

New Development Report

2015 Second Quarter

MANHATTAN

\$2,663

AVERAGE PRICE
PER SQ. FT. ACTIVE

\$2,351

AVERAGE PRICE
PER SQ. FT.
CONTRACT SIGNED

\$2,243

AVERAGE PRICE
PER SQ. FT. CLOSED

3,953 ▲ 16% QoQ

AVAILABLE INVENTORY
(UNITS)*

BROOKLYN

\$1,417

AVERAGE PRICE
PER SQ. FT. ACTIVE

\$1,319

AVERAGE PRICE
PER SQ. FT.
CONTRACT SIGNED

\$1,280

AVERAGE PRICE
PER SQ. FT. CLOSED

578 ▲ 4% QoQ

AVAILABLE INVENTORY
(UNITS)*

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

Summary Points

\$5M Closed Listings in Manhattan over \$5M comprise 35.5% of all total Closed listings, up from 19.7% in Q1 2015.

\$1,280 Avg. PPSF for Closed new development units in Brooklyn rose 17% quarter-over-quarter, to \$1,280, buoyed by 388 Bridge Street.

34% In Manhattan, the Upper West Side saw the largest quarter-over-quarter increase in average price per square foot to \$2,212/sf, at nearly 34% for closed and signed contracts. Brooklyn saw a 7% quarter-over-quarter increase in closed deals and signed contracts to \$1,314/sf.

\$2.7M Two bedrooms continue to be the most popular unit type in Manhattan, with 170 units either entering contract or closing, and a median Contract Signed price of \$2.7M, up 6% from Q1 2015. In Brooklyn, two bedrooms are also the most active unit type (50 units in contract or closed), with median Contract Signed prices of \$1.57M, up 2% from Q1 2015.

57% Of the 3,953 available new development units currently in Manhattan, 57% (2,272) are in conversions while 43% (1,681) are in ground-up buildings.

MANHATTAN

BROOKLYN

	MANHATTAN	BROOKLYN
MEDIAN PRICE PER SQ. FT.		
Active	\$2,337	\$1,373
Contract Signed	\$2,107	\$1,297
Closed	\$2,036	\$1,266
AVERAGE PRICE PER SQ. FT.		
Active	\$2,663	\$1,417
Contract Signed	\$2,351	\$1,319
Closed	\$2,243	\$1,280
MEDIAN PRICE		
Active	\$4,985,000	\$1,665,000
Contract Signed	\$3,195,000	\$1,595,000
Closed	\$2,692,800	\$1,413,000
AVERAGE PRICE		
Active	\$7,824,383	\$2,384,887
Contract Signed	\$5,294,168	\$1,894,932
Closed	\$4,995,474	\$1,355,943
TOTAL INVENTORY (UNITS)		
Total	7,448	1,210
Units Available	3,953	578
% Closed or Contract Signed	46.9%	52.2%

Introduction

HPDM is pleased and excited to present our Quarterly New Development Report for Q2 2015. 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 until 12 to 18 months after a buyer enters into contract. To fully understand this market it is critical to track current listings, listings in contract, closed listings, as well as total inventory. This report analyzes Q2 2015 as a whole and is also a snapshot of current new development market conditions.

New development pricing was very robust in Q2 2015. With an average Active Price per Sq. Ft. of \$2,663 in Manhattan and \$1,417 in Brooklyn, we expect to see a strong pricing dynamic continue into the third quarter.

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 6/15/15.
- 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 2014, 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 currently unreleased units that are not yet listed as Active.

