

BERKSHIRE | New York
HATHAWAY | Properties
HomeServices

MANHATTAN MARKET REPORT

3rd Quarter 2017

RESALE



LETTER FROM THE PRESIDENT

BERKSHIRE
HATHAWAY
HomeServices

New York
Properties



We are thrilled to release Berkshire Hathaway HomeServices New York Properties' Third-Quarter Manhattan Market Report and share some of our milestones since we opened our doors this past January.

We've continued to monitor the lack of inventory primarily in the cooperative section of the market, which, when paired with strong demand for entry-level apartments (up to \$2M) have both contributed to an increase in median price. The townhouse market's significant median price increase was affected by a 12% decrease of new inventory resulting in a smaller pool and a 9% increase in average size as compared to the same quarter in 2016.

From a global prospective, trends continue to emerge as the new generation redefines how and where we live, and how we buy and sell real estate. These buyers are seeking communities where there is an emphasis on sustainable living and places where they can live, work and play. More importantly, they are seeking partners in the process of buying and selling; professionals they can trust to provide transparency while helping them navigate an overwhelming amount of data and information available online.

The year over year changes are notable in the New York City housing market through the increased sales activity. The number of new inventory and contracts for co-ops shrunk while condo activity remained steady. As a significant number of deals sat in contract last year due to a period of global and domestic uncertainty they finally entered into the closing state at a lower price. This led to an increase of closed sales across all property types this quarter. New York City's real estate market thus continues to serve as a safe haven for local and international investors. This is in comparison to London's housing market which is on a slowdown following Brexit. The solidity of New York City's market is clear through the positive price and market activity trends highlighted in new inventory, contracts signed and closed sales.

Local market reports from reliable sources, such as Berkshire Hathaway HomeServices New York Properties, are critical to navigate today's real estate landscape when considering buying or selling a home.

Our agents are members of The Real Estate Board of New York (REBNY), the most reliable industry organization, and are held the highest standard of service and ethics to the consumer.

As a reminder, the report is broken down into three components: new listings – contracts signed – closed sales and it compares the prior quarter activity vs. same quarter of the prior year.

Thank you and enjoy this report.

Sincerely,

Ellie Johnson | President
Berkshire Hathaway HomeServices New York Properties
New York Properties
elliejohnson@bhhsnyp.com
212.710.1900
590 Madison Avenue
New York, New York 10022

COMPANY HIGHLIGHTS

January 9th

Berkshire Hathaway HomeServices New York Properties opens its doors.

January 16th

HomeServices of America acquires Houlihan Lawrence.

April 3rd

HomeServices of America acquires Gloria Nilson & Co. Real Estate.

September 6th

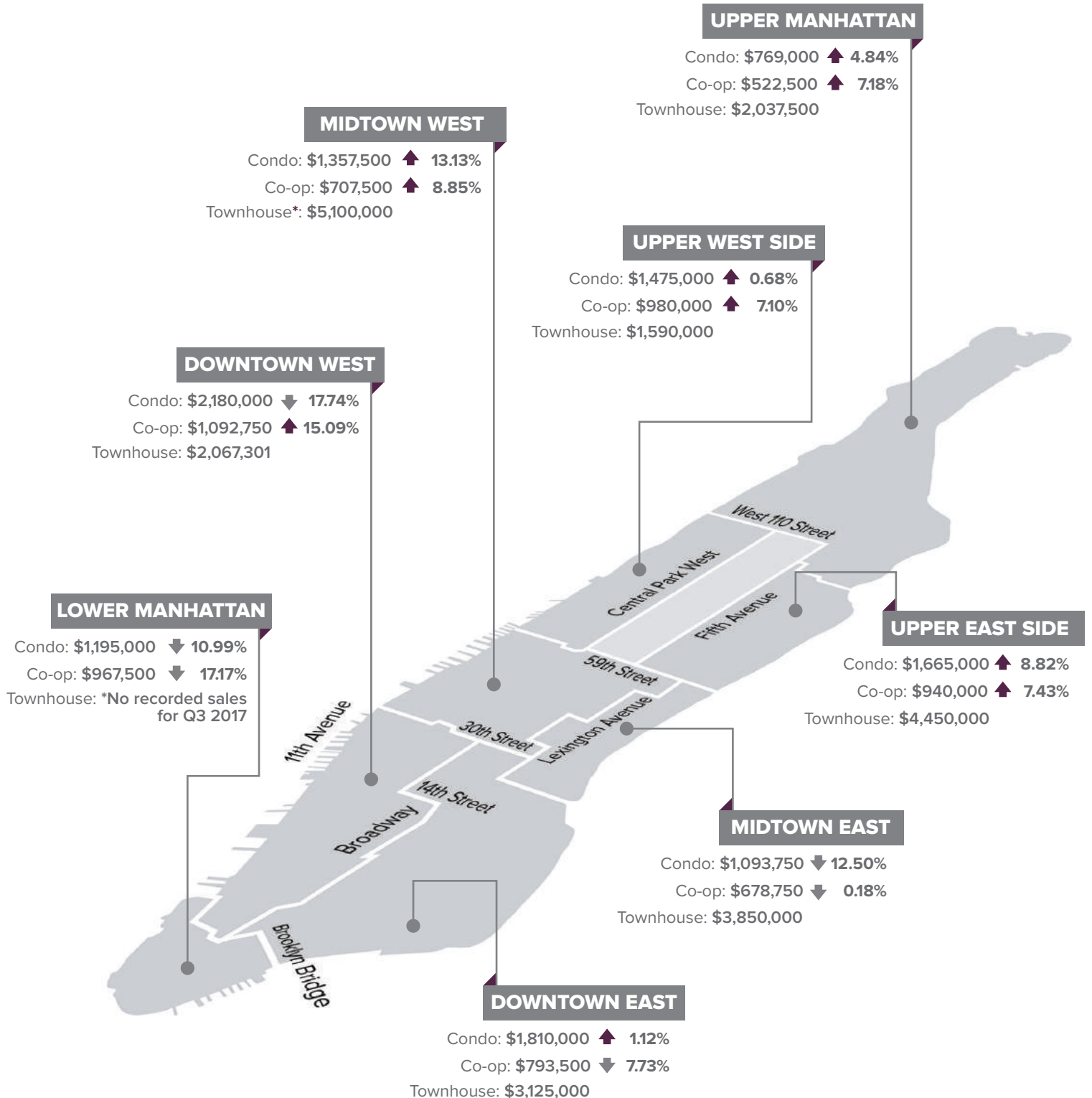
HomeServices of America acquires The Long & Foster Companies.

