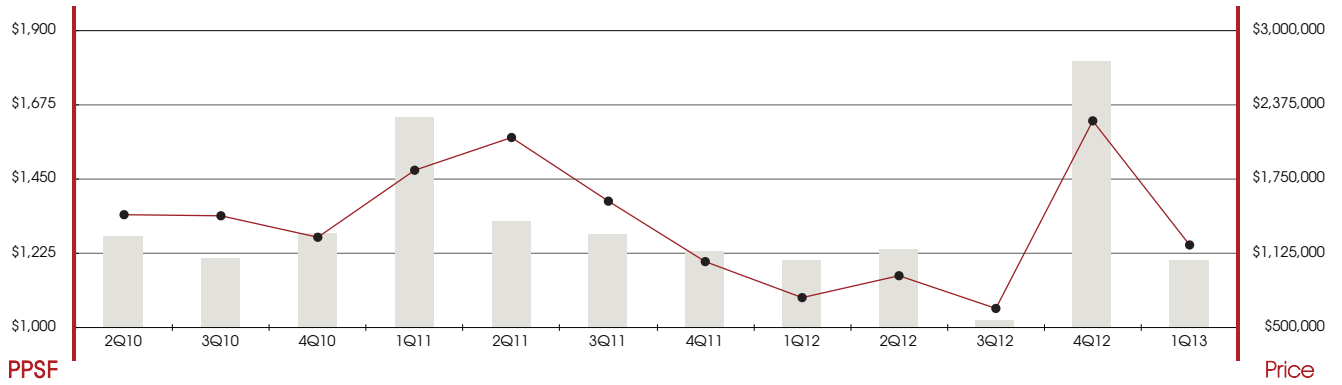
Studios
1 Bedrooms **\$1,808**
2 Bedrooms
1500+ SF

% Of Sales Within Gramercy Park

Studios
1 Bedrooms **100%**
2 Bedrooms
1500+ SF

Gramercy Park Quarterly Tracking

■ Median PPSF ● Median Price



GREENWICH VILLAGE

Greenwich Village PPSF By Unit Size (\$1,663/SF Median)

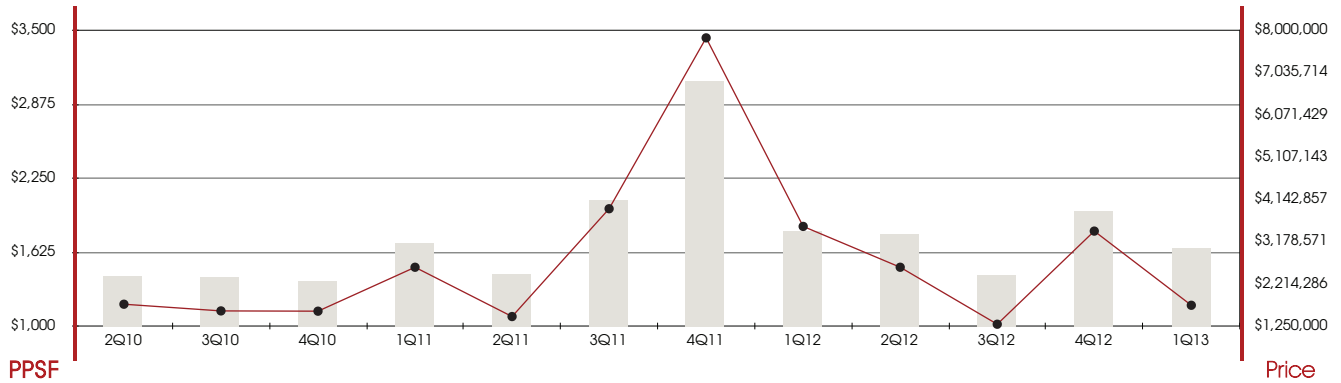
Studios
1 Bedrooms
2 Bedrooms
1500+ SF **\$1,663**