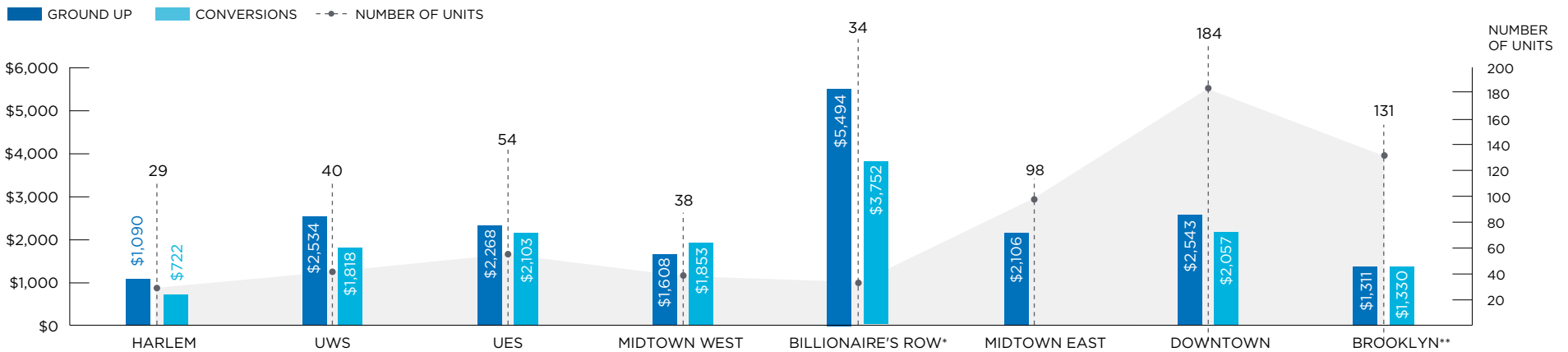
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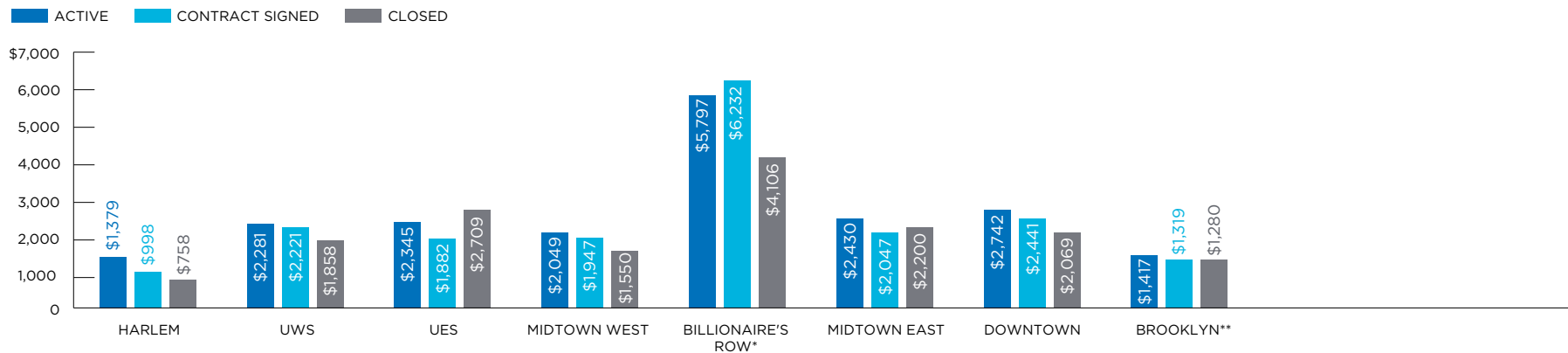
Market Overview

Downtown continues to see the most development activity in Manhattan with over 180 units either entering into contract or closing in Q2 2015. Next to Billionaire's Row, Downtown Manhattan was also the area with the highest Active Avg. Price per Sq. Ft. at \$2,742.

CONTRACT SIGNED AND CLOSED GROUND-UP VS. CONVERSIONS — AVG. PRICE PER SQ. FT.



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



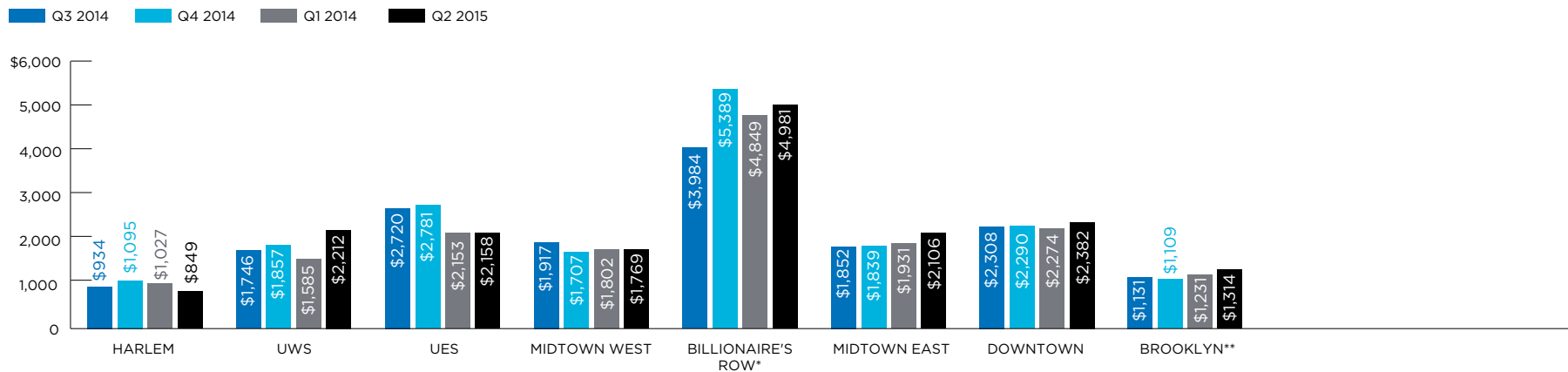
*Billionaire's Row comprised of: 157 W 57th, 20 W 53rd, 432 Park Ave, 21 E 61st, 22 CPS