The strategic growth of HomeServices of America and Berkshire Hathaway HomeServices continues to deepen our reach and strengthen our network in many ways; furthering our mission to provide superior real estate services in every market we serve.

MAJOR MARKET PERFORMANCE

Q3 2017 Market Report MANHATTAN

year over year closed sales (median price)



*Note: Due to a limited amount of townhouse inventory in Manhattan and its wide diversity, the price trends normally show heavy fluctuations, especially when segmented by the major markets. Therefore, the percentage difference for median sales of townhouses was not shown on this map.

MARKET SNAPSHOT BY TYPE

Q3 2017 Market Report MANHATTAN

CONDO

	% year over year	
Median Listed Price	↓	6.4%
# of New Listings	↑	1.8%

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Listed Price	\$2,876,834	\$3,152,022	\$2,762,527	-8.73%	4.14%
Median Listed Price	\$1,649,000	\$1,825,000	\$1,762,500	-9.64%	-6.44%
Average SF	1,337	1,461	1,372	-8.49%	-2.55%
Average PPSF	\$1,822	\$1,894	\$1,800	-3.80%	1.22%
# of New Listings	1,516	2,144	1,489	-29.29%	1.81%

CO-OP

Median Listed Price	↑	5.9%
# of New Listings	↓	12.4%

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Listed Price	\$1,748,732	\$1,870,449	\$1,445,349	-6.51%	20.99%
Median Listed Price	\$895,000	\$938,000	\$845,000	-4.58%	5.92%
Average SF	1,511	1,583	1,497	-4.55%	0.94%
Average PPSF	\$1,151	\$1,296	\$1,089	-11.19%	5.69%
# of New Listings	1,849	2,651	2,111	-30.25%	-12.41%

TOWNHOUSE

Median Listed Price	↑	41.4%
# of New Listings	↓	10.6%

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Listed Price	\$4,968,486	\$6,940,686	\$4,249,646	-28.42%	16.92%
Median Listed Price	\$3,500,000	\$3,999,000	\$2,475,000	-12.48%	41.41%
Average SF	3,270	3,962	2,913	-17.47%	12.26%
Average PPSF	\$1,713	\$1,694	\$1,534	1.12%	11.67%
# of New Listings	76	137	85	-44.53%	-10.59%

The number of new condo inventory this quarter remained steady as compared to last year. The median price has continued to decrease since the beginning of the year, reaching a two year record low this quarter with a 6.4% decrease from last quarter. This price drop in the new active inventory was partially due to sellers easing up on prices in preparation for an upcoming seasonal slowdown. There was a slight increase in the number of listings on the lower end of the market, factoring into this quarter's overall median price decline.

The average apartment size as well as the average price per square foot of the new listed inventory remained relatively unchanged from this quarter last year.

Unlike condos, closed data (page 9) suggests Manhattan's co-op supply was limited due to an increased co-op inventory absorption this quarter. The number of new co-op listings fell by 12%, thus significantly increasing both average (21%) and median (6%) prices as the demand for the limited co-op inventory continued to grow.

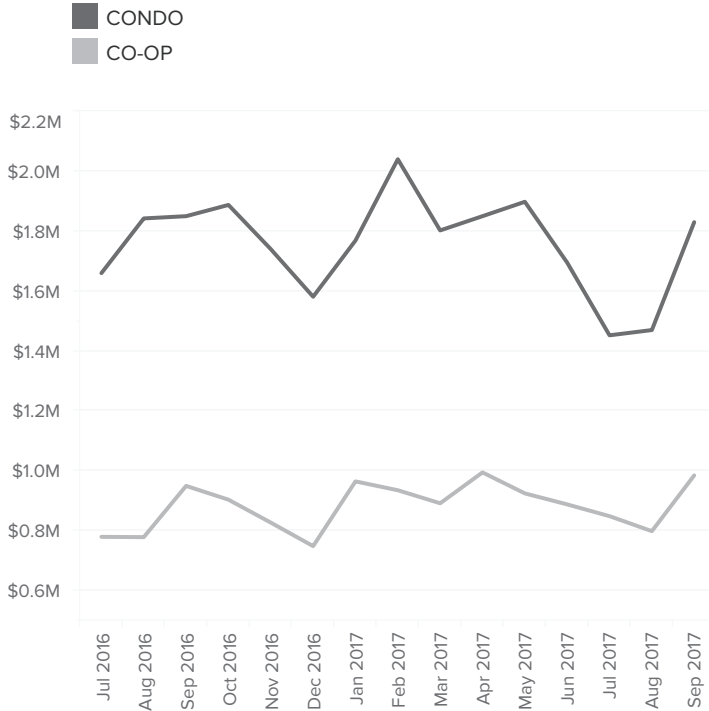
The number of townhouses listed on the market decreased by 11% compared to last year. Similar to the co-op market, the decline in new townhouse inventory was affected by the increased number of closings in this quarter. Townhouses saw a considerable, 41% increase in median listed price, a number affected by the 12% increase this quarter in average townhouse property size.

