

BONDREPORT

QTR 1 2016



MOVE/FORWARD™

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WELCOME TO THE 12TH EDITION OF THE BOND REPORT

The industry has pretty much accepted the notion of two markets: the upper luxury market that has dominated new development and flooded the market with inventory limited to a very small buyer pool, and what we like to call the “real homes for real people” market, that is largely characterized by resale inventory and falls below the \$3,000,000 mark.

As these two markets continue to widen in price dynamics, inventory and other market-determining factors, it’s important for buyers and sellers to be aware of how the individual behaviors of these two sectors might affect your individual transaction as opposed to looking at the market as a whole. The average home price in Quarter 1, 2016 broke the \$2,000,000 threshold for market-wide condo and co-op sales. This is a real number, but it’s not necessarily relevant. Take out the top 2% of closed sales from the quarter, transactions in the 10,000,000 and above sector; and the market-wide average price remains under \$2,000,000 per unit.

If you are a buyer or seller that falls into the “real homes” category, the market is strong, steady and overall, healthy. Activity in this market was stronger than expected in Q1, and despite media reports of a slowdown in buyer activity, this category was insulated by strong user demand. Buyers are more educated than ever before, and they are less willing to overpay for properties. Appropriately priced inventory is still out of balance with many seller’s hopes and expectations, and bidding wars are still evident for the “real homes” type of properties.

The luxury market sector has mixed results and the idea of a “luxury glut” is being tossed around as there is substantially more inventory than demand. There have still been several significant purchases, however; and as one uber-luxury skyscraper goes up after another, the number of contracts signed has slowed and is expected to be reflected in future price corrections. It’s a complicated market and it will be interesting to see how it unfolds over the coming year.

Interest rates continue to be an industry topic, and after not being raised in March, there is strong speculation that we could see another increase at the end of April. This would be one of two interest rate increases expected for 2016. However, interest rates are still historically low, and it’s a good time to consider financing a home.

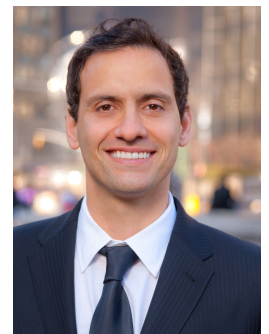
The New York real estate market remains as complex as ever, and BOND New York is here to provide answers to any questions you may have and address your individual needs. We strive to provide extraordinary service and expert consultancy.

We look forward to assisting you.

Noah Freedman, Partner,

A handwritten signature in black ink that reads "Noah Freedman". The signature is fluid and cursive, with a long horizontal flourish at the end.

BOND New York Real Estate



All source material for the BOND Report is provided by Urban Digs, Online Residential (OLR), and BOND New York's proprietary listings database. This material is believed to be accurate, however is subject to errors and omissions.

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LOOKING FORWARD

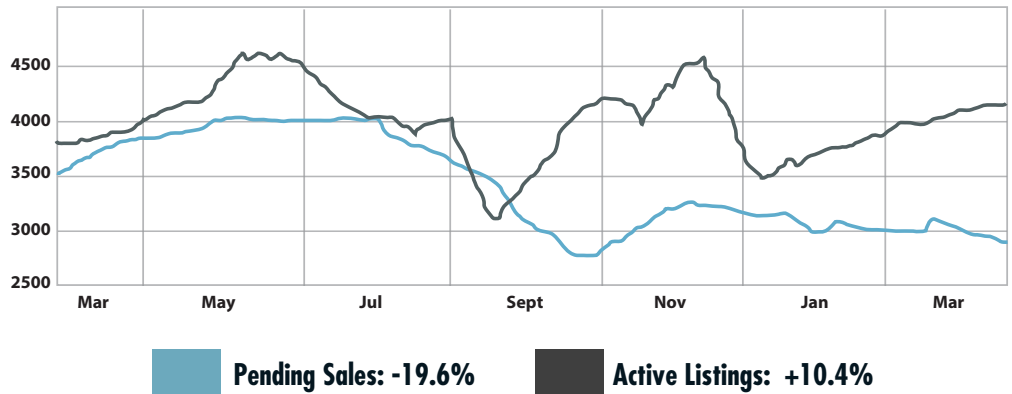
While the BOND Report presents a traditional historical snapshot of the market, we first present two charts indicating pending sales (listings in contract) versus active listings (available inventory), for both year-over-year and within quarter 1 2016. This data compares sales volume amidst real-time inventory trends and offers the best indication of where the market is going.

