

New Development Report

2016

First Quarter

MANHATTAN

\$2,749

AVERAGE PRICE
PER SQ. FT. ACTIVE

\$2,114

AVERAGE PRICE
PER SQ. FT.
CONTRACT SIGNED

\$2,160

AVERAGE PRICE
PER SQ. FT. CLOSED

4,043 ▼ -5% QoQ

AVAILABLE INVENTORY
(UNITS)*

BROOKLYN

\$1,351

AVERAGE PRICE
PER SQ. FT. ACTIVE

\$1,324

AVERAGE PRICE
PER SQ. FT.
CONTRACT SIGNED

\$1,264

AVERAGE PRICE
PER SQ. FT. CLOSED

755 ▲ 9% QoQ

AVAILABLE INVENTORY
(UNITS)*

*Available inventory includes all units currently on the market as well as those not yet released.

Summary Points

78% 78% of all new development units entering into contract in Q1 2016 were priced under \$5M, a 9% increase year-over-year, while 22% were priced above \$5M, an 8% decrease year-over-year. This marks increasing absorption in the mid-market price points. 19.3% of active listings remain priced above \$10M, down from 22% in Q4 2015, while 4.1% of Contract Signed listings for Q1 2016 were above \$10M, down 6% year-over-year.

5% Total Available new development inventory in Manhattan decreased **5%** in Q1 2016 to 4,043 units in Manhattan, down from 4,250 in Q4 2015. In Brooklyn, 755 new development units are available, up 9% from 694 in Q4 2015.

729 UNITS In Q1 2016, 246 new development units entered into contract in Manhattan, while 483 units closed, totaling **729 units** sold. In Brooklyn, 104 units entered into contract while 40 units closed, for a total of 144 units sold. Based on the prior 12 months, Manhattan averages 101 new development units entering contract per month, with 114 units closing per month. In Brooklyn, an average of 36 new development units enter into contract per month, while 11 units close per month.

3.7% Avg. PPSF for Contract Signed new development units in Brooklyn rose **3.7%** quarter-over-quarter to \$1,324 in Q1 2016 from \$1,276 PSF in Q4 2015. In Manhattan, Avg. PPSF for Contract Signed units fell slightly to \$2,114 PSF in Q1 2016, a 1% drop from \$2,138 PSF in Q4 2015, marking the third consecutive quarter of Avg PPSF in the low \$2,100's for Contract Signed units.

17.7% Midtown West saw the largest quarter-over-quarter increase in Average PPSF at over **17.7%**, rising to \$1,964 PSF. The Upper West Side experienced the second largest quarter-over-quarter increase, rising 15.9% from Q4 2015 to \$2,022 PSF in Q1 2016. (Closed and Contract Signed).

MANHATTAN

BROOKLYN

	MANHATTAN	BROOKLYN	
MEDIAN PRICE PER SQ. FT.	Active	\$2,254	\$1,379
	Contract Signed	\$2,054	\$1,320
	Closed	\$1,982	\$1,244
AVERAGE PRICE PER SQ. FT.	Active	\$2,749	\$1,351
	Contract Signed	\$2,114	\$1,324
	Closed	\$2,160	\$1,264
MEDIAN PRICE	Active	\$4,030,000	\$1,605,000
	Contract Signed	\$2,715,000	\$1,373,375
	Closed	\$2,855,100	\$897,250
AVERAGE PRICE	Active	\$7,297,288	\$2,050,603
	Contract Signed	\$3,713,608	\$1,918,345
	Closed	\$4,217,233	\$1,024,197
TOTAL INVENTORY (UNITS)	Total	9,183	1,783
	Units Available	4,043	755
	% Closed or Contract Signed	56.0%	57.6%

Introduction

HPDM is pleased to present our New Development Report for Q1 2016. This report focuses exclusively on the NYC new development condominium market, and aims to be the only report of its kind presenting a comprehensive picture of new development activity. New development is unique from the overall real estate market in that closings often do not occur for 12 to 18 months after a buyer enters into contract. Therefore, to fully understand this market it is critical to track active listings, listings in contract, closed listings, as well as total inventory. This report analyzes Q1 2016 as a whole and is also a snapshot of current new development market conditions.

In Manhattan, pricing for new development units entering into contract in Q1 2016 remained essentially flat at \$2,114 PSF, down 1% from Q4 2015. Avg. PPSF for closed new development units rose over 9% to \$2,160 quarter-over-quarter, due largely to delivery of units at 432 Park Avenue. In Brooklyn, new development entering into contract averaged \$1,324 PSF, up 3.7% from Q4 2015. Closed new development deals in Brooklyn also rose to an average of \$1,264 PSF, up 3.7% from Q4 2015.

