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Manhattan Apartment Sales Are Rebounding

After a sluggish year, first-quarter 2017 performance was the second strongest for a first quarter since 2008



A renovated limestone townhouse at 12 E. 73rd St., a few doors down from Central Park, sold for \$41 million in January, the first townhouse sale above \$40 million in several years. PHOTO: AGATON STROM FOR THE WALL STREET JOURNAL

By **JOSH BARBANEL**

A slowdown in Manhattan apartment sales last year eased in the first quarter of 2017, according to a Wall Street Journal analysis of public-sales records.

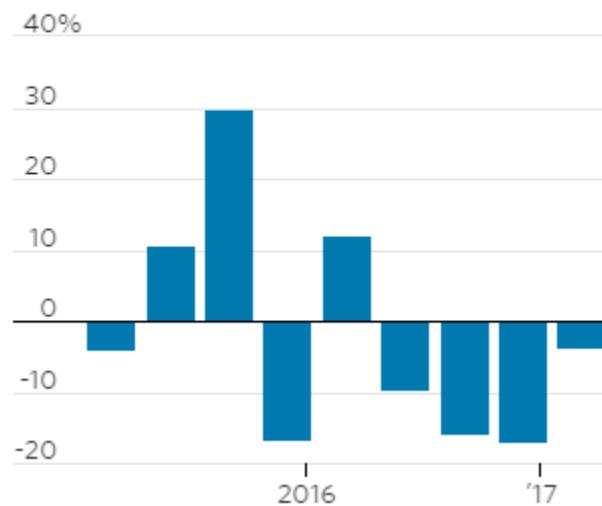
The number of sales closed in the first quarter of this year was just 4% below the same quarter in 2016, which was unusually strong.

In all, the first-quarter 2017 performance was the second strongest for a first quarter since 2008. The data are based on an analysis of sales recorded by the city's Finance Department as of seven days before the end of each quarter.

The latest data confirm earlier reports of a rebound based on increases in new contracts signed so far this year. Since many co-op and condo transactions take months to be finalized, the closing data suggest the market began strengthening toward the end of 2016.

Sales Slowdown Easing

Quarterly Manhattan apartment sales, change from a year earlier*



*Data through seven days before end of quarter. Source: WSJ analysis of city records
The Wall Street Journal

Brokers and analysts said the recovery reflected renewed optimism by buyers after the stock market surged following the November presidential election. A spate of price cuts by sellers, as well as buyers' eagerness to lock in before interest rates rose further also were factors, they said.

Through much of last year buyers were putting off decisions because of uncertainty, but "now buyers have the information they need," said Gregory J. Heym an economist at Terra Holdings, a real-estate firm that oversees brokerages Brown Harris Stevens and Halstead Property. "Sellers realize they can sell now if they get the prices where they should have been. If you had priced right in October, nobody would buy."

Lauren Muss, a broker at Douglas Elliman, said 2016 was a hard year. But the market has picked up in every price category up to \$10 million, she added.

The recovering market was reflected in a Monday report by Olshan Realty Inc. showing that 330 contracts were signed with asking prices of \$4 million or more in the first quarter, a 33% increase over the same period in 2016. Sales of expensive co-ops, which had lagged those of newer condominiums, also picked up, the report noted.

The closed-sales data show that the sales plunge began in the second quarter in 2016 and worsened through the year. Sales were down 17% during the fourth quarter of 2016 compared with the same quarter the year before.

The first quarter was marked by a 17% decline in sales in new developments compared with same quarter in 2016, offset by a 10.5% increase in sales of older condominiums. Sales of co-ops were down 2.5%.

While sales at new developments often vary with construction schedules, Shaun Osher, the founder and chief executive of CORE, a New York brokerage, said the decline this quarter reflected weakness in the market in the second half of last year. Now, he said, there is pent up demand, and projects and properties are selling “at very high numbers.”

The median apartment price was \$1.13 million, off less than 1% from record high prices in the first quarter of 2016 but above levels in the last three quarters. The median condo price was \$1.73 million, down 3.4% from a year ago. The median co-op price of \$772,500 was up slightly from the \$770,000 median in the same quarter of 2016.

The top sales of the quarter, as in recent quarters, were closings at 432 Park Ave., the tallest residential building in New York City. Two full-floor apartments each sold for about \$65 million. The third most expensive sale was a renovated limestone townhouse at 12 E. 73rd St., a few doors down from Central Park, that which sold for \$41 million in January, the first townhouse sale above \$40 million in several years.

That townhouse was sold by Andrew Farkas, a real-estate investor who listed it for \$42.5 million last June. It went into contract in December. For several decades it had served as the location for the high school of the Lycée Français de New York, a bilingual French school.

Mr. Farkas purchased it in 2007 for \$23 million from J. Christopher Flowers, a private-equity investor and investment manager, property records show.