The number of pending sales was down nearly 19.6% compared to this time last year and down 8.8% within quarter 1 2016. The number of active listings showed a modest increase of 10.4% compared to this time last year and up a substantial 28.2% increase since the start of quarter 1 2016, rising steadily from 3,459 in the beginning of January to 4,401 at the end of March. This inventory is a mix of both resale properties and new development inventory in the luxury sector of the market.

The slowing down of contracts signed as inventory continues to rise should continue into the spring selling season and is a continuation of a market adjustment that is favorable to buyers in the resale market. Despite the slowdown in pending sales, the market is still moving at a brisk pace for properties that are priced accurately and sellers should expect their homes to move quickly if well-priced.

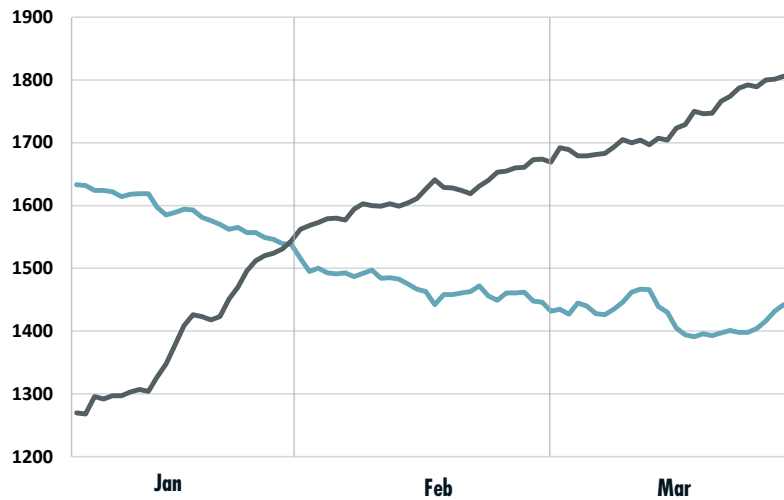
Most neighborhoods showed a decrease in the number of properties in contract within quarter 1 2016 with Nolita, Hamilton Heights, and Tribeca showing the largest percentage decrease. East Harlem showed the smallest percentage decrease at 3.8%. Midtown East/Center, Lower East Side, Midtown South, SoHo, and Kips Bay all showed increases in the number of properties in contract within quarter 1, 2016 with Kips Bay showing the largest increase since the start of the quarter at 26.5%.

Market Trends March 2015 - March 2016
Pending Sales -19.6% and Active Listings +10.4%



