

RESIDENTIAL RESEARCH



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# NEW YORK INSIGHT 2017

ANALYSIS OF NEW YORK'S PRIME  
RESIDENTIAL MARKET

PRICE PERFORMANCE

DEMAND AND SUPPLY

NEIGHBOURHOODS  
TO WATCH

# Pushing Boundaries

Despite the uncertainty and volatility that defined 2016, the real estate market in New York has been strong and even broke several record highs, thanks, in large part to new development sales.

Market activity has shifted to something more stable and moderate from what seemed frenzied, frothy and perhaps unsustainable. While prices have not softened, steady activity during these turbulent times may prove to be highly desirable.

## Price performance

Prices throughout much of Manhattan and Brooklyn increased in 2016—with median price, average price, and price per square foot all reaching records. For the first time ever, the average price in Manhattan exceeded US\$2 million. These records were largely driven by the number of new development condominium transactions, particularly in Downtown West and Midtown West. And while activity may be moderating, prices are yet to follow suit.

## Demand & Supply

Low interest rates and a steady jobs picture have kept demand robust throughout 2016. Despite the stronger dollar, foreign interest has held up with international buyers making up 25% of the condominium resale market and 35% of demand for new development sales.

Demand has been particularly strong for new developments in the sub-US\$3m price segment, while supply at this price point has been particularly tight.

Since the financial crisis, supply has been low and had been in decline. It is only recently that supply is beginning to increase, with more new developments in the pipeline – a major driver for the market. One such development aiding supply is the mass regeneration of

Hudson Yards, which will bring 5,000 residential units to the market.

## Areas to watch

### Lower East Side/East Village

This area has been home to New York's nightlife for decades and was always the place to be for hipsters and trendsetters, but the opening of the Ludlow Hotel and Dirty French sparked the interest of the highly fashionable jet-set crowd. Close to SoHo, NoLita and Chinatown, the neighbourhood was once dominated by walk ups (i.e. old apartment buildings with no lifts), but new developments like Essex Crossing are changing the landscape.

### Lower Manhattan

Lower Manhattan – predominately the Financial District – is a thriving neighbourhood for more than just the Wall Street set. The recently-opened World Trade Center Transportation Hub, called the Oculus, has increased access and connectivity to the area. With a broad mix of restaurants and bars on the waterfront and new state-of-the-art schools opening in the area, Lower Manhattan has become a much sought-after location.

Seizing on the revitalisation of Lower Manhattan, developers have added several luxury high-rises to the area including 1 Seaport, One Wall Street, 125 Greenwich Street and 45 Broad Street.

### Brooklyn

One of the first neighbourhoods that ignited Brooklyn's boom and the

destination for the young and artistic was Williamsburg. Just a short ride on the L Train, Williamsburg led the way for many hip Brooklyn neighbourhoods and helped drive prices in the borough for over a decade.