% Of Sales Within Greenwich Village

Studios
1 Bedrooms
2 Bedrooms
1500+ SF **100%**

Greenwich Village Quarterly Tracking

■ Median PPSF ● Median Price



HARLEM

Harlem PPSF By Unit Size (\$619/SF Median)

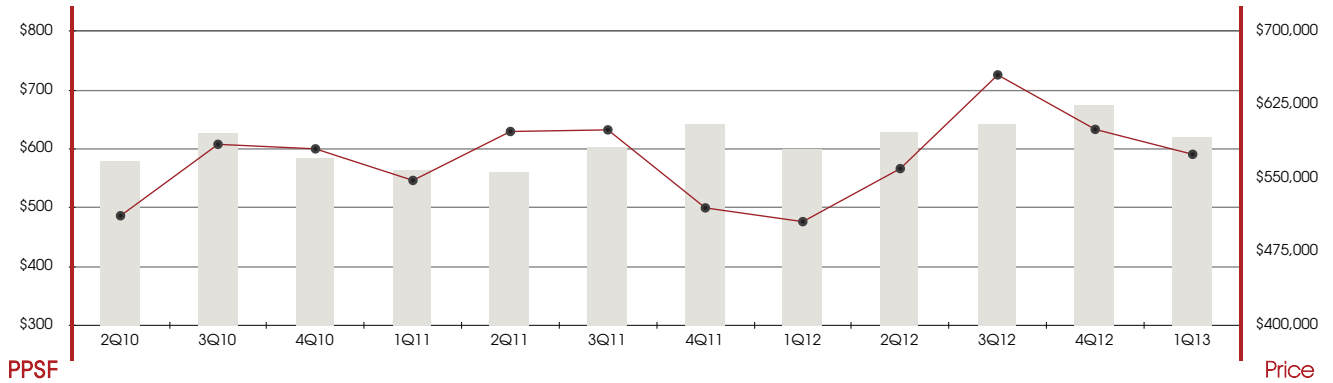
Studios **\$771**
 1 Bedrooms **\$608**
 2 Bedrooms **\$594**
 1500+ SF **\$634**

% Of Sales Within Harlem

Studios **3.3%**
 1 Bedrooms **36.7%**
 2 Bedrooms **33.3%**
 1500+ SF **26.7%**

Harlem Quarterly Tracking

■ Median PPSF ● Median Price



LOWER EAST SIDE

Lower East Side PPSF By Unit Size (\$904/SF Median)

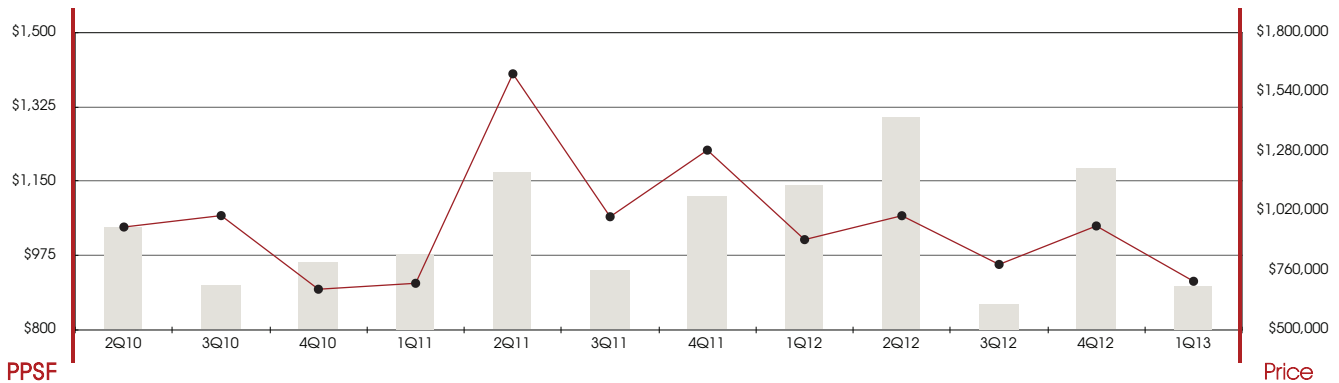
Studios **\$943**
 1 Bedrooms
 2 Bedrooms **\$865**
 1500+ SF