**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. In Manhattan, the Upper West Side saw the largest quarter-over-quarter increase in average PPSF at 34%, while Brooklyn saw a 7% increase in PPSF, quarter-over-quarter.

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



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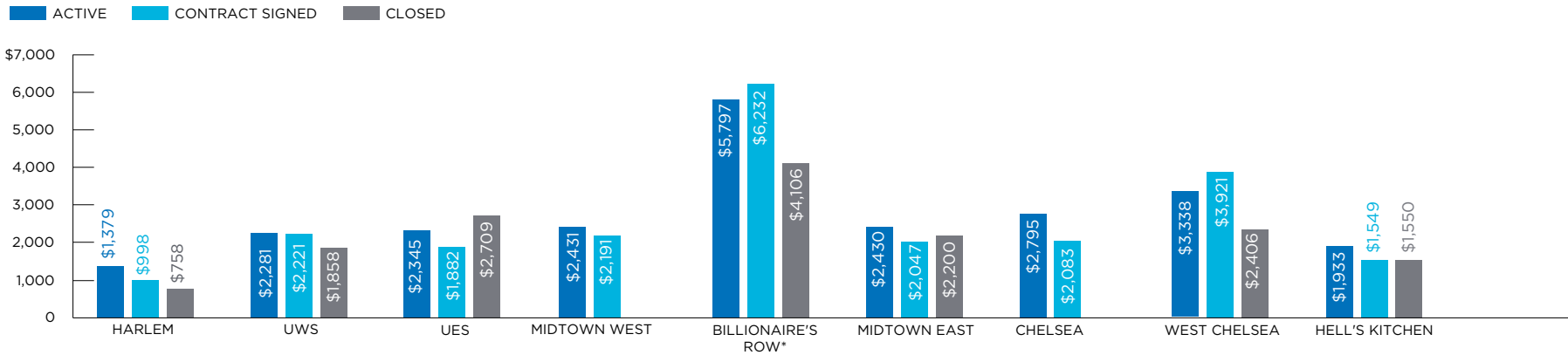
Manhattan Neighborhood Insight

UPTOWN, MIDTOWN. AND DOWNTOWN

Outside of Billionaire's Row, the highest average Contract Signed pricing in Manhattan was again achieved in West Chelsea with \$3,921 PSF and the West Village with \$3,033. The highest average Closed pricing occurred in Gramercy Park at \$3,764 PSF followed by the Flatiron District at \$2,913 PSF.