METHODOLOGY:

- All data is provided by proprietary Halstead Property Development Marketing research.
- This report tracks new development projects only, defined as those new to the market and currently selling sponsor units. Buildings that have fully sold out of sponsor units are not included, even though they may have recently been built. Resale data is not included in this report.
- All listings were compiled as of 3/21/16.
- Total Inventory is defined all units within new development projects that are currently listed as Active, Contract Signed, or Closed, as well as those units not yet released to the market. Available Units is defined as new development units that are currently listed as Active as well as those not yet released to the market. These numbers include units released prior to 2016, provided they are in a project that has not sold out all sponsor units. By including currently unreleased units that are not yet listed as Active this data provides a unique and comprehensive analysis of the current new development market.

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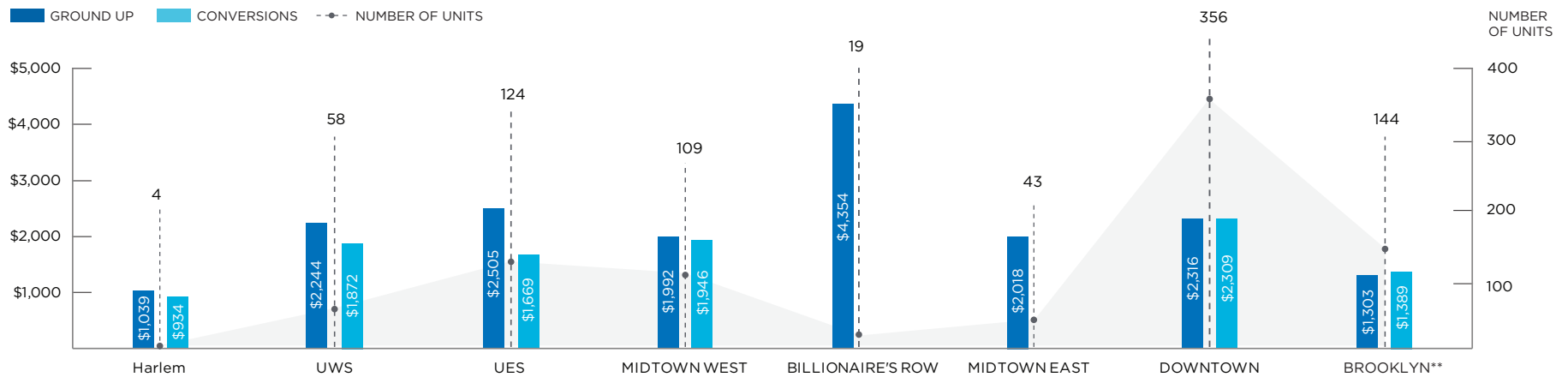
THE HASWELL 707 WEST END AVENUE, UPPER WEST SIDE
www.TheHaswell.com

Market Overview

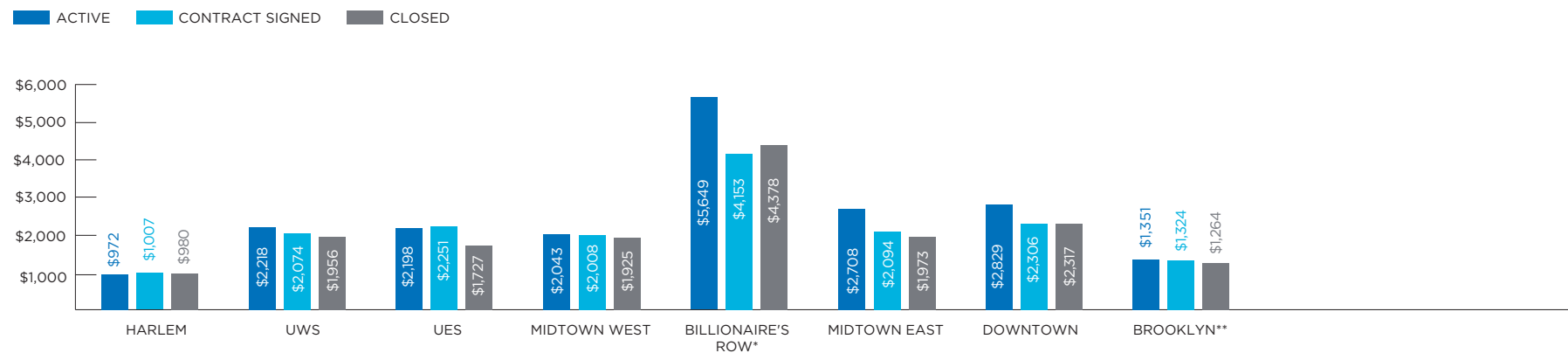
Downtown continued to see the most development activity in Manhattan in Q1 2016 with over 350 units either entering into contract or closing. Next to Billionaire's Row, Downtown Manhattan also continues to be the area with the highest Avg. Active Price per Sq. Ft. at \$2,829, down 4.5% from \$2,964 in Q4 2015. Contract Signed deals in Downtown Manhattan averaged \$2,306 PSF in Q1 2016, down 2.2% from Q4 2015. Brooklyn saw Contract Signed pricing rise 3.7% quarter-over-quarter to an average of \$1,324 PSF in Q1 2016.