NEW LISTINGS

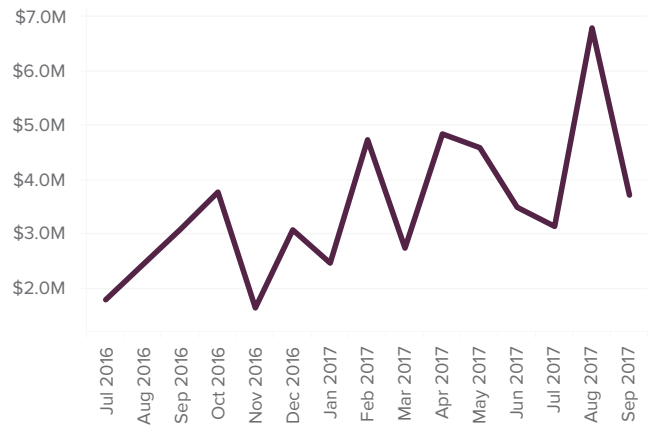
MARKET SNAPSHOT BY TYPE

Q3 2017 Market Report **MANHATTAN**

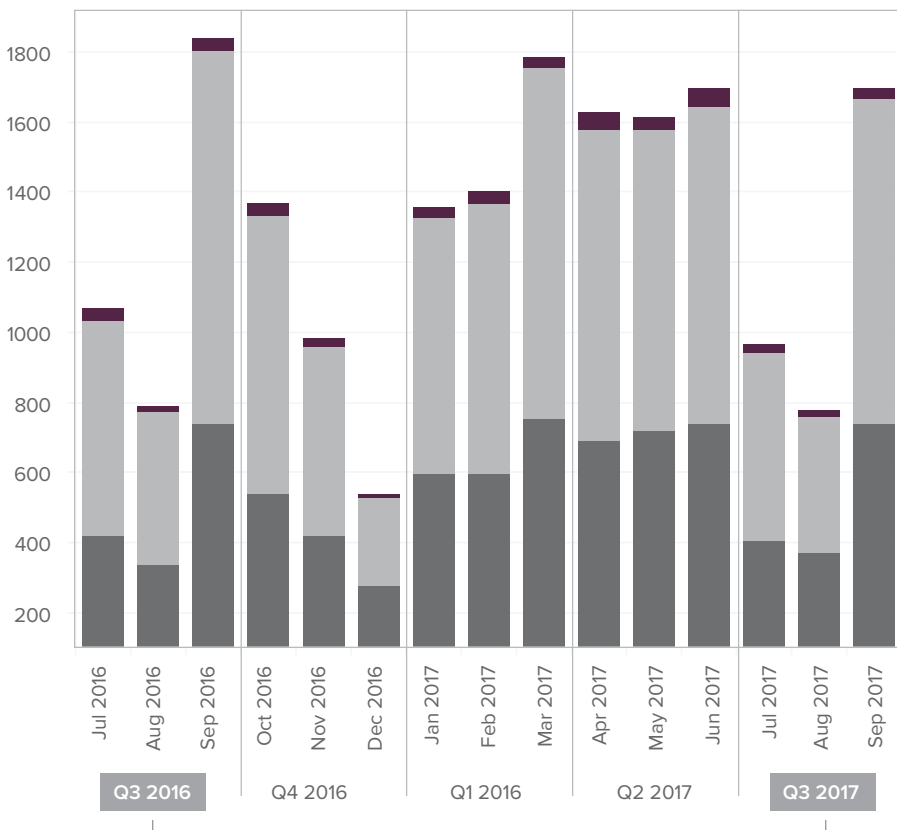
MEDIAN LISTED PRICE BY TYPE



TOWNHOUSE



NUMBER OF NEW LISTINGS BY TYPE



■ TOWNHOUSE
■ CO-OP
■ CONDO

The number of new condo inventory this quarter remained steady as compared to last year, while the median price continued to decrease.

The number of new co-op listings fell by 12%, thus significantly increasing both average (21%) and median (6%) prices as the demand for the limited co-op inventory continued to grow.

The number of townhouses listed on the market decreased by 11% compared to last year.

