



MANHATTAN NEW DEVELOPMENT REPORT

2012 SECOND QUARTER

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INTRODUCTION



MNS is proud to present the Second 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 Second Quarter of 2012 (04/01/12 - 06/30/11). All data summarized is on a median basis.



MARKET SNAPSHOT



- Year-Over-Year Median PPSF – no change
Quarter-Over-Quarter Median PPSF – down 5%
- Year-Over-Year Median Sales Price – down 26%
Quarter-Over-Quarter Median Sales Price – up 11%
- Manhattan New Development Sales Inventory – up 76% from last quarter
Neighborhood with the Most New Dev Sales: Harlem (16% of Manhattan new development sales)
- Total New Development Sales Volume – up 60% to \$602M from \$375M in 1Q12
- Largest Quarterly Up-Swing: Murray Hill
PPSF: \$1,467/SF from \$1,267/SF
Sales Price: \$1.86M from \$1.17M
- Largest Quarterly Down-Swing: Upper West Side
PPSF: \$1,492/SF from \$1,681/SF
Sales Price: \$2.2M from \$3.1M
- Highest New Development Sale:
100 11th Ave – PH23 – \$19,397,662
- Highest New Development Sale PPSF:
100 11th Ave – PH23 – \$4,149/SF

MARKET SUMMARY:

The Manhattan new development market is still struggling to find its footing midway through 2012. Both sales volume and sales pricing is volatile with inventory shifts throwing the market up one day and down again the next. Each neighborhood has its own story of multi-million dollar penthouse deals, but at the other extreme, inventory releases with discounts tell another side. What does it all mean? MNS digs deeper into each deal to uncover the trends.

The second quarter of 2012 had a great amount of activity in the new development sales scene. Units in contract at the start of the second quarter closed at a pace of about 6 units per day, double the amount of closings from the first quarter. Sales volume was up 60% from the first quarter but off 37% from a year ago.

Year-over-year Manhattan new development condominium median sales prices are down 26% (\$1.1M this quarter versus just under \$1.5M in 2Q11). Median price per square foot of these sales remained the same. Compared to last quarter 1Q12, Manhattan new development price per square foot median numbers are down 5% to \$1,165/SF from \$1,220/SF but median sales prices are up 11% to \$1.1M from \$990K last quarter. The drop in median sales price per square foot is a surprise considering the past three quarters were all over \$1200/SF. However, this quarter's median of \$1,165/SF hovers just below the average of the past 10 quarters of \$1,172/SF.

MARKET SNAPSHOT



MARKET UP-SWINGS:

\$3+ million dollar sales were sprinkled throughout the city this quarter, from the \$3.8M sale at 123 Third Ave in the East Village to the \$13.2M sale at 170 East End Ave. A ninth floor 5 bedroom condo at 240 Park Ave South closed at \$8.3M, just 5% below ask and the winner of the million dollar listing was the 4,675 SF penthouse at 100 11th Ave for just under \$19.4M.

What better metric of price recovery than original sponsor sales from 2008 closing in today's market at the same prices? Four years and several exclusives later, many developments have held on and are finally releasing units at original prices from the height of the condo market. Midtown East had some straggling sponsor sales at 211 East 51st and The Alexander, but the slow absorption has kept prices elevated at a median price of \$1.3M, the highest the neighborhood has seen since 1Q10. 29th Park Madison had 6 recent closings close to a median of \$1500/SF, and a recent penthouse listing closed at over \$2,000/SF and just 4% off its original listing price back in 2008.

MARKET DOWN-SWINGS:

Manhattan median price per square foot has been on a decline for three quarters in a row, and many of the heavy hitting neighborhoods such as the Upper West Side saw both quarter and annual declines in median sales prices. Lack of inventory is certainly the culprit; for example, The Laureate closed just two units this quarter and is over 90% sold.

Rapid absorption is the indicator for discounted pricing in the Financial District this quarter. Although the number of sales almost tripled from last quarter, the results had no effect on median pricing but lowered its median price per square foot by 25%. The Setai is selling at a median price of \$920/SF and 99 John at \$927/SF with prices ranging from \$500K - \$2.5M.

INVENTORY ANALYSIS:

Manhattan median sales prices are up 11% to \$1.1M from \$990K last quarter and the change in median sales price occurred in the shift of unit types sold. This quarter, two-bedrooms had the largest number of closings (33%) at a median sales price of \$1,175,000 while last quarter we saw that same 31% made up of one-bedrooms dominating the sales records and at a median sales price of \$834,500.

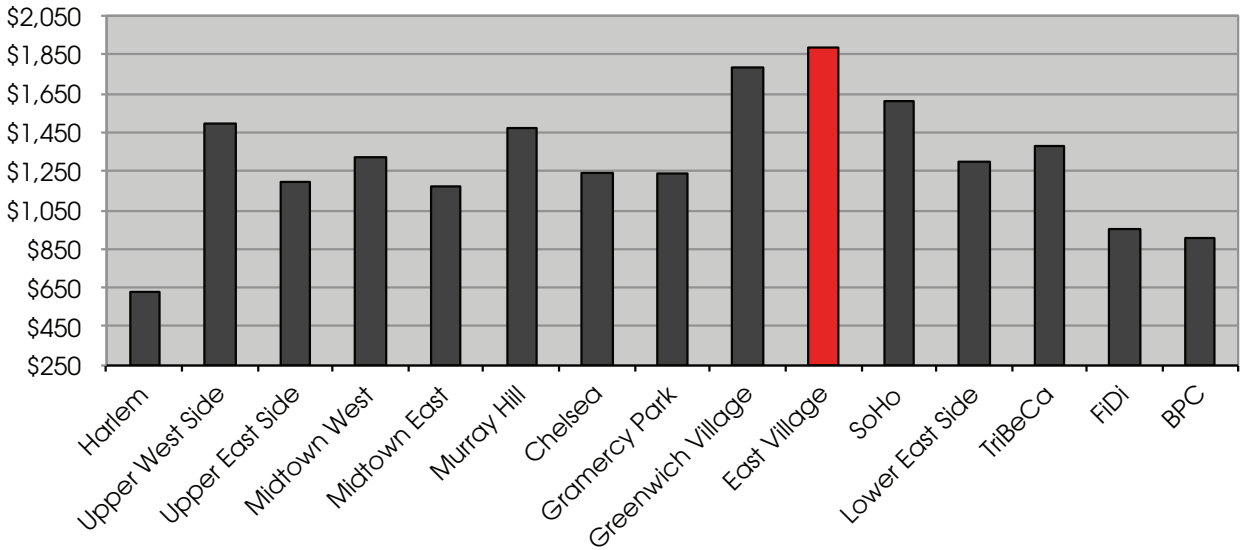
30% of the sales inventory this quarter came from new developments located in either Harlem or FiDi, yielding a median price per square foot decline of 5% from last quarter. A similar inventory structure occurred back in 2Q11 which is why there is no change in median price per square foot year-over-year. Little inventory in SoHo, the Upper West Side, or even Gramercy Park certainly explains the year-over-year 26% drop in new development median sale prices. In tracking the neighborhoods that sold the most amount of 2Q12 new development inventory per unit size:

- Studios - Financial District (28%)
- One Bedrooms - Financial District (16%)
- Two Bedrooms - Harlem (25%)
- Three Bedrooms (1500 +) - Upper East Side (27%)

