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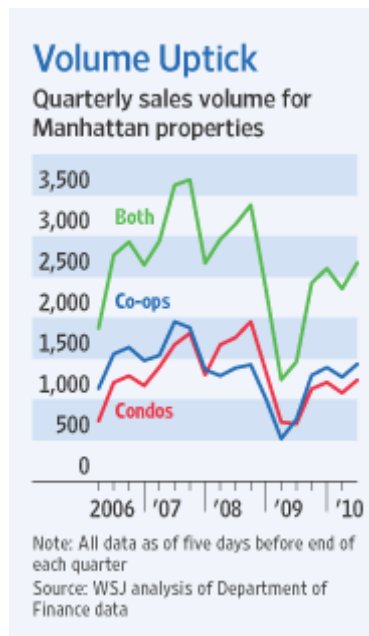
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# Apartment Sales Up in Manhattan

By JOSH BARBANEL

Sales of Manhattan apartments picked up during the second quarter, to the fastest pace since the summer of 2008, an illustration that the market has been recovering during the spring selling season, usually the busiest time of the year.

A Wall Street Journal review of closed-sales filings with New York City Department of Finance shows that during the second quarter, which ends June 30, sales were running 80% above the pace reported a year ago.



Analysts said there has likely been a modest recovery in prices as well. Major brokerage firms are scheduled to release quarterly market reports on price trends next week.

Even so, some brokers have cautioned that a further recovery in the luxury market would depend on the pace of recovery for the U.S. economy and the health of New York's important finance sector.

After the collapse of Lehman Brothers in September 2008, much of the Manhattan real-estate market froze. The low point of recorded sales was in the first quarter of 2009. By the end of the second quarter, activity began to pick up again.

Adam Modlin, a broker and president of the Modlin Group, said prices had stabilized in Manhattan, and that this in turn led to a pickup in sales. "Now when buyers see value they are willing to pull the trigger," he says. "There is only so much of New York to go around."

The higher sales figures are likely to translate into higher earnings for real-estate brokerage firms this year. During the downturn, brokers said some large brokerages struggled to cover expenses, and a number of small firms in New York and around the region were absorbed by stronger competitors.

Still, the most recent figures are more than 25% below the peak sales figures reported in mid-2007, when condominium prices were rising rapidly, and apartments in new condo developments were selling briskly.

During the spring season, the pickup in Manhattan co-op sales was particularly strong, with co-op sales hitting the highest pace since the summer of 2007. Co-ops made up about 54% of sales reported so far during the second quarter. Average co-op prices were also reported to be up, especially for two- and three-bedroom apartments. But in the ultra-luxury market, co-op prices have been hurt more than in other market segments.

About three-quarters of all owner-occupied apartments in Manhattan are co-ops. During the boom years, sales of co-ops lagged behind sales of the new condominiums that flooded the market.

The sales figures were culled from deed and tax filings recorded up to five days before the end of each quarter.

**Write to** Josh Barbanel at [josh.barbanel@wsj.com](mailto:josh.barbanel@wsj.com)

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