Pending Sales: -19.6% **Active Listings: +10.4%**

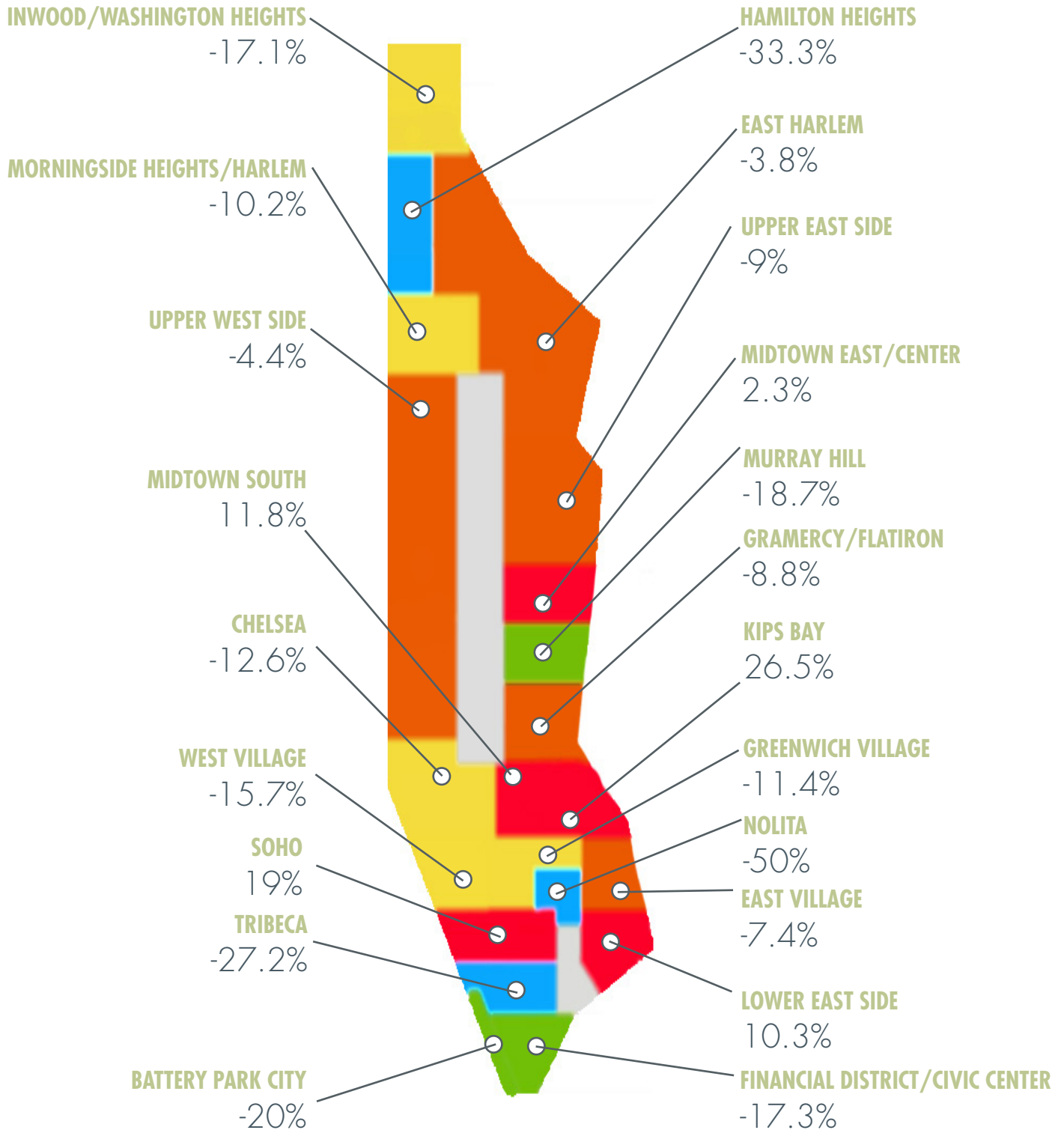
Market Trends Within Qtr 1 2016
Pending Sales -8.8% and Active Listings +28.2%



Pending Sales: -8.8% **Active Listings: +28.2%**

BOND HEAT INDEX

CHANGE IN PENDING SALES WITHIN 1ST QTR 2016



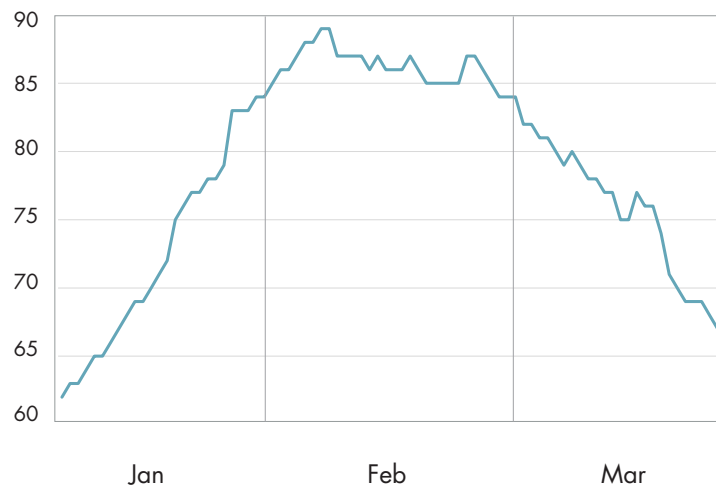
For a more in-depth analysis of your neighborhood, contact your BOND agent today.