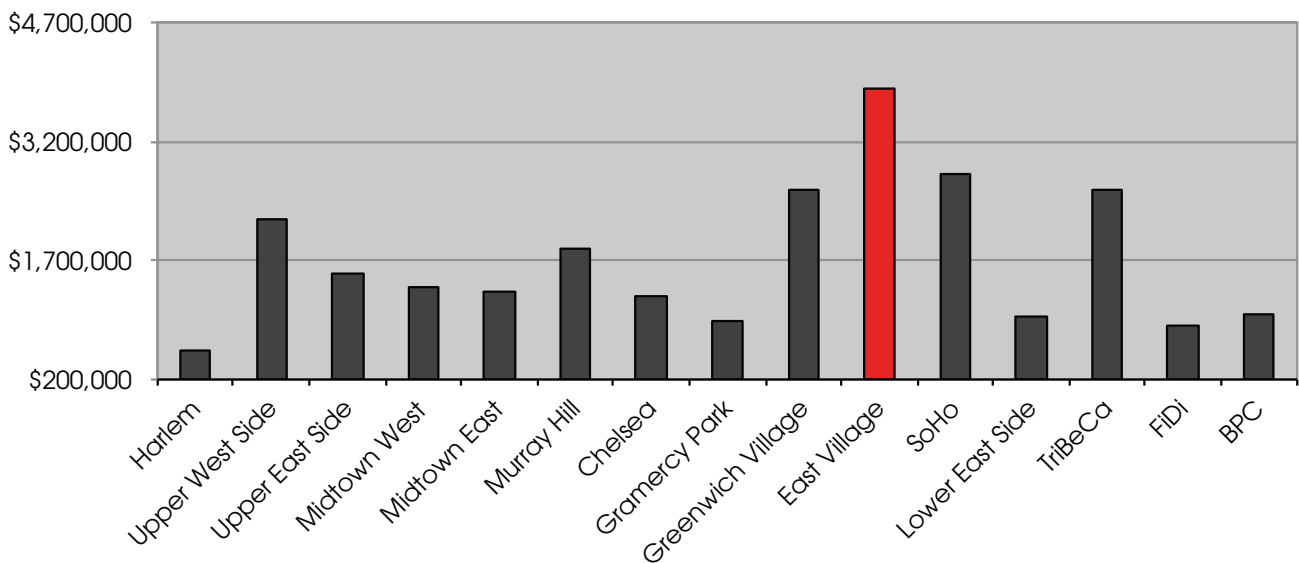
MARKET SNAPSHOT



2Q12 MEDIAN PPSF BY NEIGHBORHOOD

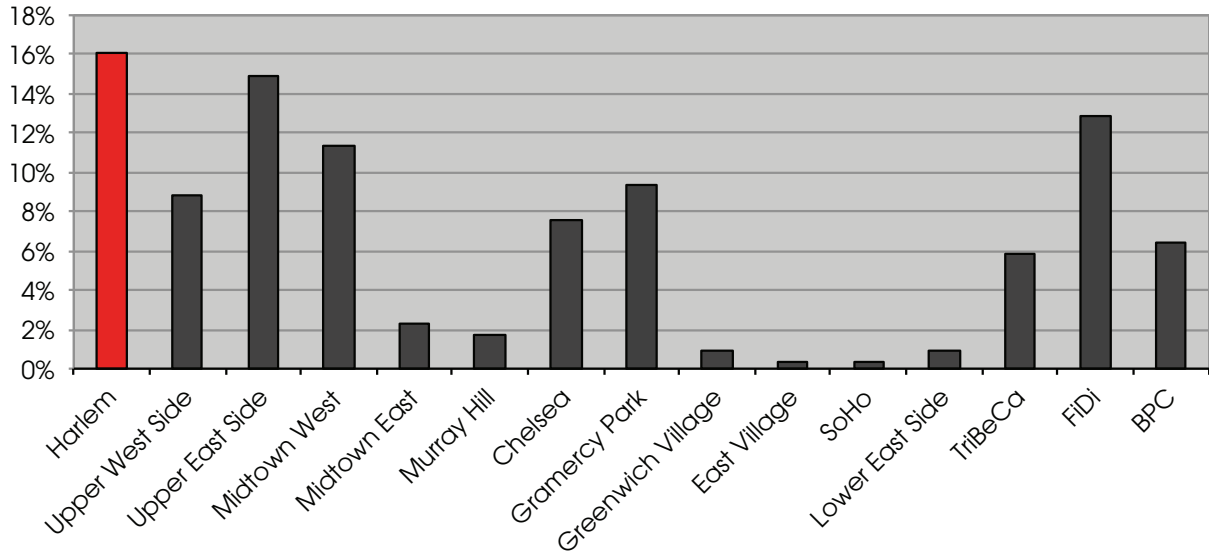


2Q12 MEDIAN SALES PRICE BY NEIGHBORHOOD

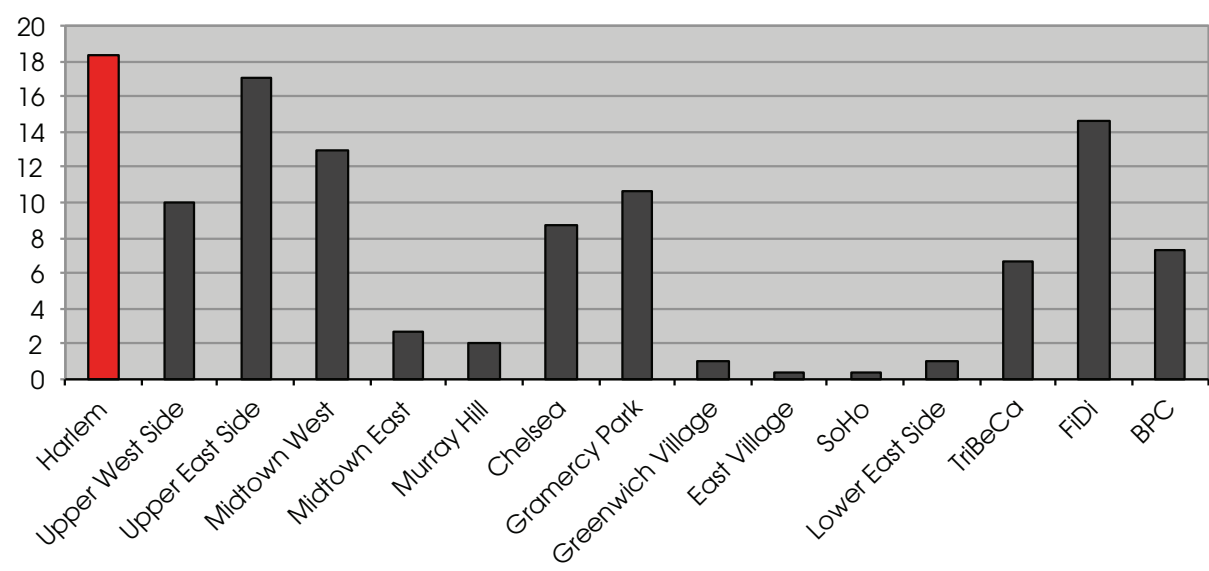


MARKET SNAPSHOT

% OF TOTAL NEW DEVELOPMENT SALES BOROUGH-WIDE



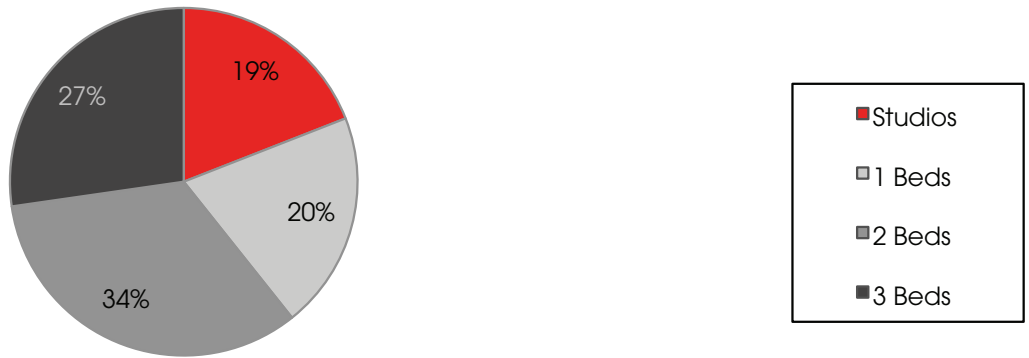
2Q2012 AVERAGE MONTHLY ABSORPTION RATE



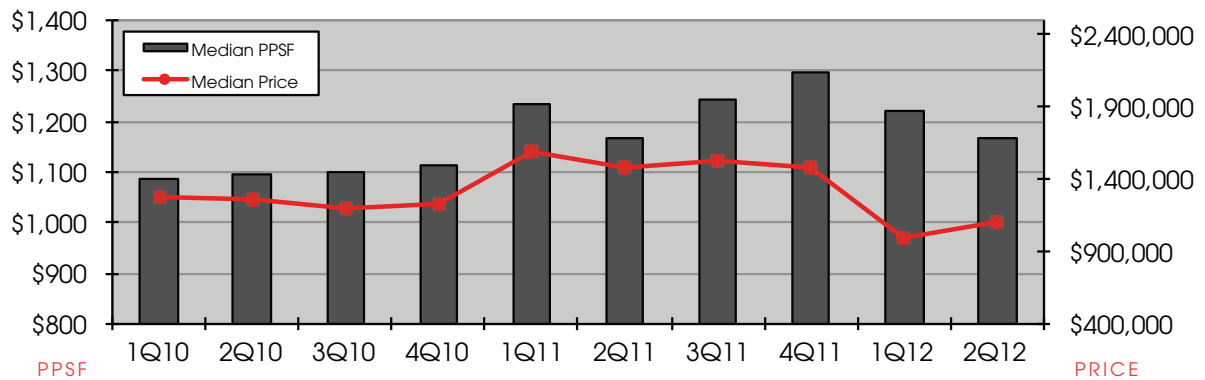
MARKET SNAPSHOT