CONTRACT SIGNED AND CLOSED

GROUND-UP VS. CONVERSIONS — AVG. PRICE PER SQ. FT.



ACTIVE, CONTRACT SIGNED, CLOSED — AVG. PRICE PER SQ. FT.



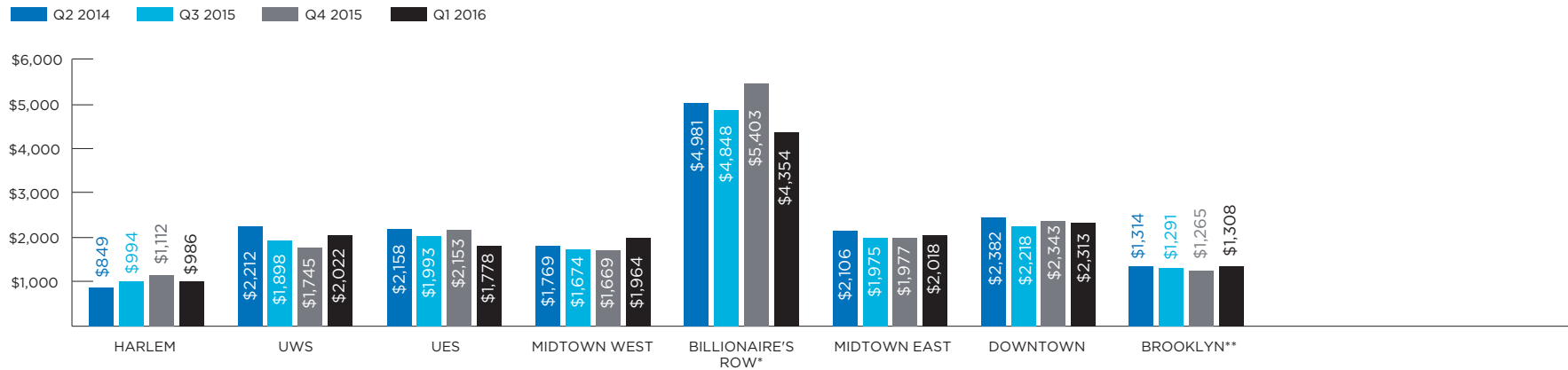
*Billionaire's Row comprised of: 157 W 57th, 20 W 53rd, 432 Park Ave, 21 E 61st, 22 CPS, 53 W 53rd

**Brooklyn neighborhoods tracked: Bedford Stuyvesant, Boerum Hill, Brooklyn Heights, Bushwick, Carroll Gardens, Clinton Hill, Crown Heights, Downtown Brooklyn, DUMBO, Greenpoint, Park Slope, Prospect Heights, Redhook, Williamsburg.

Market Overview by Quarter

The graph below depicts pricing for Contract Signed and Closed units by quarter. Midtown West saw the largest quarter-over-quarter increase in Average PPSF at over 17.7%, rising to \$1,964 PSF. The Upper West Side experienced the second largest quarter-over-quarter increase, rising 15.9% from Q4 2015 to \$2,022 PSF in Q1 2016.

CONTRACT SIGNED, CLOSED — AVG. PRICE PER SQ. FT.