LOOKING BACK

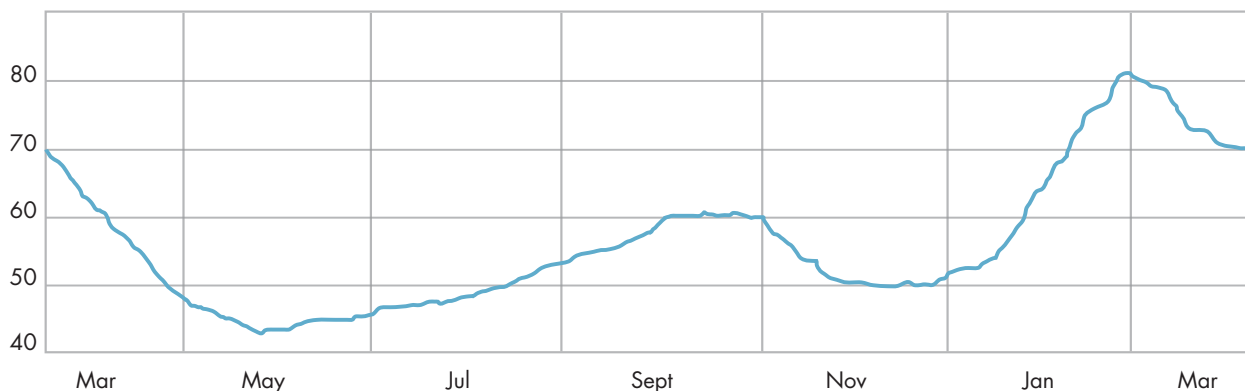
	QTR 1 2016	% CHG (QTR)	QTR 4 2015	% CHG (YR)	QTR 1 2015
Properties Sold	2,183	-3.41%	2,260	+8.82%	2,006
Pending Sales	2,824	-14.66%	3,309	-31.70%	4,135
Avg Price	\$2,115,517	+9.86%	\$1,925,726	+35.22%	\$1,564,512
Median Price	\$1,175,000	+5.38%	\$1,115,000	+23.68%	\$950,000
Avg Price per Sq Ft	\$1,518	+1.10%	\$1,501	+13.59%	\$1,336

The median price was \$1,175,000 up 5.38% quarter-over-quarter and up 23.68% year-over-year. The average price was \$2,115,517 up 9.86% quarter-over-quarter and 35.22% year-over-year. Both can be attributed largely to a number of luxury condo transactions in the above 10 million category from previous quarters that closed in quarter 1 2016. The number of pending sales, or sales in contract, was down 14.66% quarter-over-quarter and 31.7% year-over-year, a considerable slowdown compared to this time last year. The number of days a property remained on the market was 63, up 12.5% from last year. Again, the luxury market is believed to play a part in this slowdown as inventory in this category continues to grow without a sufficient enough demand to absorb all the new product.