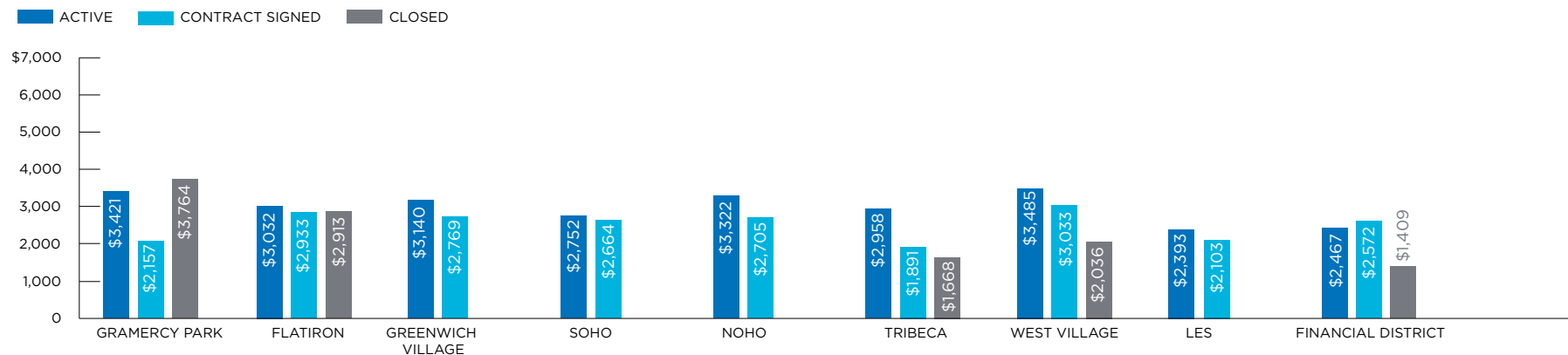
UPTOWN AND MIDTOWN

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



DOWNTOWN

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



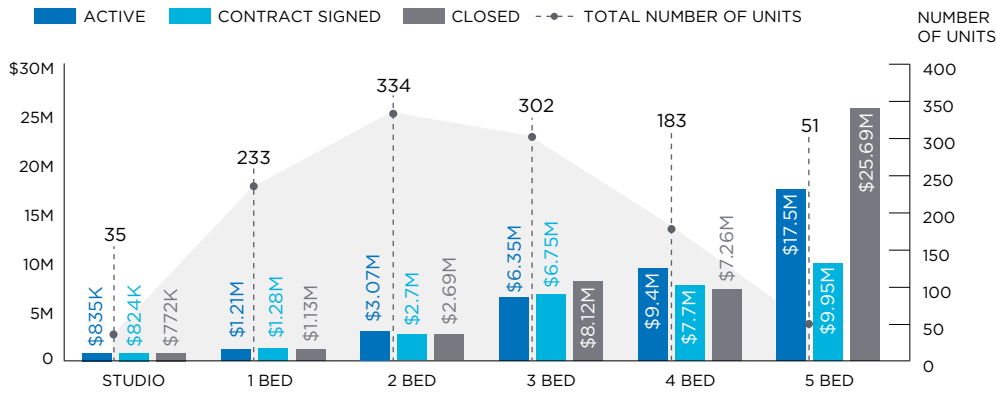
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Analysis by Unit Type

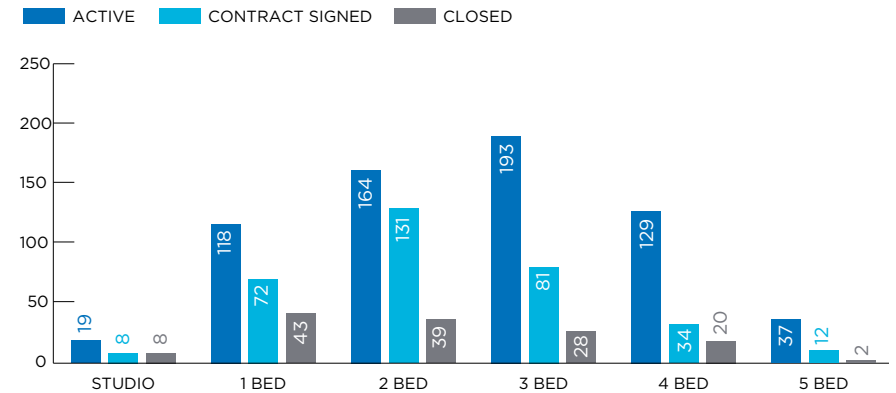
MANHATTAN AND BROOKLYN

Two Bedroom units were the most prevalent unit type in both Manhattan and Brooklyn, with median Contract Signed pricing of \$2.45M and \$1.55M respectively. In Manhattan, three bedrooms have the most Active listings, while two bedrooms comprise the most Active listings in Brooklyn.