2Q12 UNIT MIX OF NEW DEVELOPMENT SALES



MANHATTAN QUARTERLY TRACKING

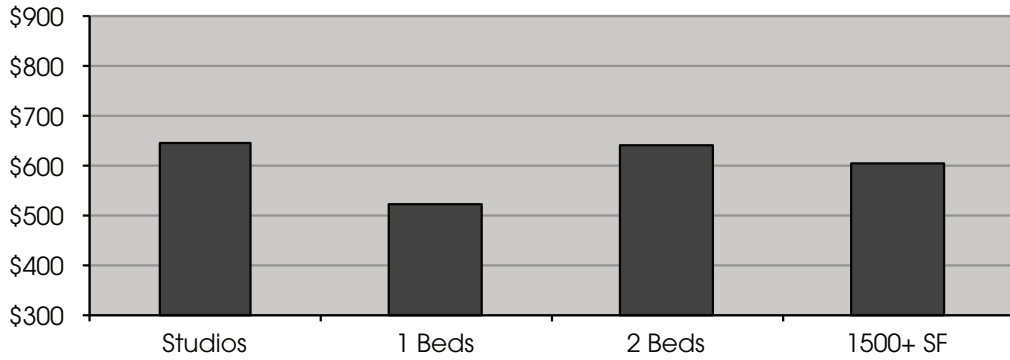


NEIGHBORHOOD PRICE TRENDS

HARLEM



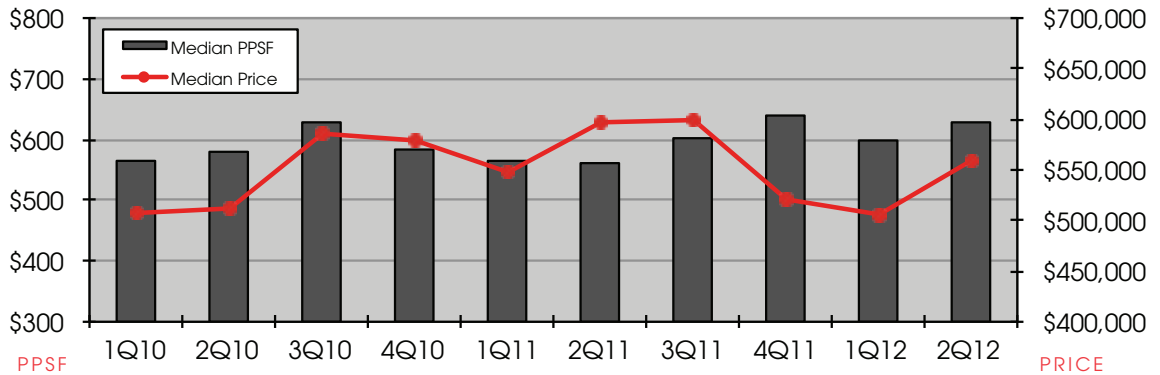
HARLEM PPSF BY UNIT SIZE (\$628/SF Median)



% OF SALES WITHIN HARLEM



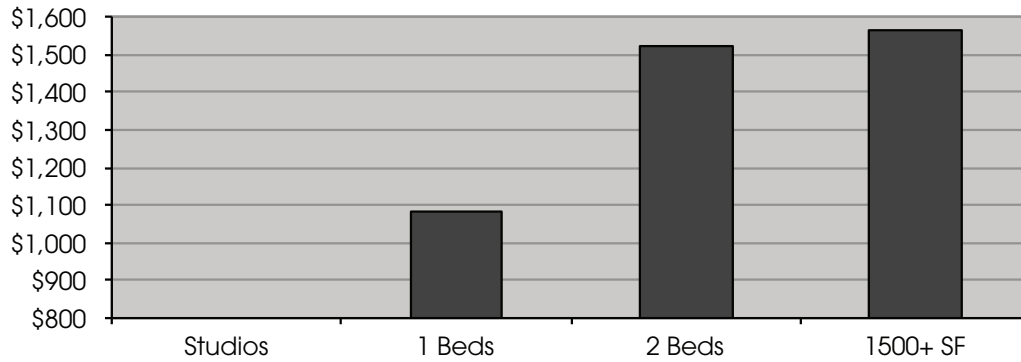
HARLEM QUARTERLY TRACKING



UPPER WEST SIDE



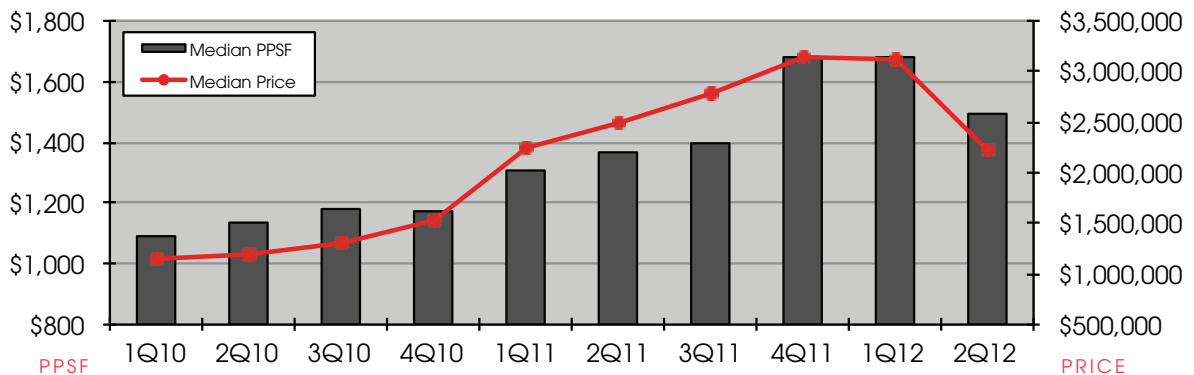
UPPER WEST SIDE PPSF BY UNIT SIZE (\$1,492/SF Median)