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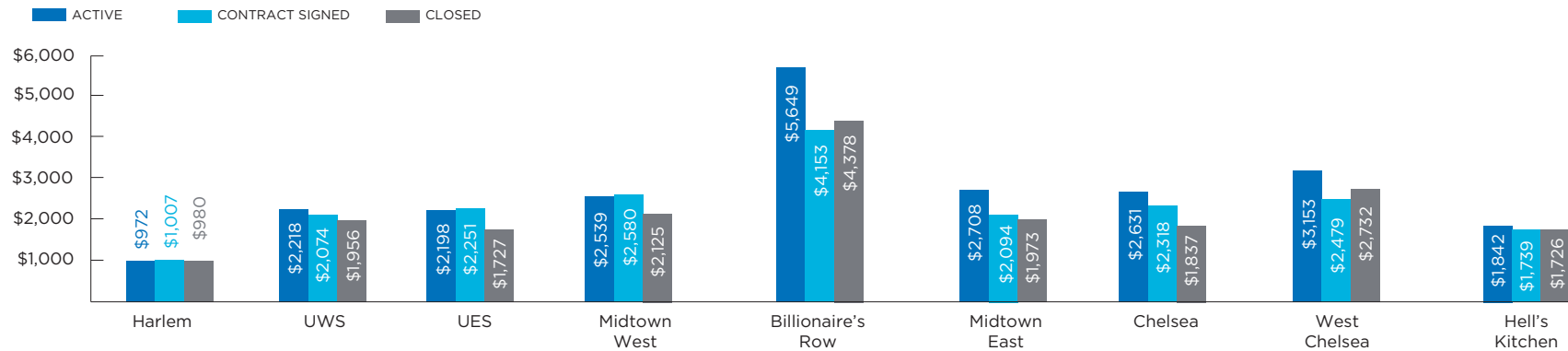
**Brooklyn neighborhoods tracked: Bedford Stuyvesant, Boerum Hill, Brooklyn Heights, Bushwick, Carroll Gardens, Clinton Hill, Crown Heights, Downtown Brooklyn, DUMBO, Greenpoint, Park Slope, Prospect Heights, Redhook, Williamsburg.

Manhattan Neighborhood Insight

Outside of Billionaire's Row, the highest average Contract Signed pricing in Manhattan was achieved in the West Village at \$2,936 PSF and the Flatiron neighborhood at \$2,743 for Q1 2016. The highest average Closed pricing outside of Billionaire's Row occurred in the West Village at \$3,109 PSF followed by West Chelsea at \$2,732 PSF.

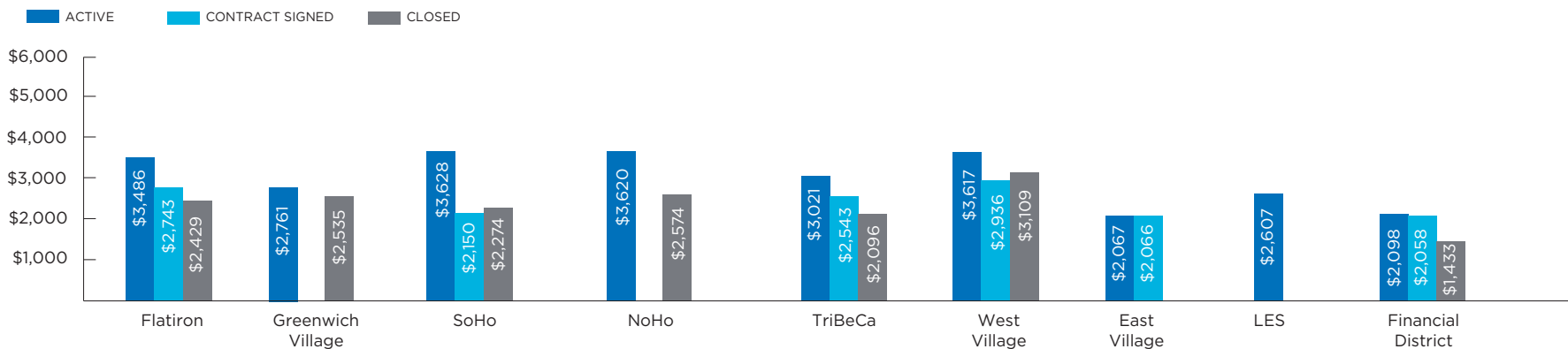
UPTOWN AND MIDTOWN

MANHATTAN — GROUND-UP VS. CONVERSIONS - AVG. PRICE PER SQ.FT.



DOWNTOWN

MANHATTAN — ACTIVE, CONTRACT SIGNED, CLOSED — AVG. PRICE PER SQ. FT.



