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April 2, 2010

Manhattan sales soar in Q1

Prices, inventory down compared to a year ago

BY ANDREA V. BRAMBILA

Sales of Manhattan apartments shot up in the in the first quarter of this year compared to the same period in 2009, according to two quarterly market reports.

Condominium and co-op sales rose 96.5 percent, to 2,348 units, from 1,195 units in last year's first quarter, according to a Manhattan market report prepared by real estate appraisal firm Miller Samuel Inc. for Prudential Douglas Elliman. At the same time, sales fell 5.1 percent from 2,473 units in last year's fourth quarter.

A separate report for Brown Harris Stevens showed a 92 percent increase in sales from 2009's first quarter to 2,299 units.

"The first quarter of 2009 was dramatically impacted by the collapse of Lehman Brothers, and the number of transactions was at their lowest point," said Hall. F. Willkie, president of Brown Harris Stevens, in a statement.

"As we come out of the recession, we have seen a steady growth in activity and in the average sales price achieved. Although these values remain down, it is encouraging to see that sales are taking place at a healthy rate."

While closings rose dramatically, median prices were still down compared to a year ago. The median sales price dropped 11 percent to $868,000 from $975,000 in the first quarter of last year, according to the Miller Samuel report. Median prices fell 10 percent to $820,000, according to the BHS report. Miller Samuel noted a 7.2 percent median price increase compared to last year's fourth quarter.

"Most of the activity we've seen has been up to $800,000 from the first-time homebuyer credit. We have seen some activity in the $1 to 3 million price range -- there was none in the 4th quarter," said Gea Elika, founder and principal broker of Elika Real Estate in Manhattan.

"The problem there has been the lack of inventory. We're waiting for that inventory to hit the market about the second week of April. The inventory that's out here, some of it's stale and has been on the market over a hundred days."

According to the Miller Samuel report, days on market in the first quarter fell to 124 days, a 39.1 percent improvement compared to last quarter and a 26.9 percent improvement compared to the same period a year ago. That contrasts some with the BHS report, which found days on market remained flat at 119 days from the same period last year.

Listing inventory fell 23.1 percent quarter-over-quarter to 8,027 units, and rose 17.2 percent from last quarter. The market's inventory absorption rate -- 10.1 months -- improved considerably compared to 2009's first quarter when it was 26.2 months.

The BHS report noted that sellers have received a bigger percentage of their last listing price for the last three quarters; this quarter that figure rose to 96.2 percent. Listing discounts fell to 5.4 percent from 12.4 percent for the same period last year, the Miller Samuel report said.

Both reports are based on public record data. The Miller Samuel report also includes data that it and Prudential Douglas Elliman collect.

In terms of apartment size, studio sales took up less of the market share compared to the same period a year ago -- 12 percent compared to 15 percent -- while apartments with three bedrooms or more rose to 16 percent of the market, up from 10 percent.

The luxury market -- the top 10 percent of co-ops and condos in terms of sales price -- saw a 30.5 percent quarter-over-quarter median price decrease to $4,583,125. Compared to last quarter, that's a 21.2 percent improvement.

Real estate agent Nicole Beauchamp of Pari Passu Realty in Manhattan is somewhat skeptical of the rosy numbers comparing last year's first quarter to this first quarter -- "realistically (it) couldn't get much worse!" -- though she has noticed the market improving.

"Where interest rates are currently is spurring a lot of the current activity. Not only are prices correcting, but rates are at a point where it isn't astronomically expensive to borrow money. I am seeing a lot of activity in the under $1 million range, as well the luxury market," she said.

Homes in the luxury category were on the market for 19.6 percent fewer days -- 193 -- compared to last quarter, but for 26.1 percent more days than in 2009's first quarter when homes were on the market for 153 days, according to the Miller Samuel report.

"The return to more normal levels of sales activity over the past three quarters was fueled by low mortgage rates, improved consumer confidence as a result significant gains in the stock market and the first-time buyer and existing homeowner tax credits," the report said.

"There remains concern in 2010 over the potential for rising mortgage rates, expiration of tax credits and an economy that has not established significant improvements in unemployment and mortgage financing terms."

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