% Of Sales Within Lower East Side

Studios **50%**
 1 Bedrooms
 2 Bedrooms **50%**
 1500+ SF

Lower East Side Quarterly Tracking

■ Median PPSF ● Median Price



MIDTOWN EAST

Midtown East PPSF By Unit Size (\$1,270/SF Median)

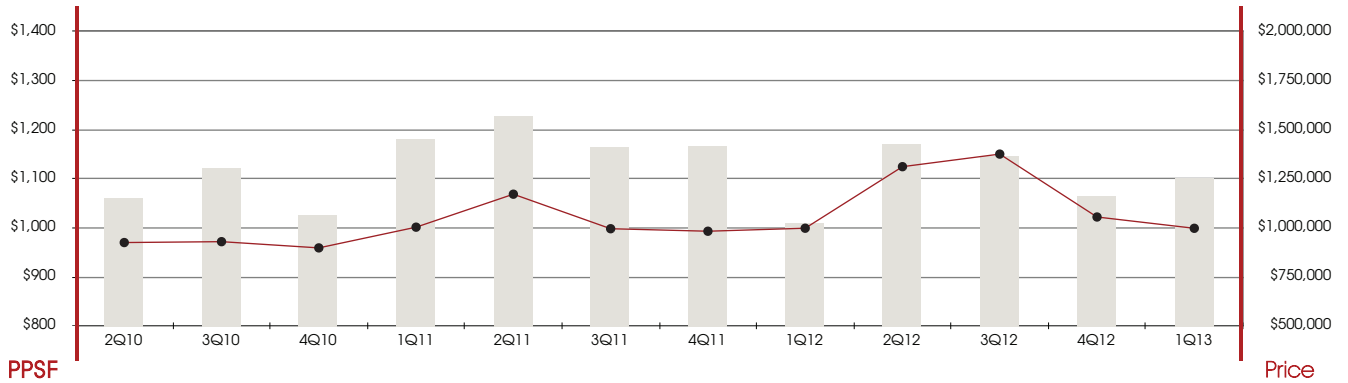
Studios
1 Bedrooms **\$1,102**
2 Bedrooms
1500+ SF

% Of Sales Within Midtown East

Studios
1 Bedrooms **100%**
2 Bedrooms
1500+ SF

Midtown East Quarterly Tracking

■ Median PPSF ● Median Price



MIDTOWN WEST

Midtown West PPSF By Unit Size (\$1,514/SF Median)

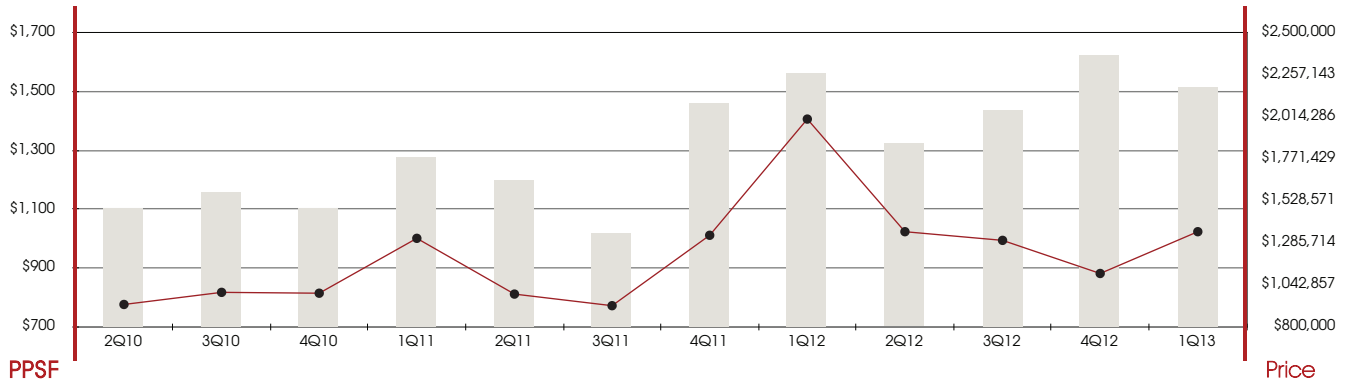
Studios **\$1,125**
 1 Bedrooms **\$1,363**
 2 Bedrooms **\$1,050**
 1500+ SF **\$1,914**