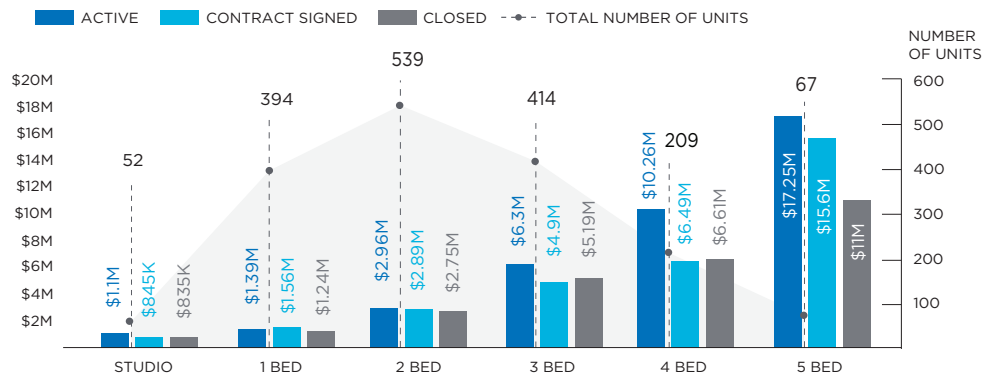
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Analysis by Unit Type

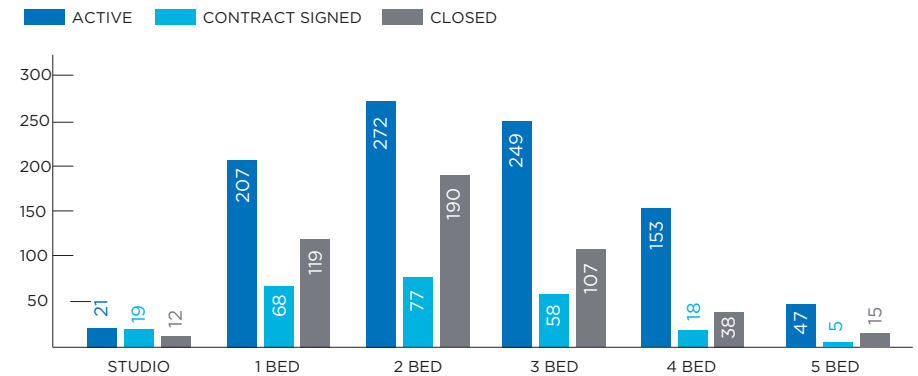
MANHATTAN AND BROOKLYN

In Q1 2016 two bedroom units experienced the most deal volume by unit type in Manhattan, with approximately 270 two bedroom units entering into contract or closing in Manhattan. In Brooklyn, one bedroom units saw the most deal volume by unit type in Q1 2016 with 55 units entering into contract or closing. Median Contract Signed pricing for two bedrooms in Manhattan continues to rise, increasing 2.3% to \$2.89M. In Brooklyn, median Contract Signed pricing for one bedrooms rose 3.8% QoQ to \$883k. In Manhattan, two bedrooms have the most Active listings at over 270, while two bedrooms also comprise the most Active listings in Brooklyn at over 65.