CONTRACTS SIGNED

MARKET SNAPSHOT BY TYPE

Q3 2017 Market Report MANHATTAN

CONDO

	% year over year	
Median Price	↑	5.1%
# of Contracts	↑	0.4%
Average DOM	↑	12 days

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Price	\$2,218,855	\$2,397,661	\$2,156,371	-7.46%	2.90%
Median Price	\$1,450,000	\$1,622,500	\$1,380,000	-10.63%	5.07%
Listing Discount	-4.39%	-3.87%	-3.29%	0.52%	1.10%
Average PPSF	\$1,652	\$1,650	\$1,628	0.12%	1.47%
# of Contracts	838	1,183	835	-29.16%	0.36%
Average DOM	135	119	123	13.45%	9.76%

The condo contract activity began showing positive trends this quarter after a period of decline last year, increasing slightly by 0.36%. Compared to closed sales data, the contract signed trends started showing early indications of price recovery, where both average and median prices showed a 3% and 5% increase compared to this quarter last year. This relatively moderate increase in price points was accompanied by a slight 1% increase in negotiability, as the listing discount increased from 3.3% to 4.4%. The average price per square foot remained steady, while days on market increased by 12 days.

CO-OP

Median Price	↓	2.6%
# of Contracts	↓	5.9%
Average DOM	↑	10 days

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Price	\$1,253,681	\$1,357,979	\$1,177,156	-7.68%	6.50%
Median Price	\$779,000	\$870,000	\$800,000	-10.46%	-2.63%
Listing Discount	-2.00%	0.04%	-2.69%	2.04%	-0.69%
Average PPSF	\$1,018	\$1,054	\$980	-3.42%	3.88%
# of Contracts	1,329	2,064	1,413	-35.61%	-5.94%
Average DOM	103	91	93	13.19%	10.75%

Similar to new inventory trends, the contract activity for co-op units was affected by the increased number of closed transactions this quarter. Due to a limited supply, the number of contracts shrunk by 6% compared to this quarter last year. The median price stabilized while shifting downwards by almost 3% after reaching its peak in the previous quarter of this year. The listing discount dropped slightly as the median price declined, leaving less room for buyers to negotiate. The average days on market increased by 10 days.

TOWNHOUSE

Median Price	↑	30.4%
# of Contracts	↓	6.7%
Average DOM	↑	23 days

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Price	\$4,042,775	\$3,737,161	\$2,261,087	8.18%	78.80%
Median Price	\$2,510,000	\$2,475,000	\$1,925,000	1.41%	30.39%
Listing Discount	-7.22%	-7.82%	-4.54%	-0.60%	2.68%
Average PPSF	\$1,406	\$1,208	\$1,045	16.39%	34.55%
# of Contracts	42	57	45	-26.32%	-6.67%
Average DOM	146	178	123	-17.98%	18.70%

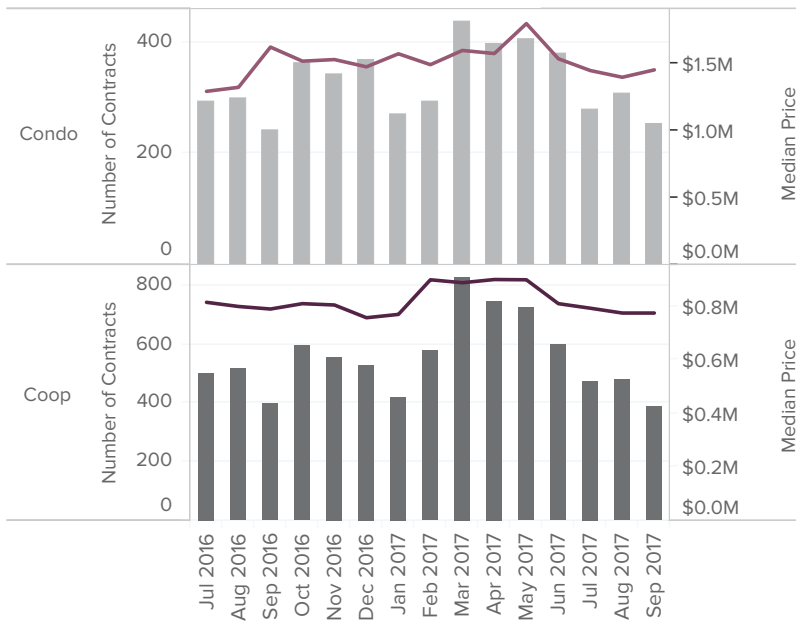
This quarter's contract data for townhouses was largely skewed by multiple transactions in the \$10M+ market segment in prime neighborhoods such as Soho and the West Village. As a result of the median price increasing 30% as compared to this quarter last year, there was a 3% increase in price negotiability. The number of contracts declined by only 7%, indicating that the contract activity was stimulated by transactions for mid-tier townhouses in the \$2.5M market segment. The average days on market increased by 23 days compared to this quarter last year.