% OF SALES WITHIN UPPER WEST SIDE



UPPER WEST SIDE QUARTERLY TRACKING

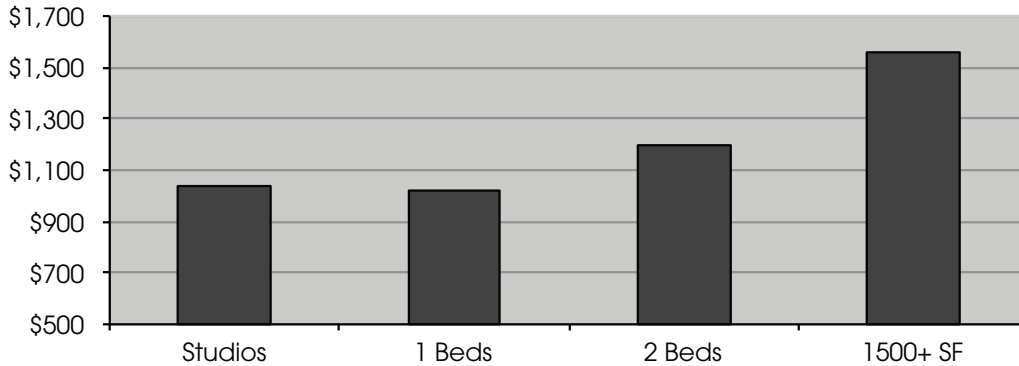


NEIGHBORHOOD PRICE TRENDS

UPPER EAST SIDE



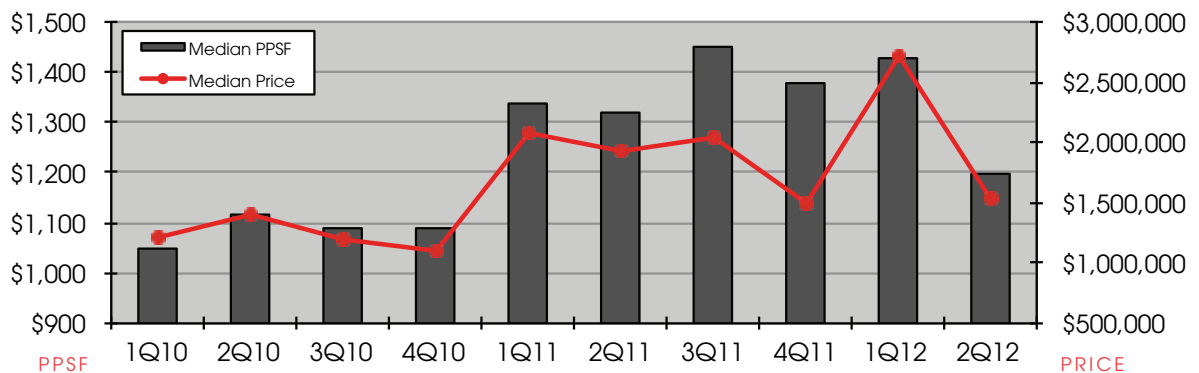
UPPER EAST SIDE PPSF BY UNIT SIZE (\$1,197/SF Median)



% OF SALES WITHIN UPPER EAST SIDE



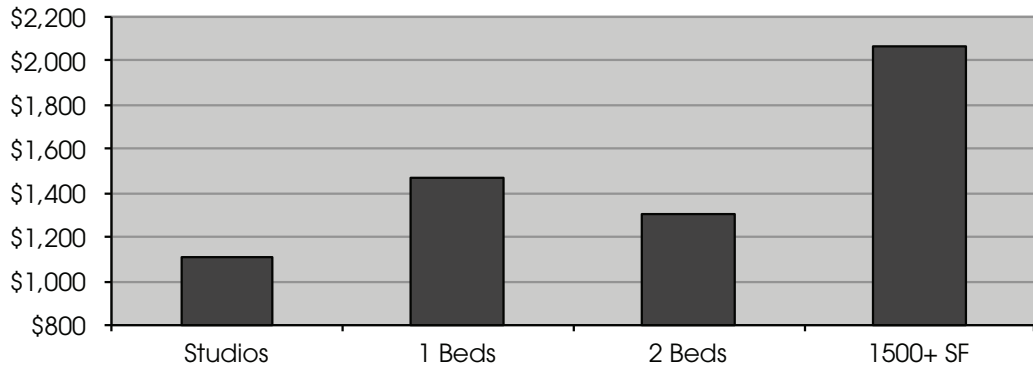
UPPER EAST SIDE QUARTERLY TRACKING





MIDTOWN WEST

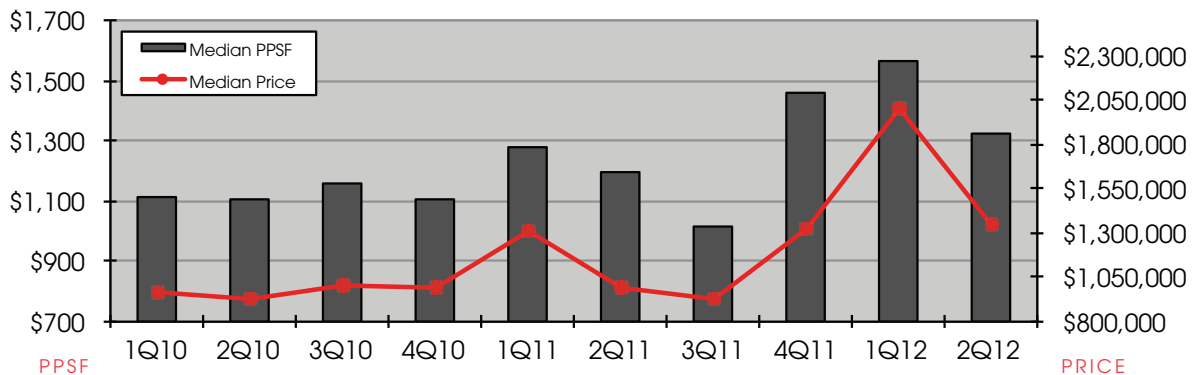
MIDTOWN WEST PPSF BY UNIT SIZE (\$1,323/SF Median)