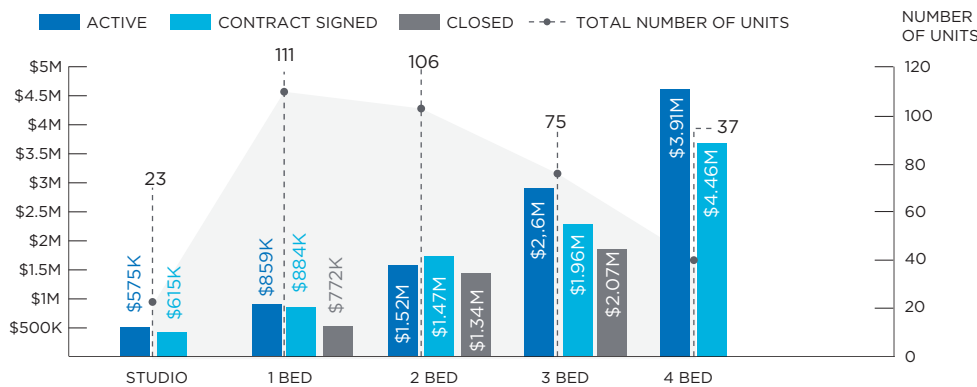
MANHATTAN — MEDIAN PRICE PER UNIT TYPE



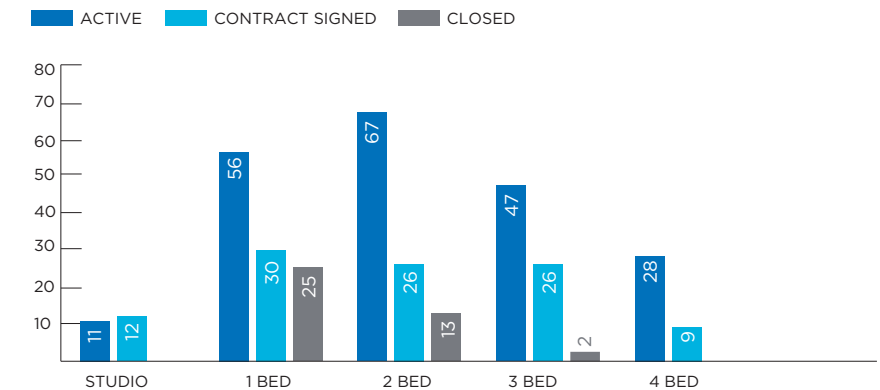
MANHATTAN — TOTAL UNITS BY BEDROOM



BROOKLYN — MEDIAN PRICE PER UNIT TYPE



BROOKLYN — TOTAL UNITS BY BEDROOM



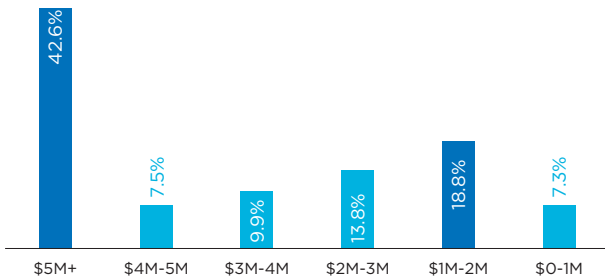
Price Point Analysis

MANHATTAN AND BROOKLYN

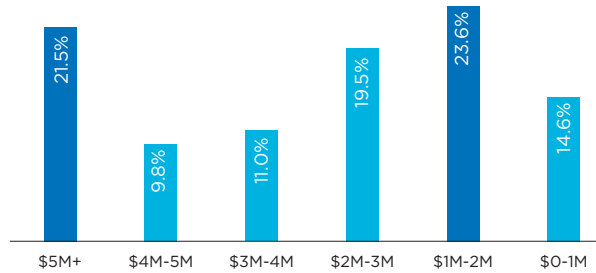
42.6% of all Active new development listings in Manhattan are priced above \$5M, down from 49.2% in Q4 2015. 19.3% Active listings remain priced above \$10M, down from 22% in Q4 2015, while only 4.1% of Contract Signed listings for Q1 2016 were above \$10M.

Brooklyn saw a sharp increase in percentage of deals closed at lower price points, with total percentage of closed new development deals from \$1M to \$2M rising to 40% in Q1 2016 from 17% in Q4 2015.