MANHATTAN — MEDIAN PRICE PER UNIT TYPE



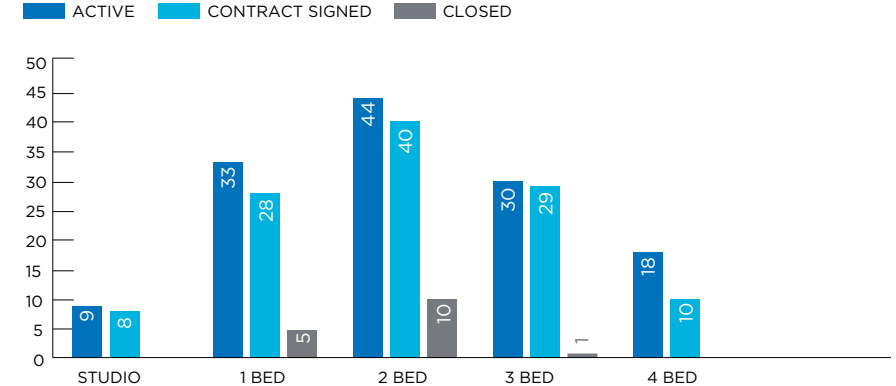
MANHATTAN — TOTAL UNITS BY BEDROOM



BROOKLYN — MEDIAN PRICE PER UNIT TYPE



BROOKLYN — TOTAL UNITS BY BEDROOM



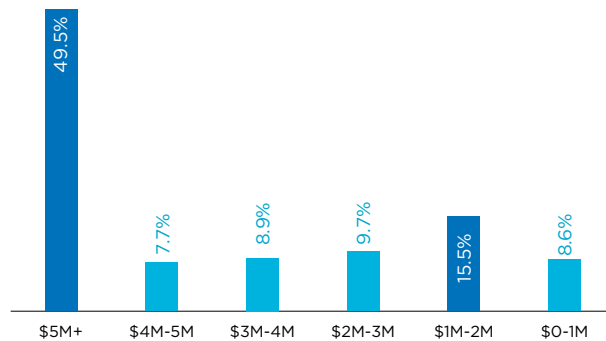
Price Point Analysis

MANHATTAN AND BROOKLYN

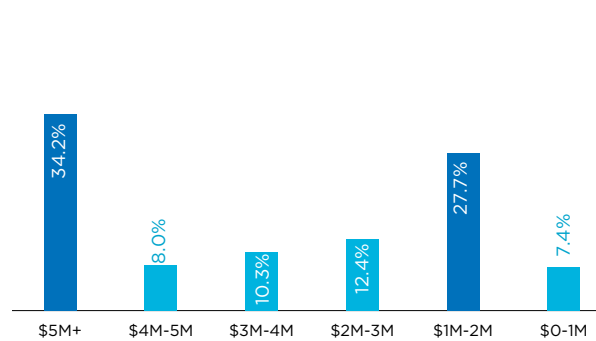
49.5% of all new development listings in Manhattan are priced above \$5M. This is down slightly from 52% in Q1 2015. 21% are priced above \$10M, essentially in-line with Q1 2015. Closed Listings in Manhattan over \$5M rose to 35.5% from 19.7% in Q1 2015. This is a reflection of high price-point closings in Downtown Manhattan, the Upper East Side, and Billionaire's Row.

While Brooklyn pricing remains more approachable, the \$3M - \$4M price range for Contract Signed units increased to just over 11% from only 4.4% in Q1 2015, evidence of higher priced luxury units being absorbed in the market place.

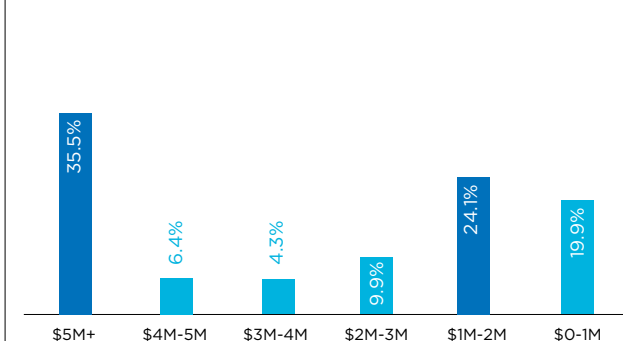
**Q1 2015 PRICE POINT
MANHATTAN — ACTIVE**