% Of Sales Within Midtown West

Studios **15.4%**
 1 Bedrooms **30.8%**
 2 Bedrooms **15.4%**
 1500+ SF **38.5%**

Midtown West Quarterly Tracking

■ Median PPSF ● Median Price



MURRAY HILL

Murray Hill PPSF By Unit Size (\$1,305/SF Median)

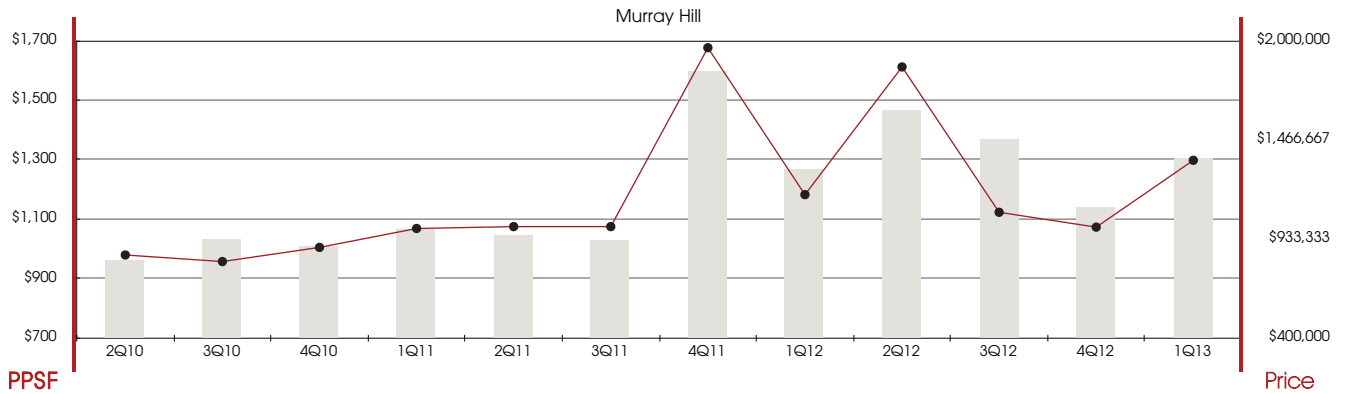
Studios **\$1,270**
 1 Bedrooms
 2 Bedrooms
 1500+ SF **\$1,357**

% Of Sales Within Murray Hill

Studios **75%**
 1 Bedrooms
 2 Bedrooms
 1500+ SF **25%**

Murray Hill Quarterly Tracking

■ Median PPSF ● Median Price



SOHO

SoHo PPSF By Unit Size (\$1,570/SF Median)