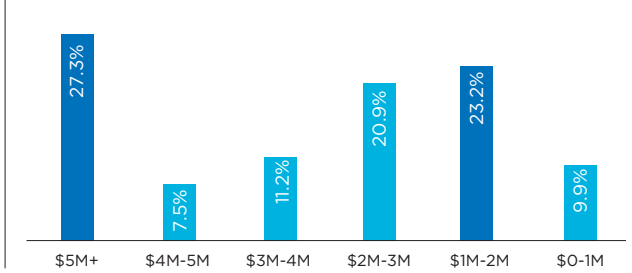
Q1 2016 PRICE POINT
MANHATTAN — ACTIVE



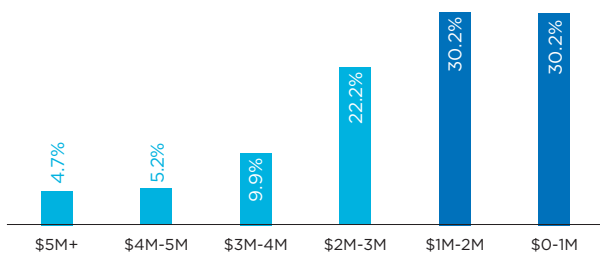
MANHATTAN — CONTRACT SIGNED



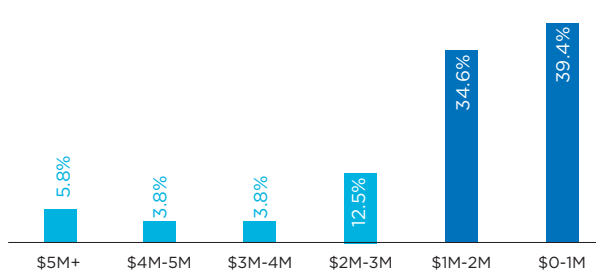
MANHATTAN — CLOSED



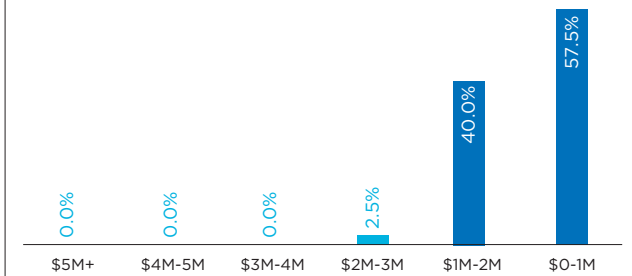
Q1 2016 PRICE POINT
BROOKLYN — ACTIVE



BROOKLYN — CONTRACT SIGNED



BROOKLYN — CLOSED



HPDM Pipeline

60 DEVELOPMENTS - 1,100 UNITS - \$1,700,000,000 IN GROSS SALES

251 FIRST 251 FIRST STREET, PARK SLOPE
www.251First.com

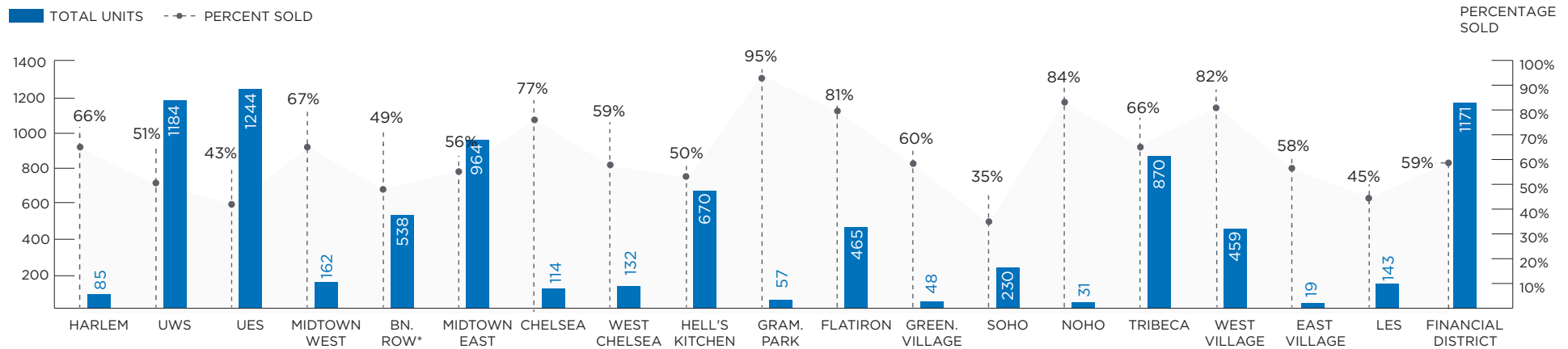
Total Inventory

MANHATTAN AND BROOKLYN

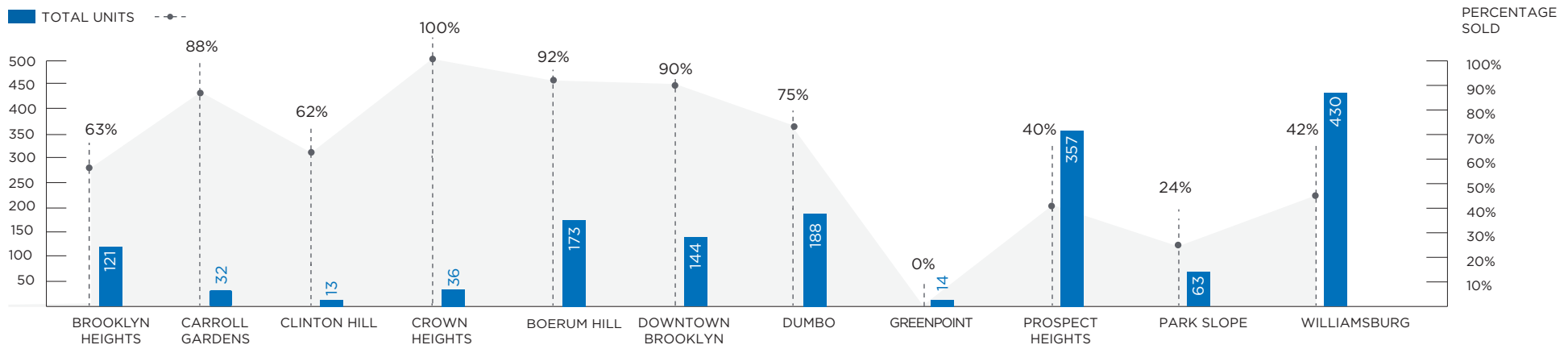
The largest amount of total inventory in Manhattan is concentrated in the Upper East Side, followed closely by the Upper West Side and the Financial District. In Brooklyn the highest total inventory is found in Williamsburg, Prospect Heights, and DUMBO. The graphs below present total inventory by neighborhood along with the corresponding percentage of units sold.