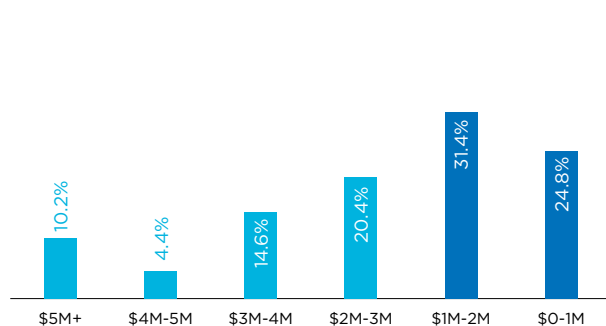
MANHATTAN — CONTRACT SIGNED



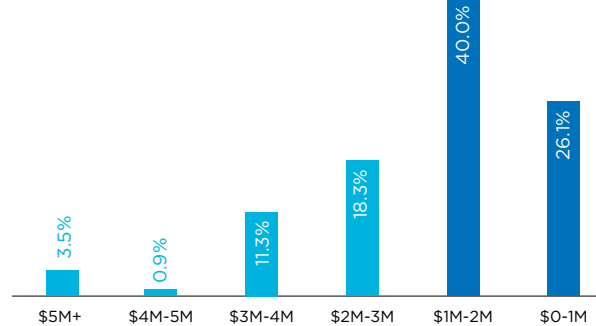
MANHATTAN — CLOSED



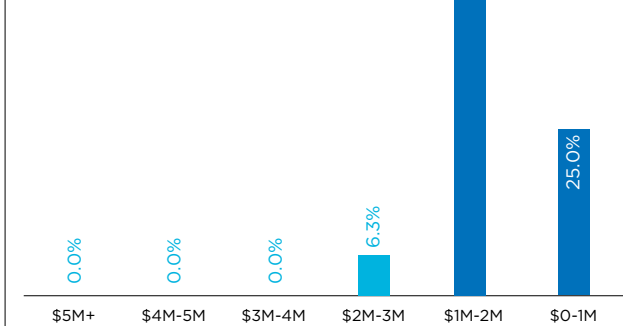
**Q1 2015 PRICE POINT
BROOKLYN — ACTIVE**