### Long Island City

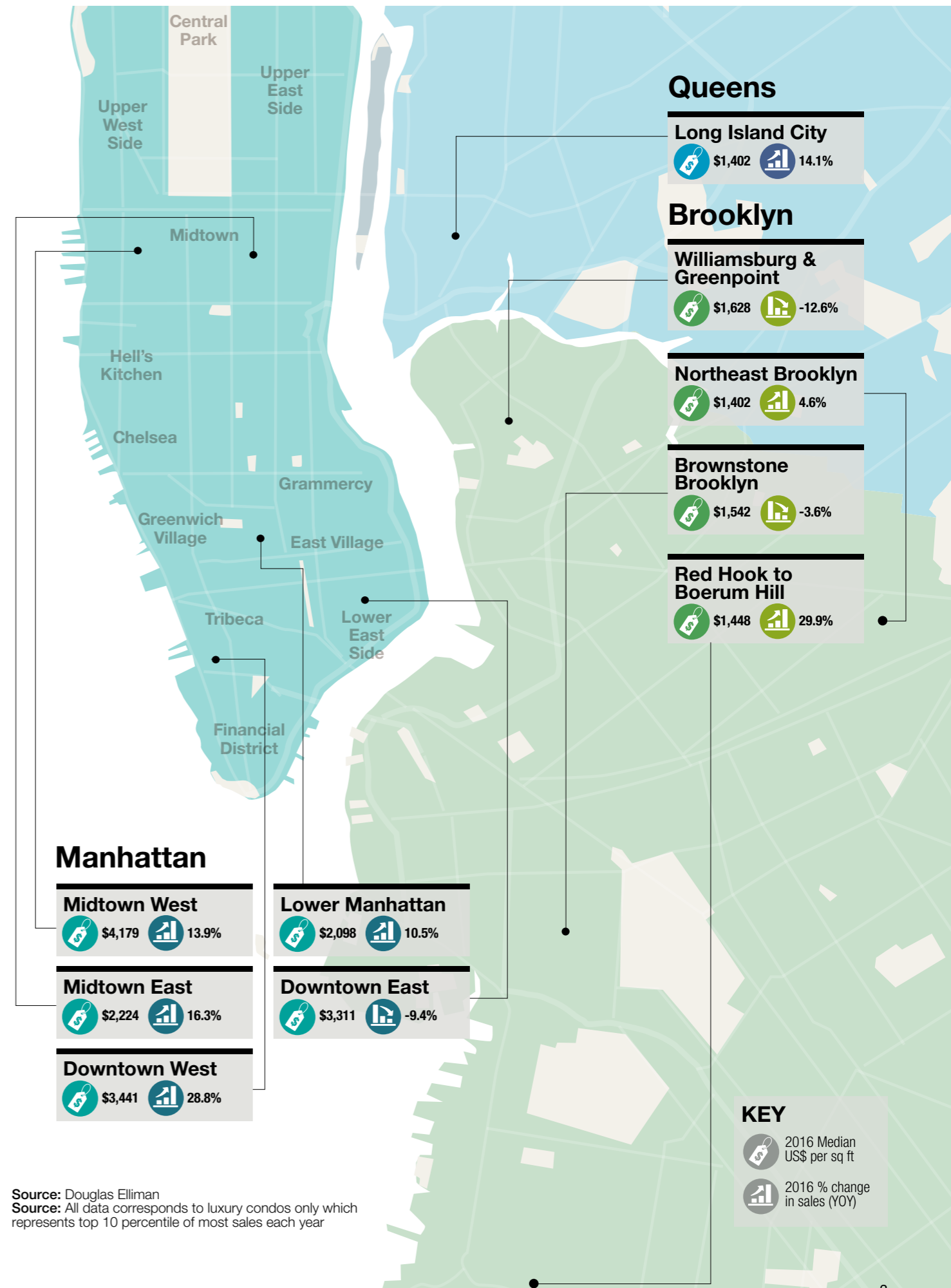
Long Island City ("LIC") has evolved from an industrial neighbourhood known for its large warehouses, parking lots and film studios into a premier residential neighbourhood filled with galleries, museums and a thriving arts community. Offering a more affordable price point we have seen great interest in the new developments of The Dutch and Factory House.

## Market outlook

Perhaps due to the global turbulence we saw for much of 2016, New York, the premier financial capital of the world, is largely regarded as a safe-haven for foreign buyers who often have to contend with taxation issues and/or instability in other cities around the world. In many cases, these buyers are shaking off weaker currency exchanges for the strength of New York real estate.

Furthermore, low interest rates and a healthy job market have spurred many long-term renters into first-time buyers meaning properties priced below US\$3 million move fast.

The strong underpinnings of the U.S. economy and historically low interest rates are likely to be maintained for some time contributing to a stable real estate market for the foreseeable future.



Source: Douglas Elliman  
 Source: All data corresponds to luxury condos only which represents top 10 percentile of most sales each year

**KEY**

- 2016 Median US\$ per sq ft
- 2016 % change in sales (YOY)

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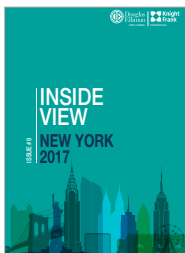
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## MARKETING PUBLICATIONS



[New York: Inside View 2017](#)



[International View 2016](#)

The Research data provided in this report was originally published within **France: Inside View**

## RESEARCH PUBLICATIONS



[The Wealth Report 2016](#)



[Caribbean Insight 2016](#)



[Ski Property Report 2016](#)



[Luxury Investment Index Q2 2016](#)

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