Days on Market Within Q1 2016

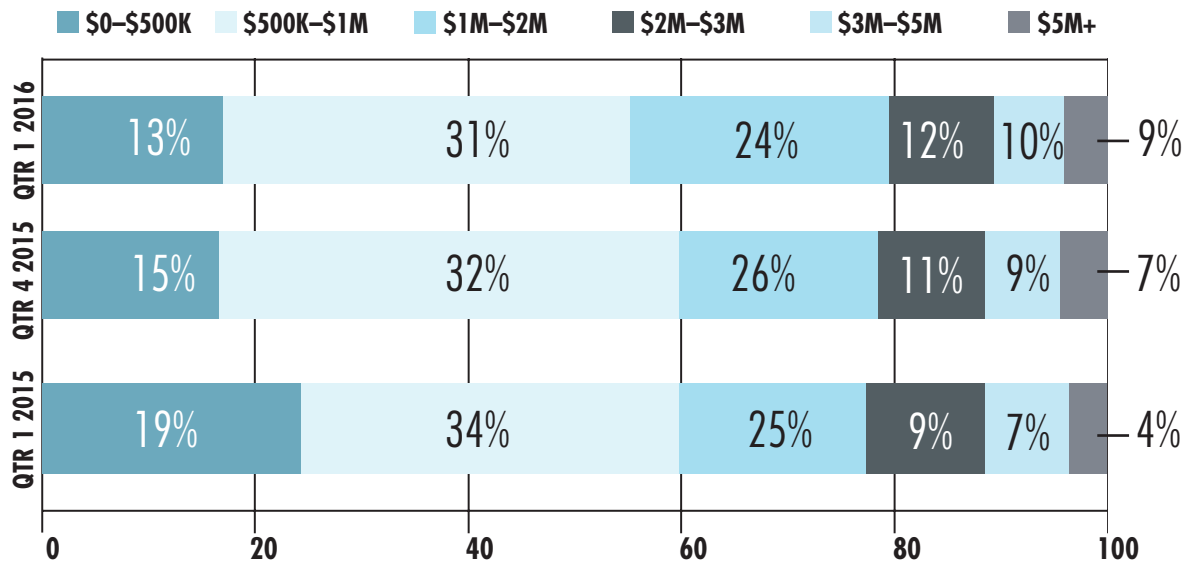


Days on Market March 2015 - March 2016

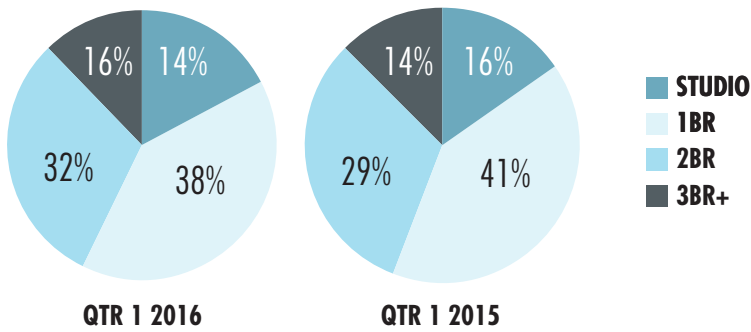


CLOSED SALES*

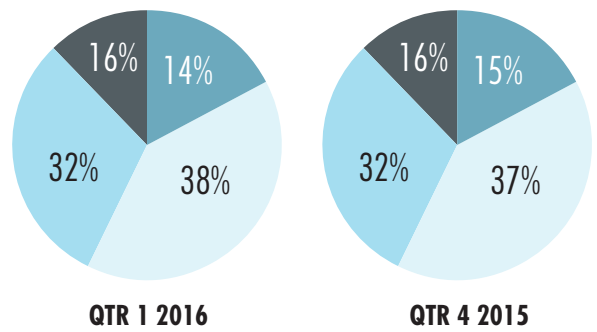
BY PRICE CATEGORY



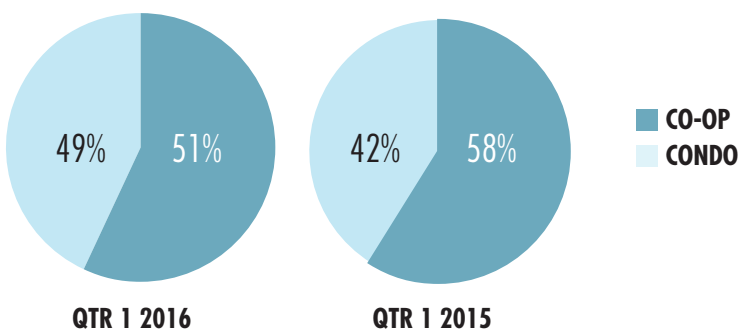
BY SIZE YEAR-OVER-YEAR



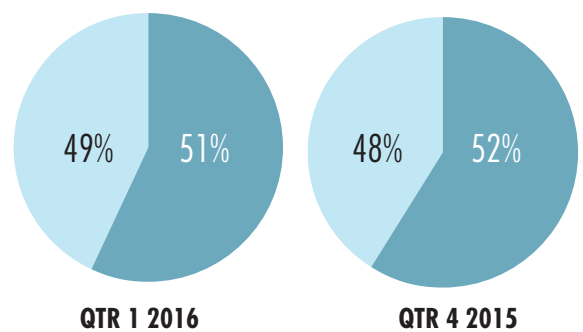
BY SIZE QUARTER-OVER-QUARTER



BY PROPERTY TYPE YEAR-OVER-YEAR



BY PROPERTY TYPE QUARTER-OVER-QUARTER

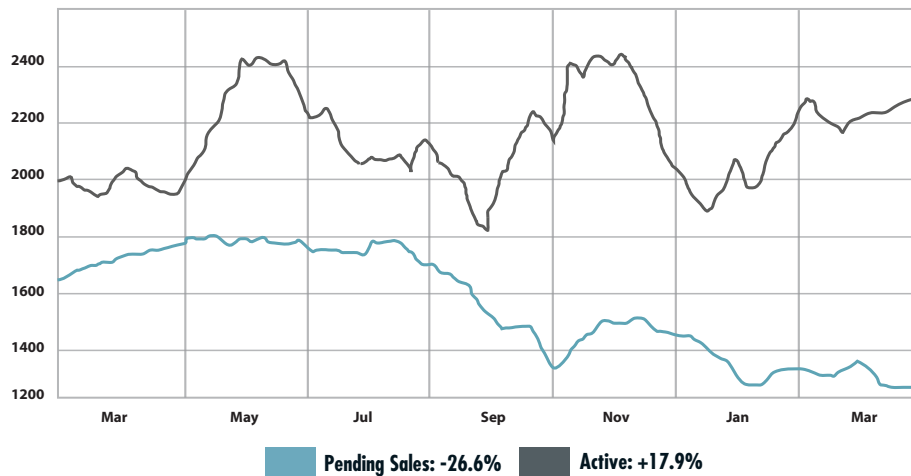


CONDO MARKET MATRIX

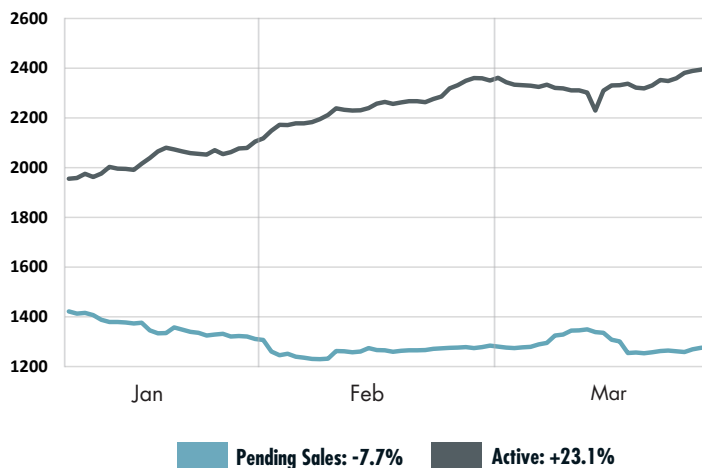
	QTR 1 2016	% CHG (QTR)	QTR 4 2015	% CHG (YR)	QTR 1 2015
Avg Price	\$2,936,060	+11.50%	\$2,633,318	+45.99%	\$2,011,071
Median Price	\$1,900,000	+11.76%	\$1,700,000	+40.12%	\$1,356,000
Avg Price per Sq Ft	\$1,730	+0.10%	\$1,728	+13.50%	\$1,524
Studio (median)	\$635,000	-7.61%	\$687,318	-11.81%	\$720,000
1 Bedroom (median)	\$1,075,000	0.00%	\$1,075,000	+6.64%	\$1,008,067
2 Bedroom (median)	\$2,290,000	+11.67%	\$2,050,682	+23.78%	\$1,850,000