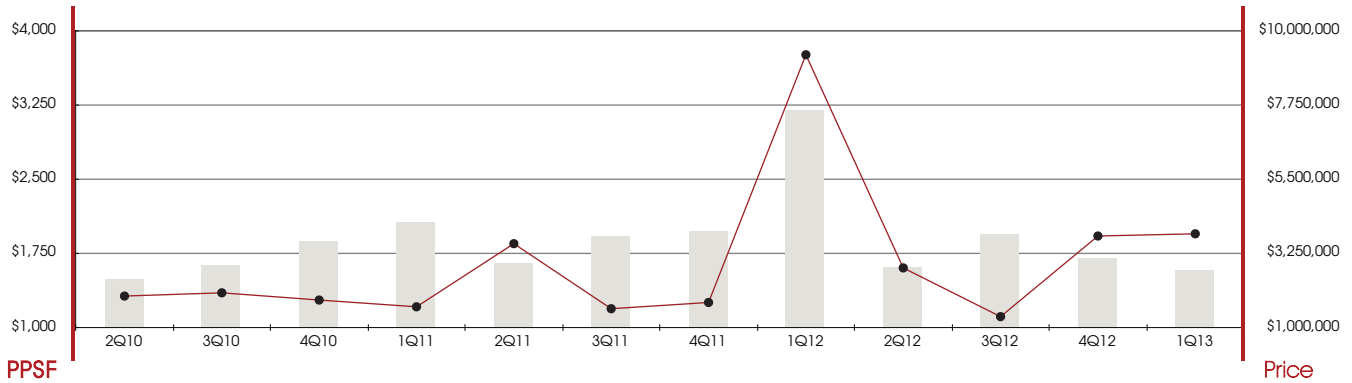
Studios
 1 Bedrooms **\$1,580**
 2 Bedrooms
 1500+ SF **\$1,464**

% Of Sales Within SoHo

Studios
 1 Bedrooms **12.5%**
 2 Bedrooms
 1500+ SF **87.5%**

SoHo Quarterly Tracking

■ Median PPSF ● Median Price



TRIBECA

Tribeca PPSF By Unit Size (\$1,127/SF Median)

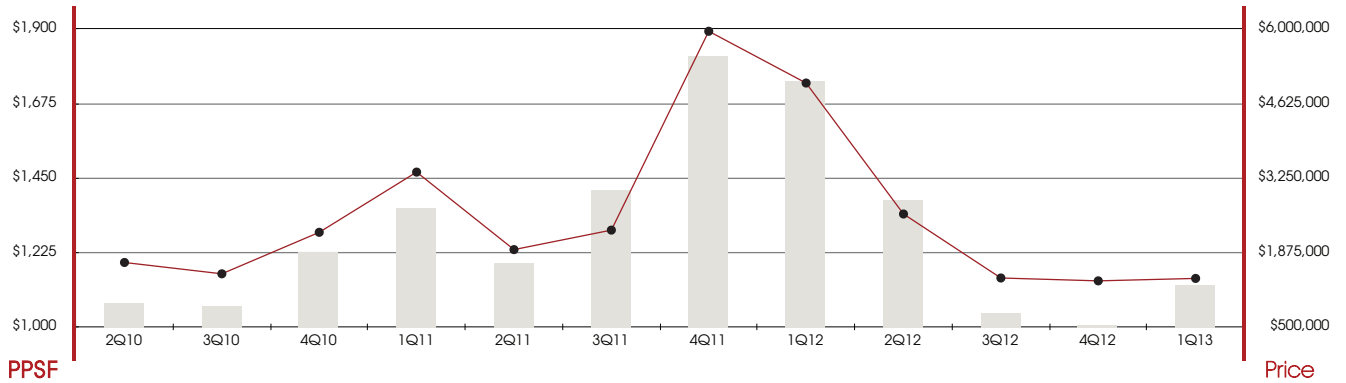
Studios **\$1,159**
 1 Bedrooms **\$973**
 2 Bedrooms **\$1,256**
 1500+ SF **\$1,286**

% Of Sales Within Tribeca

Studios **4.5%**
 1 Bedrooms **40.9%**
 2 Bedrooms **9.1%**
 1500+ SF **45.5%**

Tribeca Quarterly Tracking

■ Median PPSF ● Median Price



UPPER EAST SIDE

Upper East Side PPSF By Unit Size (\$1,386/SF Median)