Total Inventory is defined as all new development units, both currently listed as either Active, Contract Signed, or Closed, as well as those units not yet released to the market. Available Units is defined as new development units that are either currently listed as Active or those not yet released to the market. These numbers include units released prior to 2016, provided they are in a project that has not sold out all sponsor units. This data provides a comprehensive look at new development inventory by including unreleased units.

MANHATTAN TOTAL INVENTORY



BROOKLYN TOTAL INVENTORY



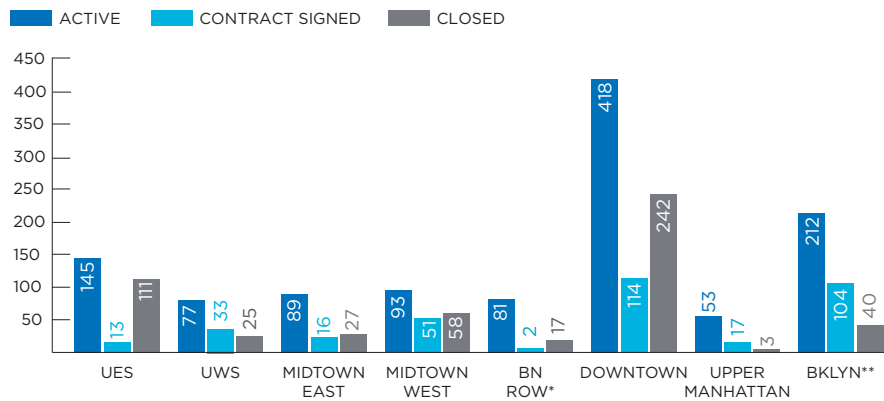
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Further Insight

MANHATTAN AND BROOKLYN

NEW DEVELOPMENT LISTINGS BY NEIGHBORHOOD

Downtown Manhattan continued to experience the most new development activity by volume in Q1 2016, followed by Brooklyn and the Upper East Side. Most notably, closed deal volume increased in Downtown Manhattan by 75% quarter-over-quarter, rising from 138 units in Q4 2015 to 242 units in Q1 2016. Closings also increased sharply in the Upper East Side, rising from 17 units in the previous quarter to 111 units in Q1 2016.

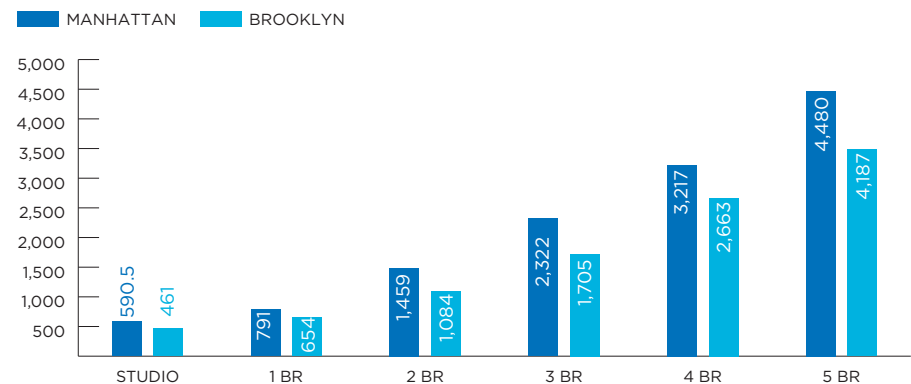


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MEDIAN SIZE (SQ. FT.) BY UNIT TYPE

Studio and one bedroom units in Brooklyn are becoming more efficiently sized, widening the square footage gap between Manhattan and Brooklyn in those unit types. Currently, median sizing for new development studios in Brooklyn is 461 sq. ft., while in Manhattan the median size is 590 sq. ft. Median size for one bedroom units in Brooklyn is 654 sq.ft., while the median for one bedroom units in Manhattan is 791 sq. ft.



Contact

COMING THIS QUARTER



318 W 47
Hell's Kitchen
318w47.com



610 Warren
Boerum Hill
www.610Warren.com



445 Park Avenue, 12th Floor | New York, NY 10022
HPDMNY.com
212 521 5757

Prepared by Matthew Petrallia, Director of Market Research and Analytics

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