% OF SALES WITHIN MIDTOWN WEST



MIDTOWN WEST QUARTERLY TRACKING

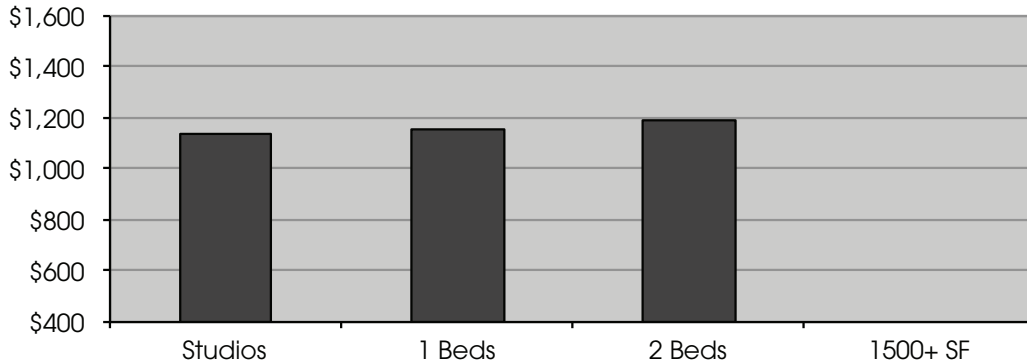


NEIGHBORHOOD PRICE TRENDS

MIDTOWN EAST



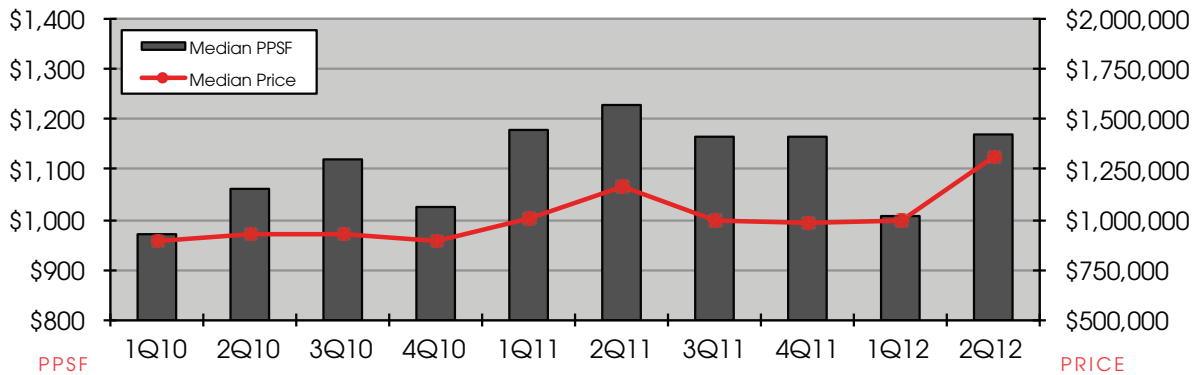
MIDTOWN EAST PPSF BY UNIT SIZE (\$1,171/SF Median)



% OF SALES WITHIN MIDTOWN EAST



MIDTOWN EAST QUARTERLY TRACKING

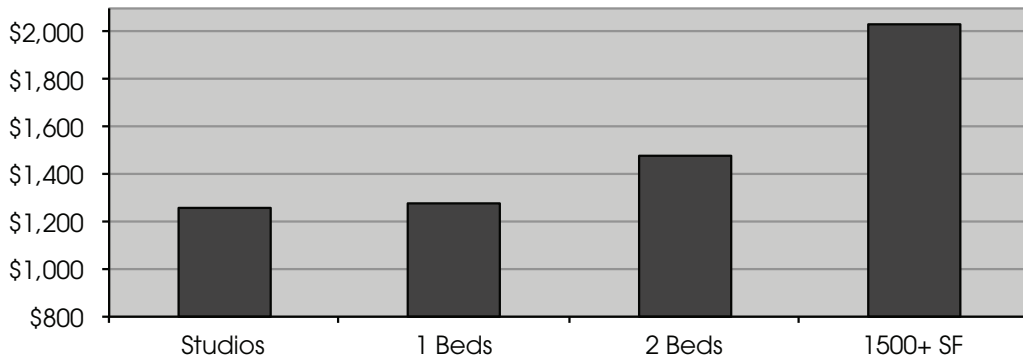


NEIGHBORHOOD PRICE TRENDS

MURRAY HILL



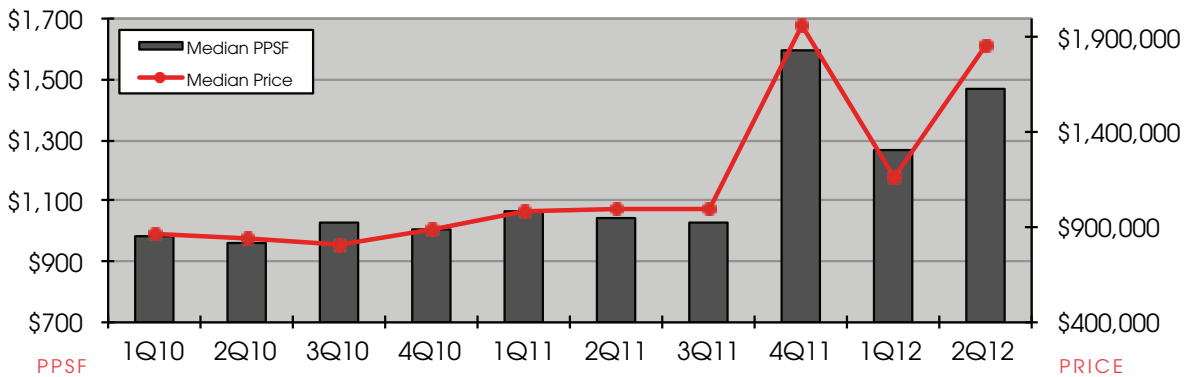
MURRAY HILL PPSF BY UNIT SIZE (\$1,467/SF Median)



% OF SALES WITHIN MURRAY HILL



MURRAY HILL QUARTERLY TRACKING

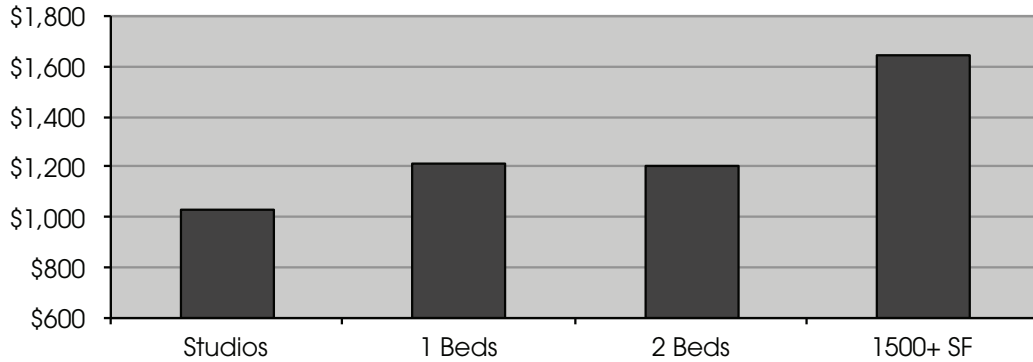


NEIGHBORHOOD PRICE TRENDS

CHELSEA



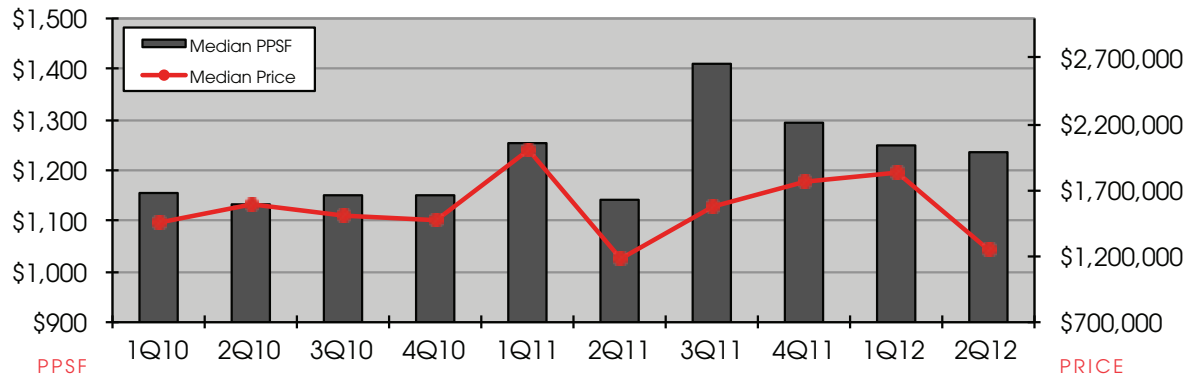
CHELSEA PPSF BY UNIT SIZE (\$1,236/SF Median)