3+ Bedroom (median)	\$5,000,000	+13.18%	\$4,417,600	+38.89%	\$3,600,000

The condo market inventory is up nearly 17.9% from last year while the number of contracts signed have slowed and are down 26.6% from last year. The median price was \$1,900,000, up 11.76% quarter-over-quarter and up 40.12% year-over-year. The significant increase can largely be attributed to ultra-luxury condo sales transactions from previous quarters that closed in quarter 1 2016. There were significant increases in median price for both 2 bedrooms and 3+ bedrooms year-over-year at \$2,290,000 and \$5,000,000 respectively. In contrast, the median price for studios decreased by 11.81% year-over-year to \$635,000 and 1 bedrooms showed a modest increase at \$1,075,000.

Condo March 2015 - March 2016
Pending Sales -26.6% and Active Listings +17.9%



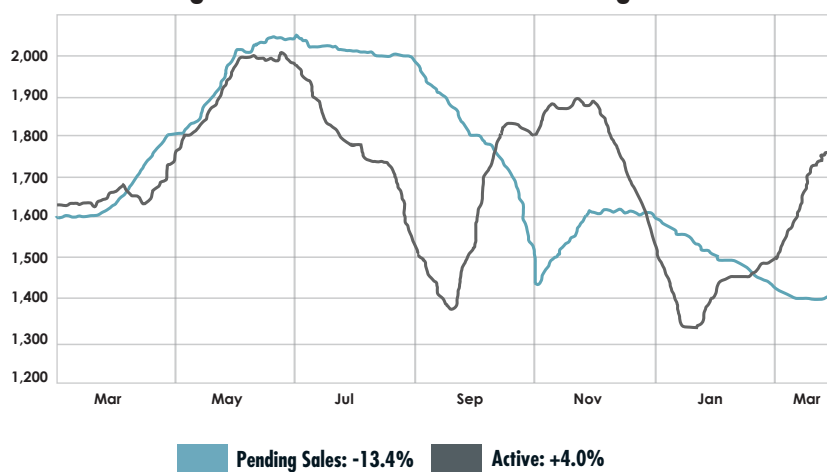
Condo Within Quarter 1 2016
Pending Sales -7.7% and Active Listings +23.1%



