



Center for
Real Estate
Finance Research

Luxury Condo/Co-op and MF Rental Development

Moderator: Prof. Stijn Van Nieuwerburgh
NYU Stern School of Business
Director Center for Real Estate Finance Research

Co-op & condo sales: Some facts

- Broad Manhattan sales market very strong in 2016.Q1
 - Average sales price \$2.0mi, up 18.4% yoy
 - Median price \$1.14mi, up 17% yoy
 - Price per square foot \$1,713, up 35.6% yoy
 - [New developments](#): average price is \$2.6mi, up 60% yoy
 - 2,877 closed sales, up 8% yoy
 - [New development](#) closings: 621, up 94%
 - Absorption rate: 5.9 months
- Luxury market also at record in 2016.Q1 but slowing down
 - Top-10% of all closed sales, threshold currently at \$4.45mi
 - 62% of luxury market is [new development](#)
 - Average sale price of \$8.3mi, up 14% yoy
 - Median sale price \$6.6mi, up 29% yoy
 - Price per square foot is \$2,813, up 8.7% yoy
 - Much slower absorption rate: 12mo for \$5-10mi and 24mos for \$10mi+

Inventory & responses

- 14,500 new units expected to hit the market between 2015-2017
- By the end of 2017, only 5000 of those units expected to be sold
- 5 years worth of excess supply at 2015.H2 absorption rates
- Developer responses
 - 20% cut their prices relative to initial total sellout projection
 - Extell dropped sellout price on One Manhattan Square by more than \$200mi to \$1.87bi
 - Change in unit design
 - 432 Park split full floor apartments in half
 - Holding units off the market
 - Increasing brokerage commissions
 - Conversions to luxury rentals
 - But, Extell abandoned plans to convert 38 units at One 57
- Sales of development sites dropped sharply in late 2015, early 2016

Panelists

- **Scott Alper**, President, Witkoff Group
 - 111 Murray Street – TriBeCa (62 stories, 157 units)
 - 701 Seventh Avenue
- **William Rudin**, Vice Chairman and CEO, Rudin Management Company
 - Greenwich Lane – 181 units in West Village
 - 110 Wall Street – we work / we live
- **David Von Spreckelsen**, President, Toll Brothers City Living
 - 122 E 23rd Street (Gramercy) – 133 units
 - 100 Barrow Street - 26 units
 - The Sutton – 959 First Avenue – 90 units
 - 400 Park Ave South – 81 condo units and 22 floors rental
- **Izak Zenbahar**, CEO, Alexico Group
 - 56 Leonard Street – 142 units in Tribeca
 - The Mark - 25 East 77th Street – mixed hotel

111 Murray







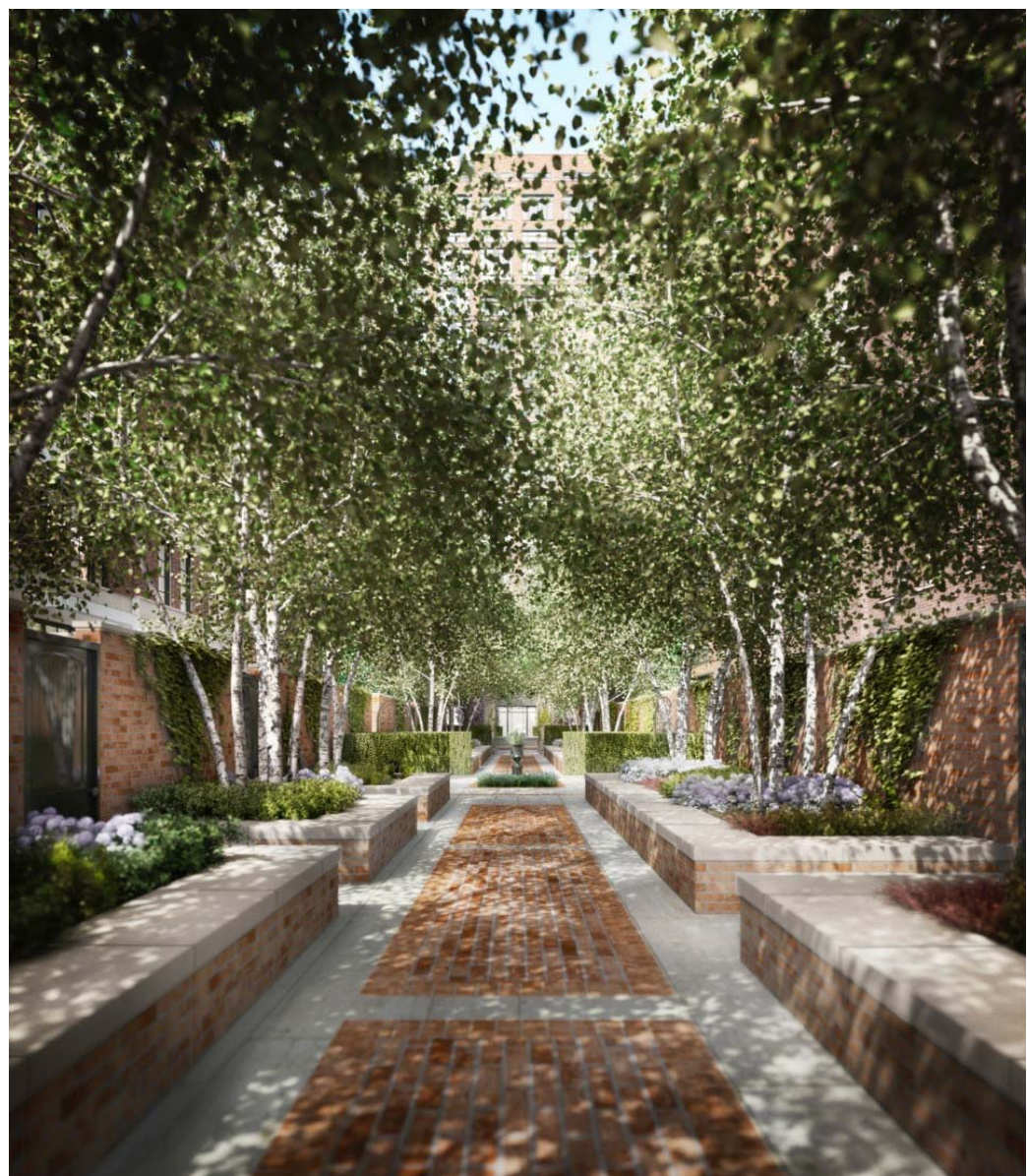
701 Seventh Ave.