% OF SALES WITHIN CHELSEA



CHELSEA QUARTERLY TRACKING

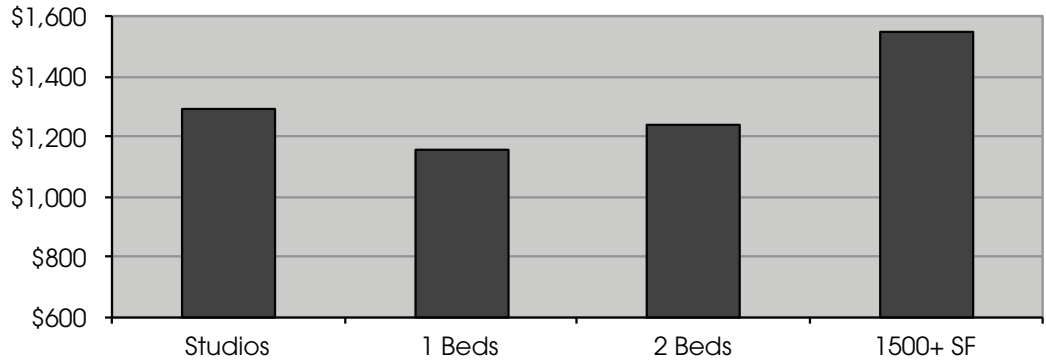


NEIGHBORHOOD PRICE TRENDS

GRAMERCY PARK



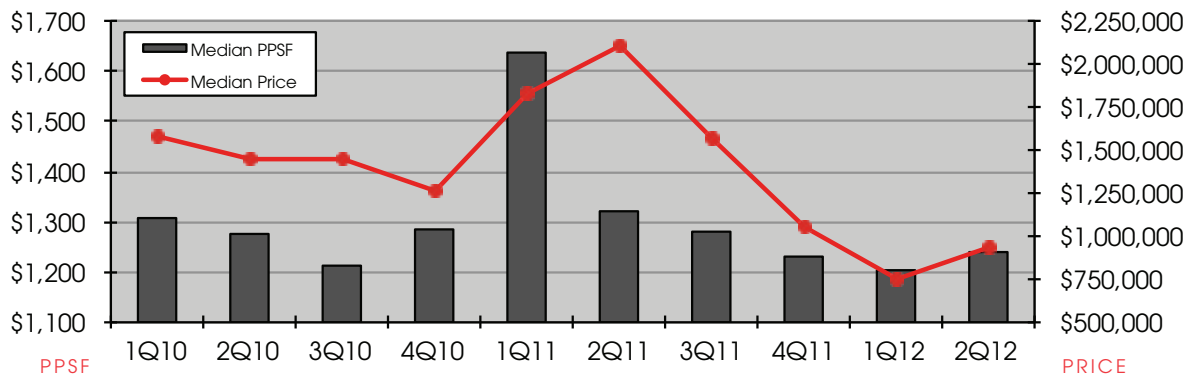
GRAMERCY PARK PPSF BY UNIT SIZE (\$1,238/SF Median)



% OF SALES WITHIN GRAMERCY PARK



GRAMERCY PARK QUARTERLY TRACKING

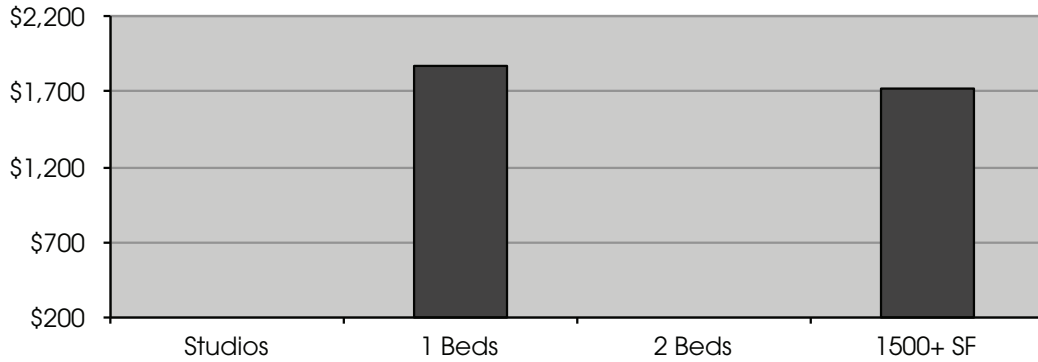


NEIGHBORHOOD PRICE TRENDS

GREENWICH VILLAGE



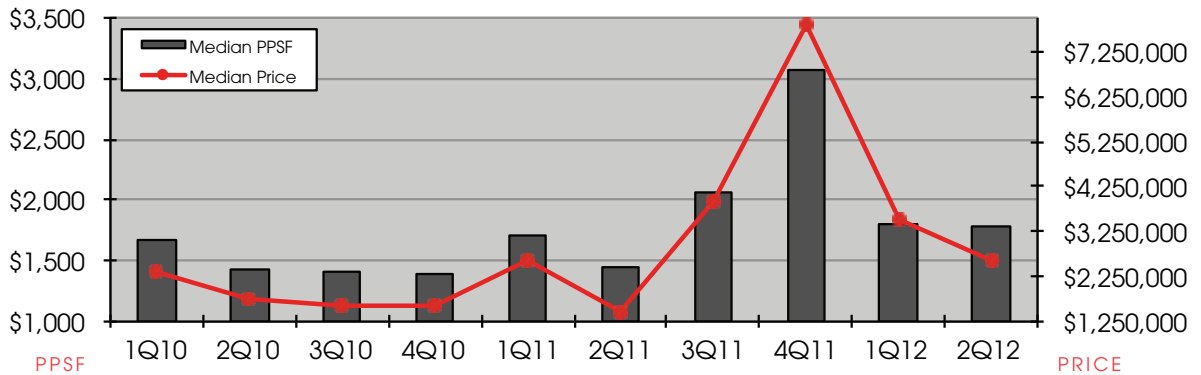
GREENWICH VILLAGE PPSF BY UNIT SIZE (\$1,781/SF Median)



% OF SALES WITHIN GREENWICH VILLAGE



GREENWICH VILLAGE QUARTERLY TRACKING



NEIGHBORHOOD PRICE TRENDS

EAST VILLAGE



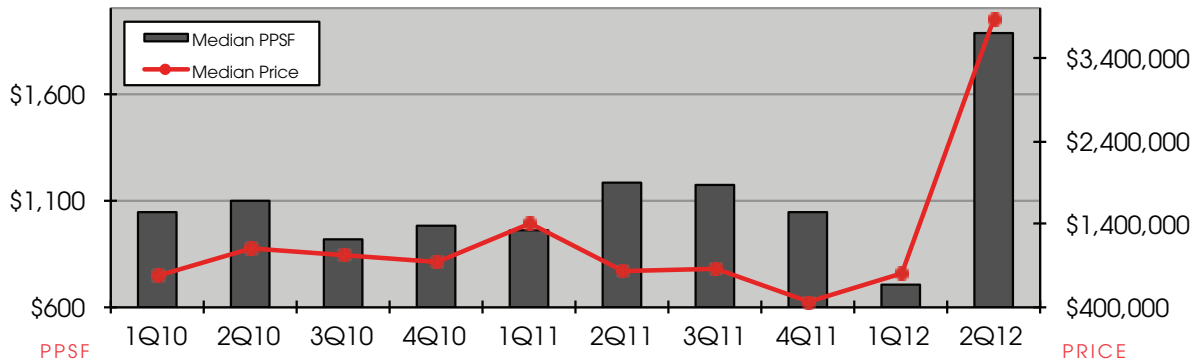
EAST VILLAGE PPSF BY UNIT SIZE (\$1,886/SF Median)