CONTRACTS SIGNED

MARKET SNAPSHOT BY TYPE

Q3 2017 Market Report MANHATTAN

NUMBER OF CONTRACTS & MEDIAN LAST LISTED PRICE BY TYPE CONDO & CO-OP



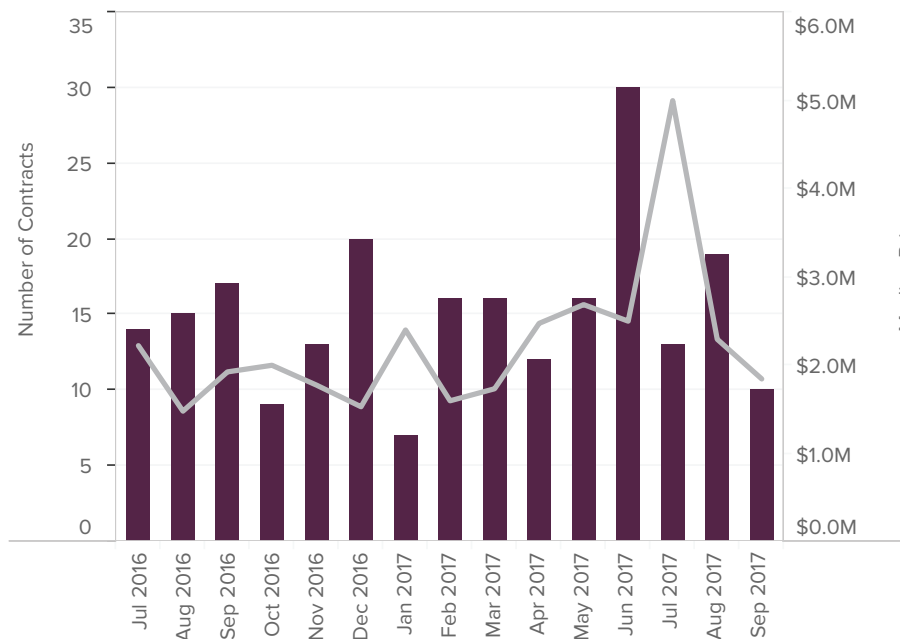
■ CONDO, MEDIAN PRICE
■ CONDO, NUMBER OF CONTRACTS

The condo contract activity began showing positive trends this quarter after a period of decline last year, increasing slightly by 0.36%.

The number of co-op contracts shrunk by 6% compared to this quarter last year while median price shifted downwards by almost 3% after reaching its peak in the previous quarter of this year.

■ CO-OP, MEDIAN PRICE
■ CO-OP, NUMBER OF CONTRACTS

NUMBER OF CONTRACTS & MEDIAN LAST LISTED PRICE TOWNHOUSE



■ MEDIAN PRICE
■ NUMBER OF CONTRACTS

The median price for townhouses showed a 30% increase compared to this quarter last year, while the number of contracts declined by only 7%, indicating that the contract activity was stimulated by transactions for mid-tier townhouses in the \$2.5M market segment.

MARKET SNAPSHOT BY PRICE & BEDROOM

Q3 2017 Market Report MANHATTAN

% NUMBER OF CONTRACTS BY PRICE

PRICE RANGE	Q3 2017	Q2 2017	Q3 2016
<\$500K	12.62%	10.05%	13.82%
\$500K-1M	38.80%	36.53%	38.83%
\$1M-2M	26.85%	27.84%	26.37%
\$2M-3M	9.92%	12.37%	10.77%
\$3M-5M	7.32%	7.47%	6.19%
\$5M-10M	3.41%	4.70%	3.26%
\$10M-20M	0.90%	0.86%	0.55%
\$20M+	0.18%	0.18%	0.21%

Similar to closed sales trends, the number of contracts below the \$500K price segment showed a slight decline affected by a considerable decrease in condo contract activity for studios (-25%).

The majority of the contract transactions continued to occur in the \$500K-2M price range, where the percentage share remained steady. The luxury market segment above \$10M showed a slight increase that was affected by a number of contracts for high-tier penthouse properties.

CONTRACTS SIGNED BY BEDROOM: CONDO

BEDROOMS	METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
studio	Median Price	\$699,000	\$729,750	\$682,000	-4.21%	2.49%
	# of Contracts	81	107	108	-24.30%	-25.00%
1 bedroom	Median Price	\$1,021,116	\$1,045,000	\$995,000	-2.29%	2.62%
	# of Contracts	350	438	301	-20.09%	16.28%
2 bedrooms	Median Price	\$1,849,500	\$1,950,000	\$2,020,307	-5.15%	-8.45%
	# of Contracts	258	423	304	-39.01%	-15.13%
3 bedrooms	Median Price	\$3,575,000	\$3,605,000	\$3,000,000	-0.83%	19.17%
	# of Contracts	124	162	104	-23.46%	19.23%
4+ bedrooms	Median Price	\$5,247,500	\$6,480,000	\$6,000,000	-19.02%	-12.54%
	# of Contracts	43	83	45	-48.19%	-4.44%

CONTRACTS SIGNED BY BEDROOM: CO-OP

BEDROOMS	METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
studio	Median Price	\$475,000	\$460,000	\$441,000	3.26%	7.71%
	# of Contracts	258	333	237	-22.52%	8.86%
1 bedroom	Median Price	\$700,000	\$750,000	\$699,000	-6.67%	0.14%
	# of Contracts	513	818	604	-37.29%	-15.07%
2 bedrooms	Median Price	\$1,250,000	\$1,335,000	\$1,250,000	-6.37%	0.00%
	# of Contracts	402	610	410	-34.10%	-1.95%
3 bedrooms	Median Price	\$2,395,000	\$2,350,000	\$2,055,000	1.91%	16.55%
	# of Contracts	128	249	149	-48.59%	-14.09%
4+ bedrooms	Median Price	\$3,772,500	\$3,618,000	\$3,636,170	4.27%	3.75%
	# of Contracts	42	79	40	-46.84%	5.00%