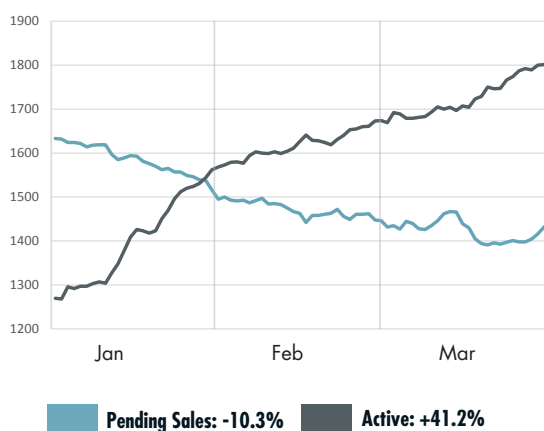
	QTR 1 2016	% CHG (QTR)	QTR 4 2015	% CHG (YR)	QTR 1 2015
Avg Price	\$1,300,221	+2.06%	\$1,273,991	+4.32%	\$1,246,420
Median Price	\$775,000	+6.90%	\$725,000	+6.90%	\$725,000
Avg Price per Sq Ft	\$1,140	+4.89%	\$1,087	+7.66%	\$1,059
Studio (median)	\$443,080	+6.51%	\$416,000	+17.53%	\$377,000
1 Bedroom (median)	\$690,000	-0.72%	\$695,000	+5.50%	\$654,000
2 Bedroom (median)	\$1,355,000	+3.83%	\$1,305,000	+10.61%	\$1,225,000
3+ Bedroom (median)	\$2,772,000	-5.23%	\$2,925,000	+15.50%	\$2,400,000

Overall, co-op market prices showed mixed results. The average price remained flat quarter-over-quarter and year-over-year at \$1,300,221. The median co-op price was \$775,000 up 6.9% both year-over-year and quarter-over-quarter. Median studio prices showed the largest increase year-over-year, up 17.53% to 443,080, followed by 3+ bedrooms, up 15.5% year-over-year at \$2,772,000. 1 bedrooms remained stable at \$690,000. Pending sales were down 13.4% since last year while supply ticked up slightly by 4.0%.

Co-op March 2015 - March 2016
Pending Sales -13.4% and Active Listings +4.0%



Co-op Within Quarter 1 2016
Pending Sales -10.3% and Active Listings +41.2%



LUXURY MARKET MATRIX

	QTR 1 2016	% CHG (QTR)	QTR 4 2015	% CHG (YR)	QTR 1 2015
Avg Price	\$8,406,954	+8.96%	\$7,715,782	+45.70%	\$5,770,069
Median Price	\$6,718,424	+13.87%	\$5,900,000	+45.26%	\$4,625,000
Avg Price per Sq Ft	\$2,892	+2.52%	\$2,821	+15.63%	\$2,501

The luxury market is defined as the top 10% of all co-op and condo transactions. The entry threshold for quarter 1 2016 was \$4,750,000 compared to \$4,097,365 the previous quarter. The average price was \$8,406,954. The median price for quarter 1 2016 was \$6,718,424 up 13.87% quarter-over-quarter. These prices reflect transactions from previous quarters and as a result of large inventory and a limited buyer pool, the luxury market pricing is beginning to experience price corrections that will be reflected in future quarters.

TOWNHOUSE MARKET MATRIX

	QTR 1 2016	% CHG (QTR)	QTR 4 2015	% CHG (YR)	QTR 1 2015
Avg Price	\$6,407,000	+9.53%	\$5,849,711	-16.04%	\$7,630,607
Median Price	\$6,109,000	+61.83%	\$3,775,000	+3.54%	\$5,900,000
Avg Price per Sq Ft	\$1,835	+40.19%	\$1,309	+16.07%	\$1,581

The townhouse market is priced differently than any other submarket as a result of each individual property's unique characteristics. The townhouse market is also the smallest submarket with the least number of transactions. As a result, the market results are often mixed and difficult to establish any trend within the quarter. The average price for a townhouse in quarter 1 2016 was \$6,407,000. The median townhouse price for quarter 1 2016 was \$6,109,000.

DID YOU KNOW...?

Foreign buyers signed just 74 contracts for properties \$4 million and up in January, a steep drop from 98 contracts during the same period in 2013 and in 2014.

Source: *The Real Deal*, 2016



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