% OF SALES WITHIN EAST VILLAGE



EAST VILLAGE QUARTERLY TRACKING



NEIGHBORHOOD PRICE TRENDS

SOHO



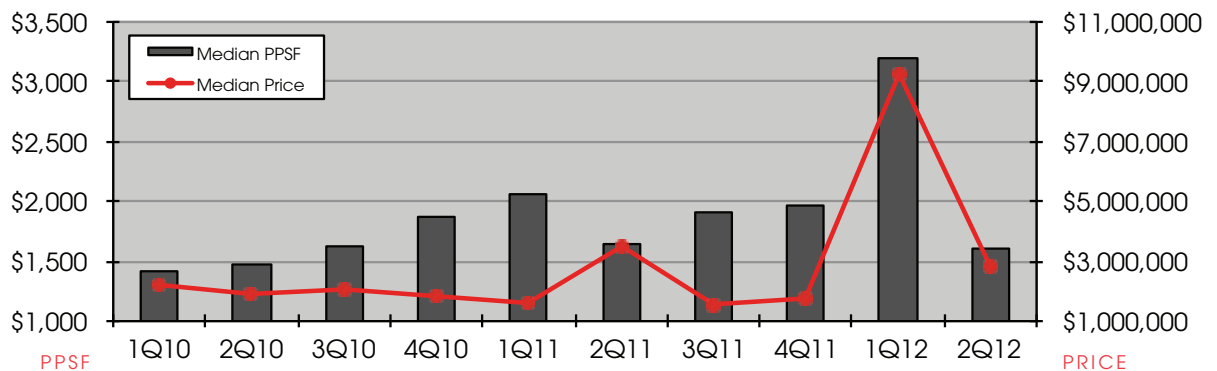
SOHO PPSF BY UNIT SIZE (\$1,605/SF Median)



% OF SALES WITHIN SOHO



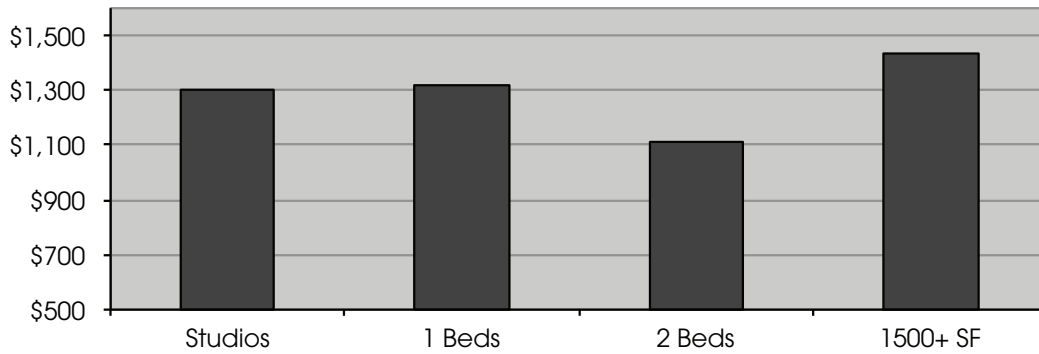
SOHO QUARTERLY TRACKING



LOWER EAST SIDE



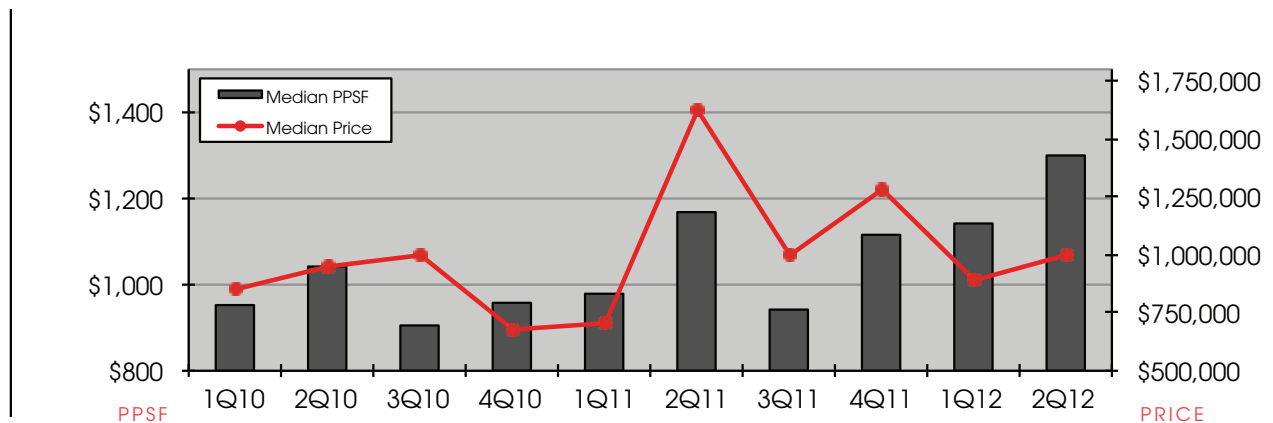
LOWER EAST SIDE PPSF BY UNIT SIZE (\$1,300/SF Median)