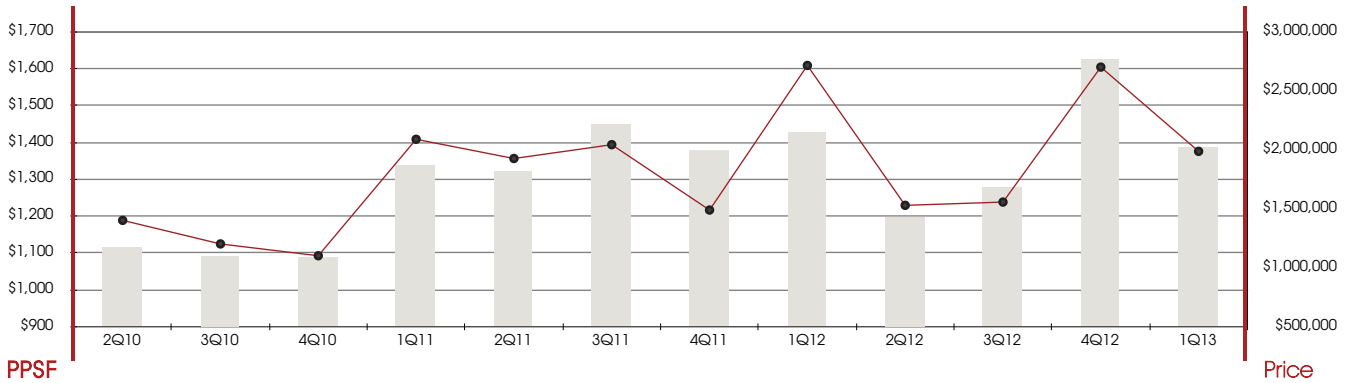
Studios
 1 Bedrooms **\$1,096**
 2 Bedrooms **\$1,280**
 1500+ SF **\$1,591**

% Of Sales Within Upper East Side

Studios
 1 Bedrooms **26.7%**
 2 Bedrooms **30%**
 1500+ SF **43.3%**

Upper East Side Quarterly Tracking

■ Median PPSF ● Median Price



UPPER WEST SIDE

Upper West Side PPSF By Unit Size (\$1,515/SF Median)

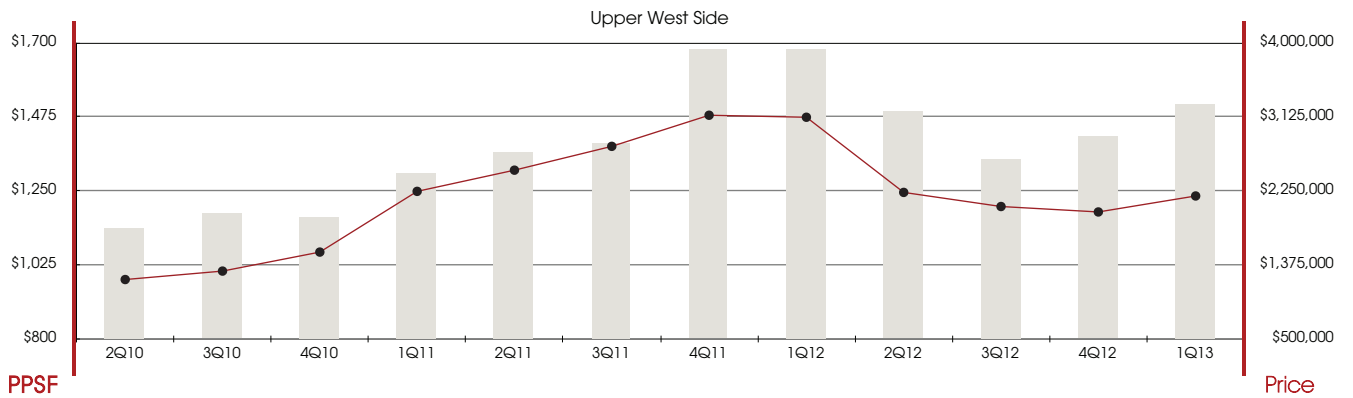
Studios **\$1,217**
 1 Bedrooms **\$1,012**
 2 Bedrooms **927**
 1500+ SF **\$1,693**

% Of Sales Within Upper West Side

Studios **7.1%**
 1 Bedrooms **14.3%**
 2 Bedrooms **3.6%**
 1500+ SF **75%**

Upper West Side Quarterly Tracking

■ Median PPSF ● Median Price



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 7,000 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.

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Note: All market data is collected and compiled by MNS's 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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