BROOKLYN — CONTRACT SIGNED



BROOKLYN — CLOSED



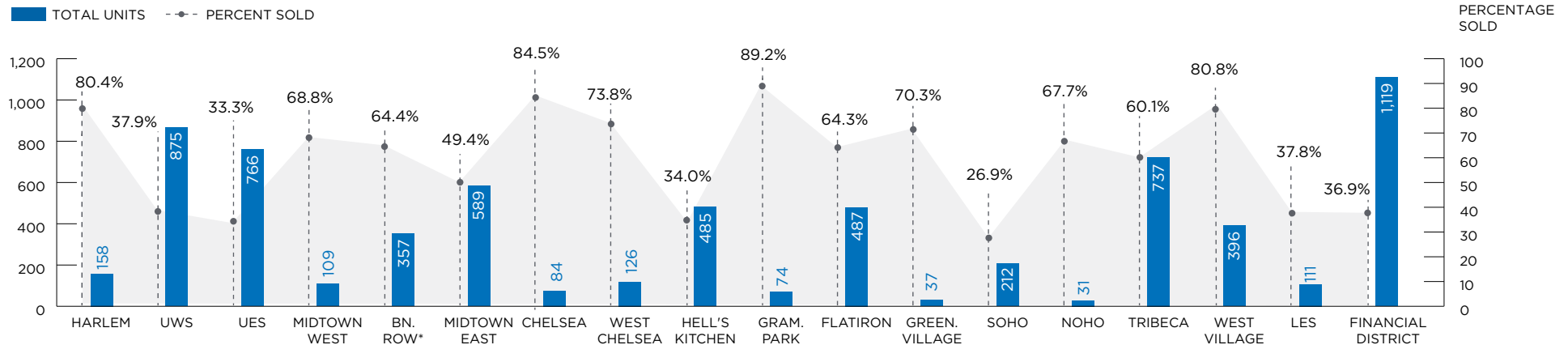
Total Inventory

MANHATTAN AND BROOKLYN

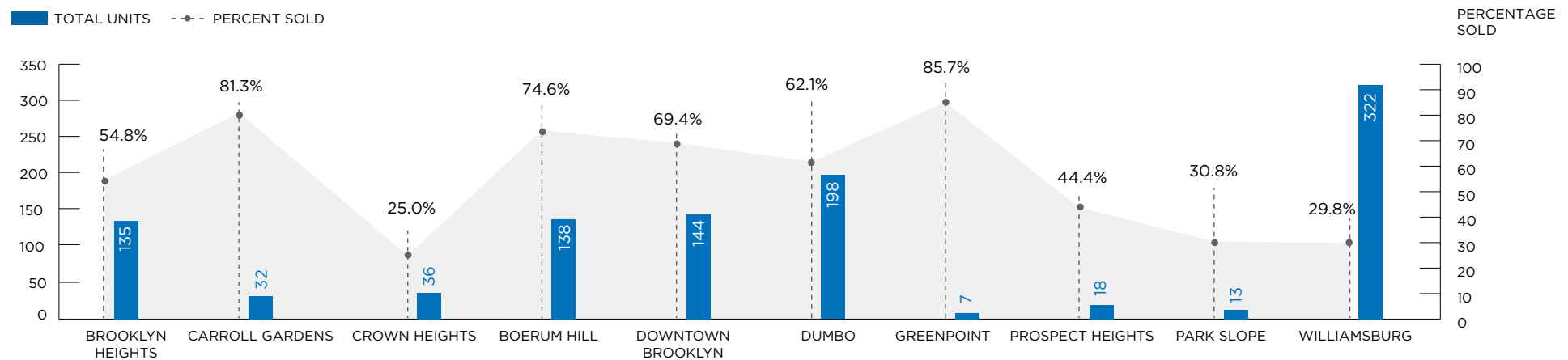
The largest amount of total inventory continues to be concentrated in Downtown Manhattan, specifically FiDi. In Brooklyn the highest total inventory is found in Williamsburg, DUMBO, and Downtown Brooklyn. The graphs below present total inventory by neighborhood along with the corresponding percentage 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 Q2 2015, 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



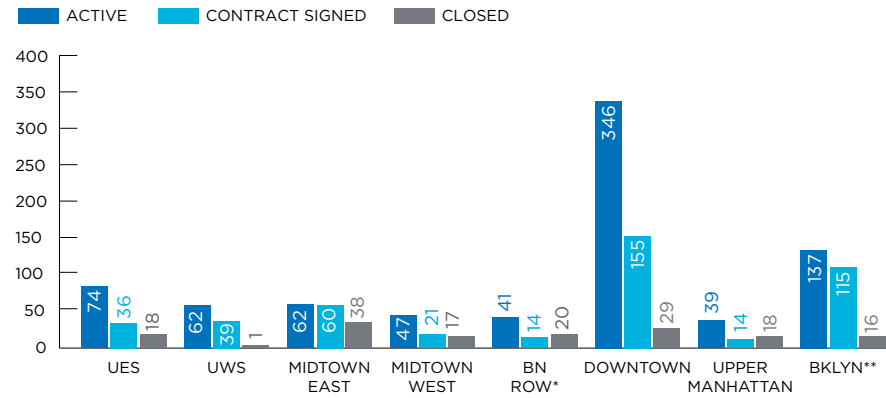
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Further Insight

MANHATTAN AND BROOKLYN

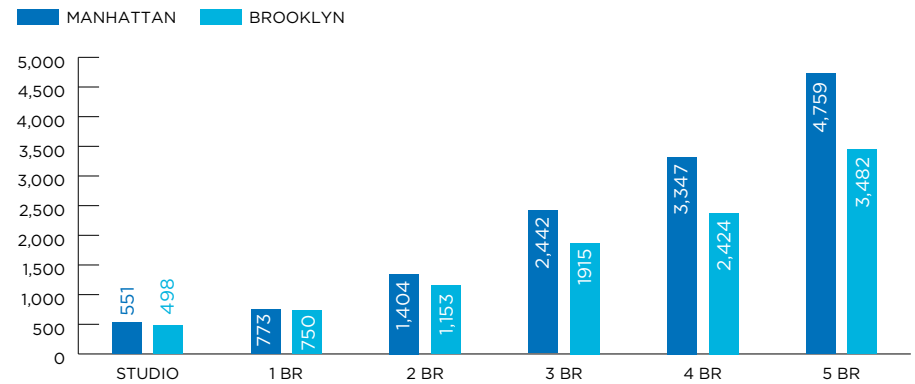
NEW DEVELOPMENT LISTINGS BY NEIGHBORHOOD

Downtown Manhattan once again saw the most new development activity by volume in Q2 2015, followed by Brooklyn.



MEDIAN SIZE (SQ. FT.) BY UNIT TYPE

Studio and one bedroom sizes are very similar in both Manhattan and Brooklyn, though in larger unit types median sizes in Manhattan continue to reflect the recent trend of oversized units in the luxury market. However, the size difference in two bedrooms between Manhattan and Brooklyn decreased by 10%, from Q1 2015 to 251 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.

Contact

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