MARKET SNAPSHOT BY TYPE

Q3 2017 Market Report MANHATTAN

CONDO

	% year over year	
Median Price	↑	3.5%
# of Closed	↑	21.2%
Average DOM	↑	5 days

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Price	\$2,121,128	\$2,489,630	\$2,430,514	-14.80%	-12.73%
Median Price	\$1,460,000	\$1,532,438	\$1,410,000	-4.73%	3.55%
Listing Discount	-5.98%	-3.37%	-3.96%	2.61%	2.02%
Average PPSF	\$1,620	\$1,714	\$1,627	-5.48%	-0.43%
# of Closed	1524	1620	1,257	-5.93%	21.24%
Average DOM	121	128	116	-5.47%	4.31%

CO-OP

Median Price	↑	7.6%
# of Closed	↑	33%
Average DOM	↑	7 days

METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Price	\$1,421,392	\$1,330,240	\$1,271,135	6.85%	11.82%
Median Price	\$840,000	\$820,000	\$780,500	2.44%	7.62%
Listing Discount	-1.96%	-2.19%	-2.17%	-0.23%	-0.21%
Average PPSF	\$1,128	\$1,103	\$1,100	2.27%	2.55%
# of Closed	2670	2394	2,008	11.54%	32.97%
Average DOM	92	104	85	-11.54%	8.24%

The number of closed sales increased dramatically across all property types this quarter. Due to a period of global and domestic uncertainty, a significant number of deals that had been in contract since last year entered into the closing stage at a lower price point this quarter.

The number of closed condo sales increased by 21% compared to this quarter last year, with a slight 4% increase in median price. The average price dipped by 13%, a number impacted by the larger number of outliers at the lower end of the market. The listing discount increased by 2% as sellers, responding to last year's condo sales market, showed preference for more affordable initial price points.

As with condo sales, the number of closed co-op sales increased significantly, by 32%, in both average (12%) and median (8%) prices. This was accompanied by reduced negotiability, as the listing discount dropped from 2.17% to 1.96%. A 45% difference in condo and co-op units' median price indicates co-op sellers still have room to increase prices without jeopardizing growing demand.

TOWNHOUSE

Median Price	↑	16%
# of Closed	↑	21.6%
Average DOM	↑	43 days

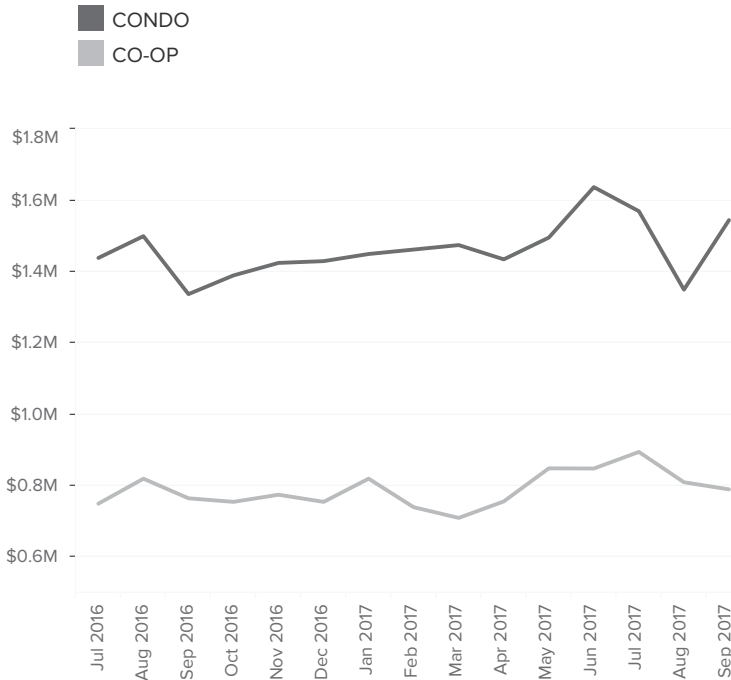
METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
Average Price	\$3,585,872	\$3,792,478	\$4,174,482	-5.45%	-14.10%
Median Price	\$2,697,500	\$2,455,000	\$2,325,000	9.88%	16.02%
Listing Discount	-7.85%	-6.90%	-3.41%	0.95%	4.44%
Average PPSF	\$1,141	\$1,126	\$1,274	1.33%	-10.44%
# of Closed	122	88	100	38.97%	21.60%
Average DOM	158	166	115	-4.82%	37.39%

The median price for townhouses increased 16%, a number more affected by transacted property features and location than shifts in pricing strategies. There were multiple closed, higher end market sales in the prime Downtown West market. Townhouse inventory spent, on average, 43 more days on the market than last year. Sellers left more room this quarter for the buyers to negotiate as the listing discount went up by more than 4% due to an increase in closed sales for high-tier townhouse inventory.