Greenwich Lane











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110 Wall Street – WeLive



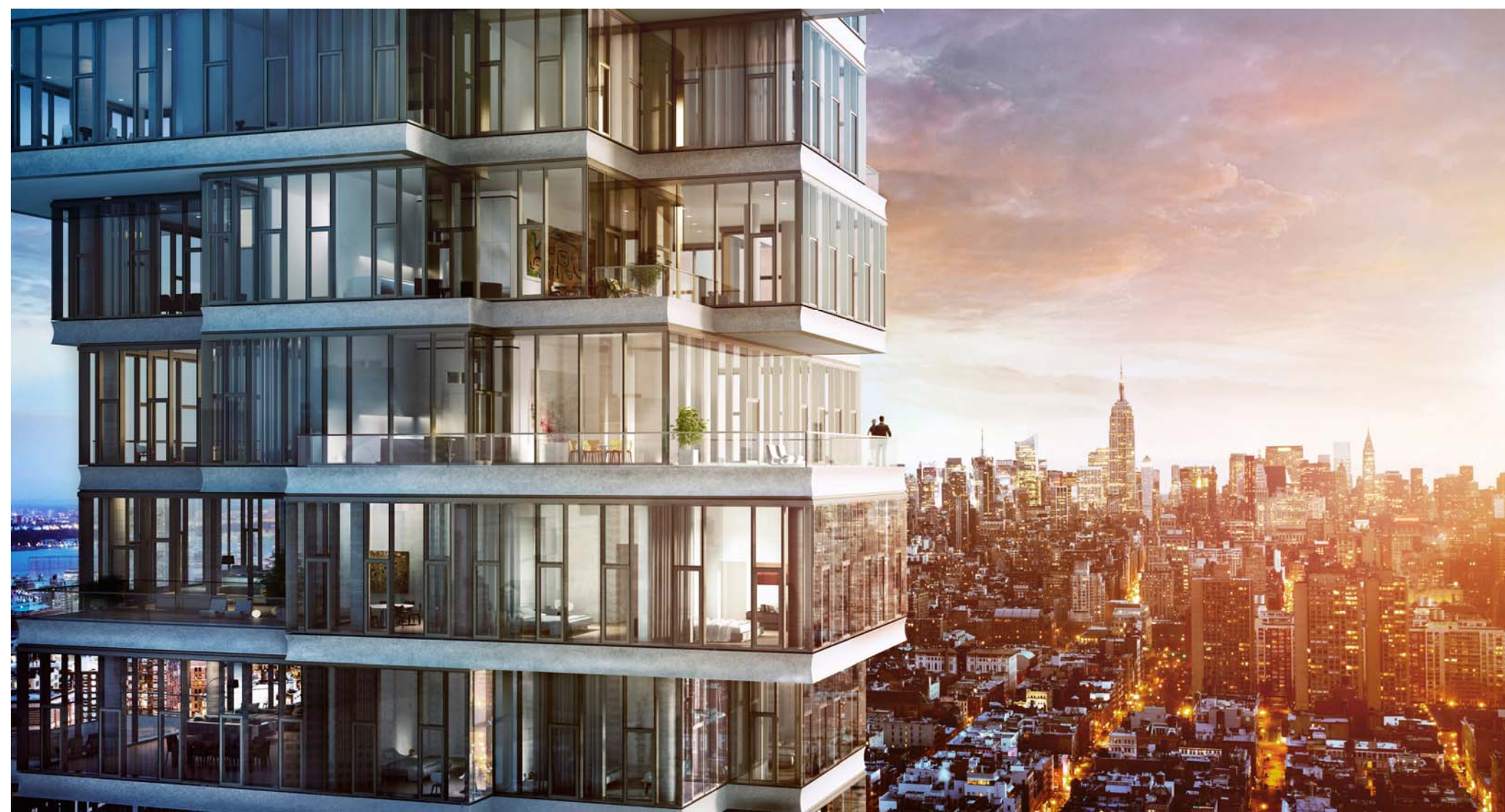


110 Wall Street – WeLive



56 Leonard St.











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122 East 23rd street



100 Barrow Street



The Sutton



400 Park Avenue South