% OF SALES WITHIN LOWER EAST SIDE



LOWER EAST SIDE QUARTERLY TRACKING

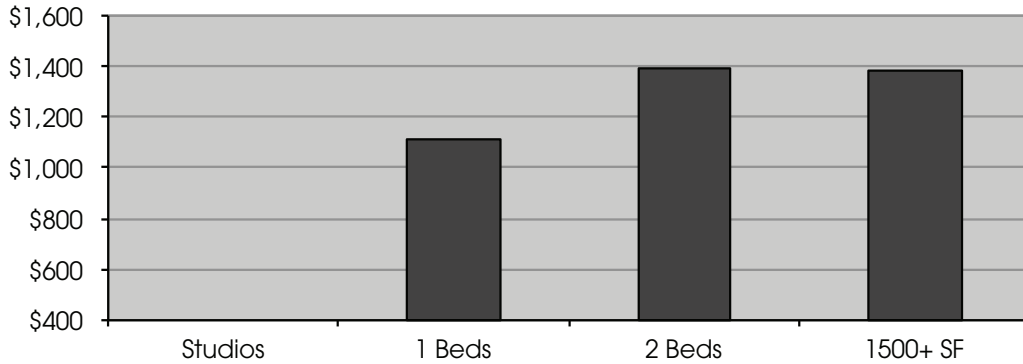


NEIGHBORHOOD PRICE TRENDS

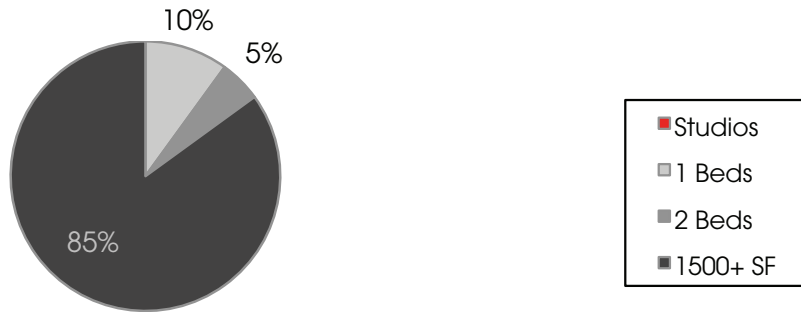
TRIBECA



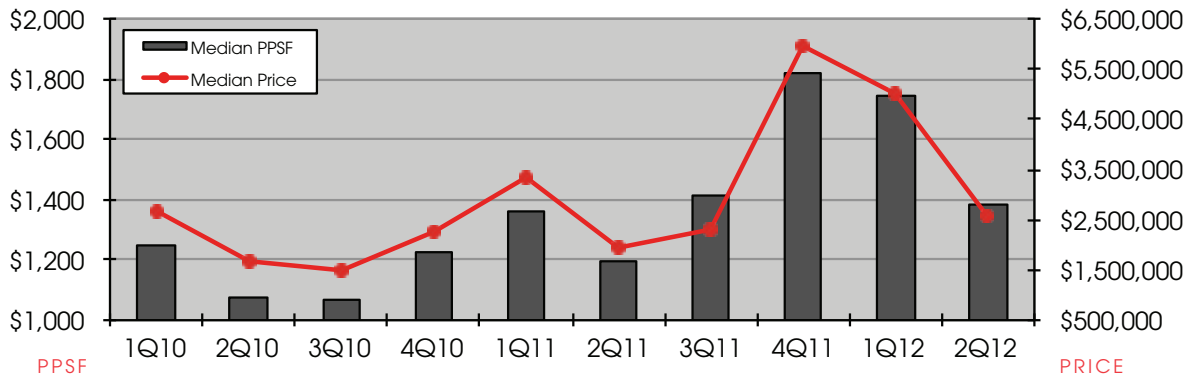
TRIBECA PPSF BY UNIT SIZE (\$1,384/SF Median)



% OF SALES WITHIN TRIBECA



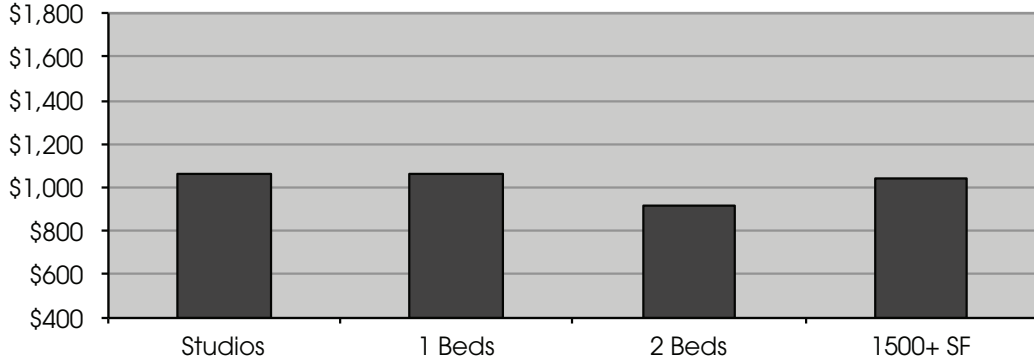
TRIBECA QUARTERLY TRACKING



FINANCIAL DISTRICT



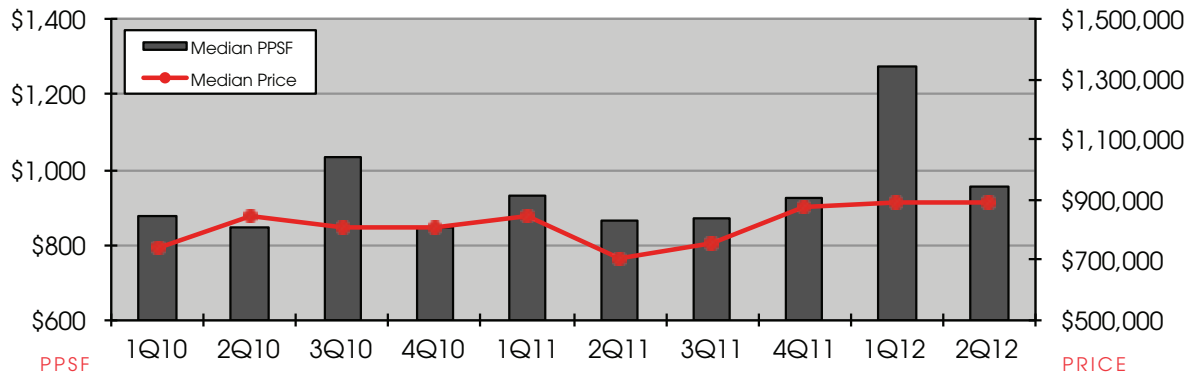
FINANCIAL DISTRICT PPSF BY UNIT SIZE (\$954/SF Median)



% OF SALES WITHIN FINANCIAL DISTRICT



FINANCIAL DISTRICT QUARTERLY TRACKING

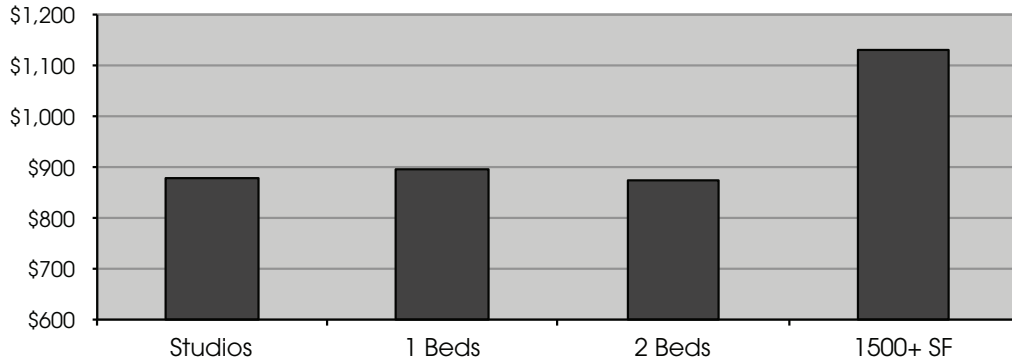


NEIGHBORHOOD PRICE TRENDS

BATTERY PARK CITY



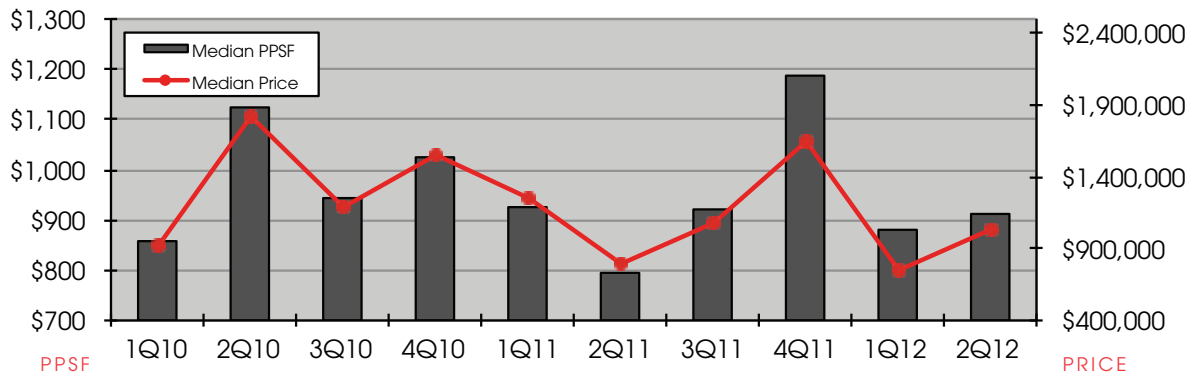
BATTERY PARK CITY PPSF BY UNIT SIZE (\$910/SF Median)



% 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 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 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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