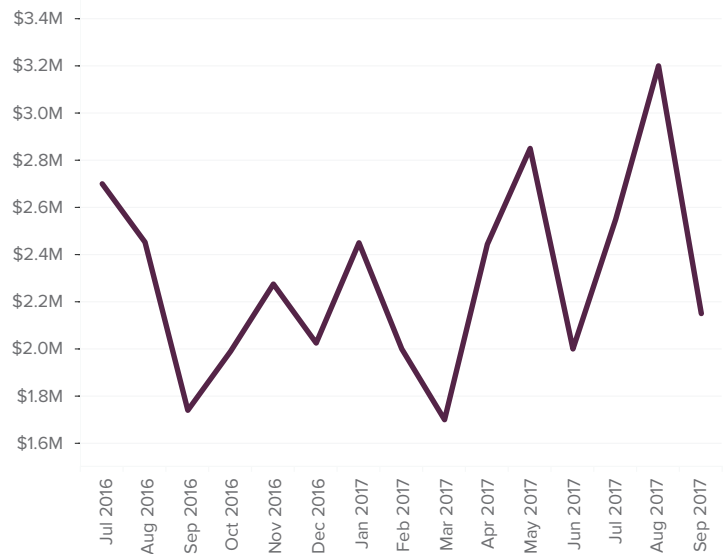
MARKET SNAPSHOT BY TYPE

Q3 2017 Market Report MANHATTAN

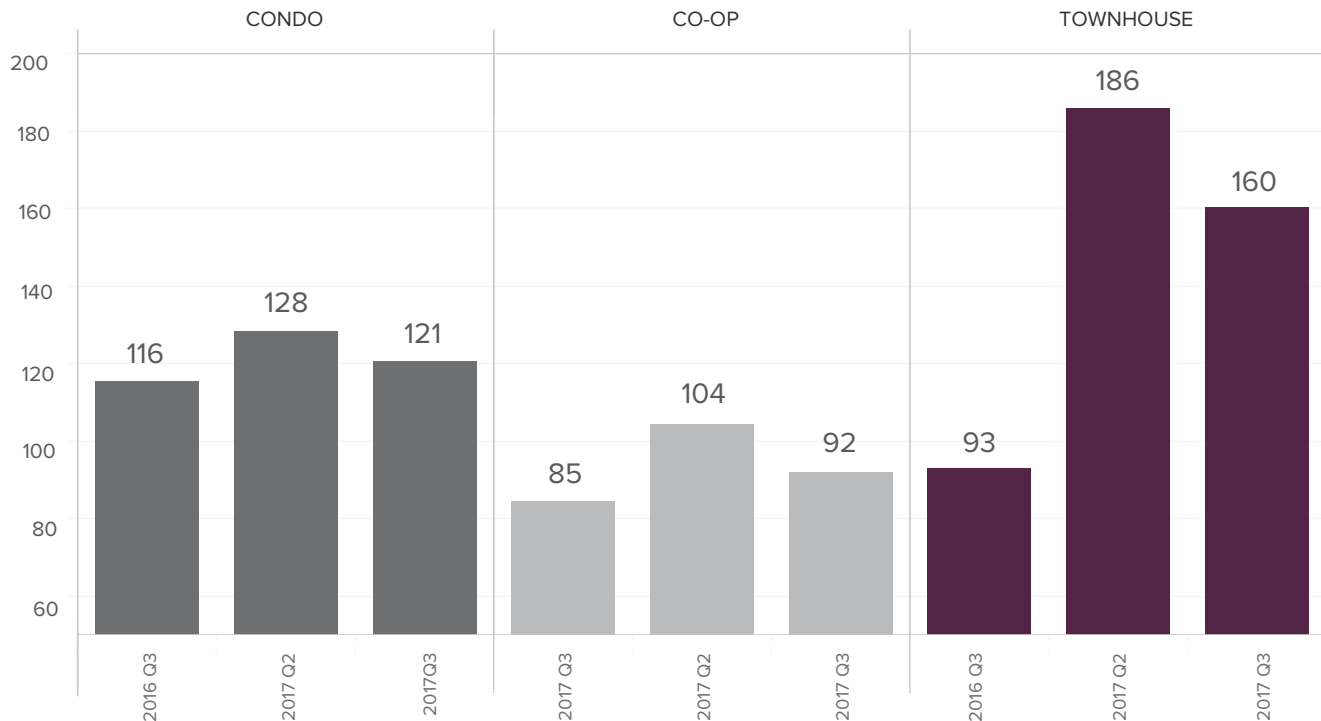
MEDIAN PRICE BY TYPE



TOWNHOUSE



AVERAGE DAYS ON MARKET OF CLOSED LISTINGS BY TYPE



MARKET SNAPSHOT BY PRICE & BEDROOM

Q3 2017 Market Report MANHATTAN

% NUMBER OF CLOSED SALES BY PRICE

PRICE RANGE	Q3 2017	Q2 2017	Q3 2016
<\$500K	12.60%	12.81%	15.21%
\$500K-1M	35.49%	34.06%	34.82%
\$1M-2M	26.98%	26.44%	25.28%
\$2M-3M	10.69%	10.61%	9.13%
\$3M-5M	7.47%	7.23%	7.27%
\$5M-10M	4.49%	5.83%	5.24%
\$10M-20M	1.34%	2.16%	2.11%
\$20M+	0.94%	0.85%	0.94%

The largest portion of closed sales continued to concentrate at the \$500K-1M price range, while the number of closed sales below \$500K shrunk by almost 3%. This was due to a 20% decrease in the number of closed sales for condo studios, while the number of deals for larger units in both condo and co-op markets increased significantly compared to this quarter last year. Thus, with the reduced inventory at the entry market price and its rapid absorption, the demand for properties within the \$1M-3M price range shows a systematic growth and continued shifting toward a seller's market.

In the meantime, closed sales activity in the luxury market above \$10M showed a slight decline from this quarter last year, indicating that buyers continued to hold the advantage over the price point flexibility at the higher-end of the market.

CLOSED SALES BY BEDROOM: CONDO

BEDROOMS	METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
studio	Median Price	\$790,000	\$982,500	\$870,000	-19.59%	-9.20%
	# of Closed	278	403	347	-31.06%	-20.03%
1 bedroom	Median Price	\$1,050,000	\$1,055,000	\$995,000	-0.47%	5.53%
	# of Closed	537	474	379	13.35%	41.69%
2 bedrooms	Median Price	\$1,855,000	\$1,915,000	\$1,890,000	-3.13%	-1.85%
	# of Closed	443	465	333	-4.84%	32.88%
3 bedrooms	Median Price	\$3,225,000	\$3,743,750	\$3,415,000	-13.86%	-5.56%
	# of Closed	204	173	146	18.26%	39.73%
4+ bedrooms	Median Price	\$6,750,000	\$6,515,000	\$7,426,375	3.61%	-9.11%
	# of Closed	63	106	52	-40.71%	21.15%

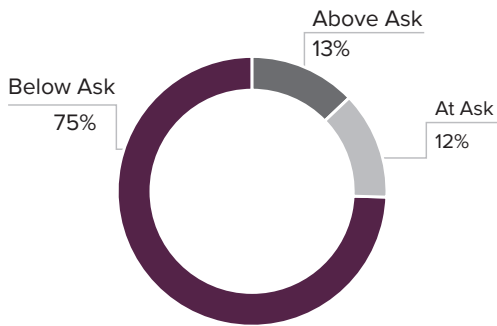
CLOSED SALES BY BEDROOM: CO-OP

BEDROOMS	METRIC	Q3 2017	Q2 2017	Q3 2016	QoQ%	YoY%
studio	Median Price	\$495,600	\$550,000	\$516,000	-9.89%	-3.95%
	# of Closed	654	723	633	-9.48%	3.32%
1 bedroom	Median Price	\$750,000	\$710,000	\$695,000	5.63%	7.91%
	# of Closed	933	794	659	17.54%	41.58%
2 bedrooms	Median Price	\$1,280,000	\$1,340,000	\$1,297,500	-4.48%	-1.35%
	# of Closed	719	579	516	24.15%	39.24%
3 bedrooms	Median Price	\$2,425,000	\$2,315,000	\$2,000,018	4.75%	21.25%
	# of Closed	266	219	158	21.37%	68.04%
4+ bedrooms	Median Price	\$3,950,000	\$3,775,000	\$3,726,500	4.64%	6.00%
	# of Closed	99	80	72	23.75%	37.50%

PRICE NEGOTIABILITY*

Q3 2017 Market Report MANHATTAN

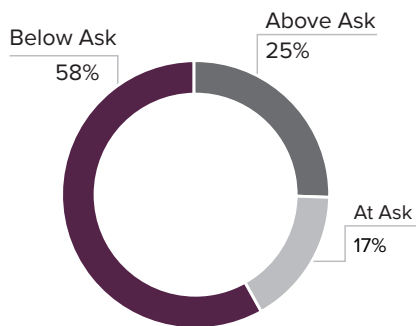
CONDO



PRICE	Q3 2017	Q2 2017	Q3 2016
Above	13.04%	18.76%	17.20%
At	11.96%	11.39%	10.36%
Below	75.00%	69.85%	72.44%

The number of condo closed sales above ask declined year-over-year. This left more room for buyers to negotiate and the number of closed sales below ask increased by almost 3%.

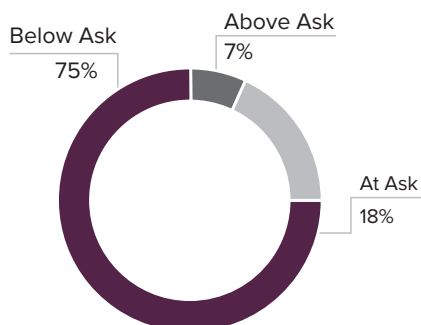
CO-OP



PRICE	Q3 2017	Q2 2017	Q3 2016
Above	24.61%	25.51%	28.94%
At	16.95%	14.22%	13.99%
Below	58.44%	60.27%	57.06%

The price negotiability for co-op units remained relatively steady, with a slight 1% increase in the number of closed sales above ask. The linear increase in the demand for co-op units gave sellers sufficient confidence to stay firm on their asking prices.

TOWNHOUSE



PRICE	Q3 2017	Q2 2017	Q3 2016
Above	6.82%	4.88%	20.97%
At	18.18%	29.27%	11.29%
Below	75.00%	65.85%	67.74%

Due to an increase in closed sales for high-tier townhouse inventory, the volume of sales above ask decreased significantly, by more than 14%, leaving slightly more room for buyers to negotiate. The number of closed deals below ask increased by 7% compared to last year.

*% breakdown of closed listings above, at and below original asking price

- This report was produced and authored by We3 Real Estate, Inc. Contact: kamila@we3.com.
- Data sources: Automated City Register Information System (ACRIS), New York City public data and proprietary sources between July 1st, 2016 and September 30th, 2017.
- This report is based on market-wide data for condo, co-op and townhouse resales. New development data is excluded.
- Closed and contract signed prices are based on the closing and last listed price respectively, while new inventory prices are based on the original listed price.
- The average days on market for both in-contract listings and closed sales represent the number of days from the first listed date to the contract date.
- All non-market transactions are excluded from the report.
- The number of closed sales for Q3 2017 accounts for typical lag in ACRIS filings adjusted for seasonality.
- Information is based in whole or part on residential property transactions and is being provided “as is.” Data may not reflect all real estate activity in the market.