

R New York Second Quarter 2022 Market Report

The Manhattan real estate market continues to show strong growth due to pent-up demand as the New York City and the US both show strong continuing economic growth and strong financial conditions. Total sales of 3,834 were up 12% year over year – the highest in the last 15 years for a second quarter. Average sales price was up 12% year over year and price per square foot was also up 8% year over year. Median sales price was \$1.25m up 11% year over year. Listing inventory was up 1% year over year while months of supply was 6.2, down 10% year over year given the strong demand.

Condo sales and coop sales were both strong with condo sales up over 9% and coop sales up over 15% y/y. Pricing was strong with average condo price per square foot up 11% and average co-op price per square foot up 4% year over year.

With New York City getting back to normalcy and businesses continuing to improve in 2022 helped by strong economic conditions, we would expect to see the strong recovery in the real estate market to continue in 2022. Given pent-up demand and a strong economy, we would expect to see continued strong growth in real estate sales for 2022. Higher interest rates this year could dampen some of the strong demand we are seeing but is unlikely to stop this bull market in New York real estate. We forecast that the growth in housing sales could be up high single digits / low double digits in 2022 vs. very strong comps in 2021. However, due to tougher comps, housing sales in the second half will likely slow due to single digits growth from double digits growth in the first half of 2022.

The Manhattan real estate market showed continuing strong growth this quarter as the impact of the COVID-19 pandemic subsides and as the economy bounces back

Manhattan	2Q22	2Q21	% y/y change	1Q22	% q/q change
Average sales price (\$mm)	2.15	1.92	12.2%	2.04	5.5%
Avg. price per sq. ft.	1670	1548	7.9%	1616	3.3%
Median sales price (\$mm)	1.25	1.13	10.6%	1.19	5.0%
Re-sale Median price	1.05	1.00	5.1%	0.99	6.1%
Closed sales	3834	3417	12.2%	3585	6.9%
Average days on market	86	169	-49.1%	137	-37.2%
Listing Inventory	7968	7880	1.1%	6906	15.4%
Months of supply	6.2	6.9	-10.1%	5.8	6.9%

Manhattan Co-ops	2Q22	2Q21	% y/y change	1Q22	% q/q change
Average sales price (\$mm)	1.39	1.28	9.0%	1.35	2.8%
Avg. price per sq. ft.	1187	1139	4.2%	1208	-1.7%
Median sales price (\$mm)	0.87	0.82	5.5%	0.83	4.8%
Closed sales	2066	1801	14.7%	1938	6.6%
Average days on market	81	160	-49.4%	139	-41.7%
Months of supply	5.7	6.6	-13.6%	5.4	5.6%

Manhattan Condos	2Q22	2Q21	% y/y change	1Q22	% q/q change
Average sales price (\$mm)	3.05	2.64	15.4%	2.85	6.8%
Avg. price per sq. ft.	2132	1921	11.0%	1992	7.0%
Median sales price (\$mm)	1.88	1.65	14.1%	1.78	5.8%
Closed sales	1768	1616	9.4%	1647	7.3%
Average days on market	92	179	-48.6%	135	-31.9%
Months of supply	6.9	7.3	-5.5%	6.2	11.3%

Source: Samuel Miller

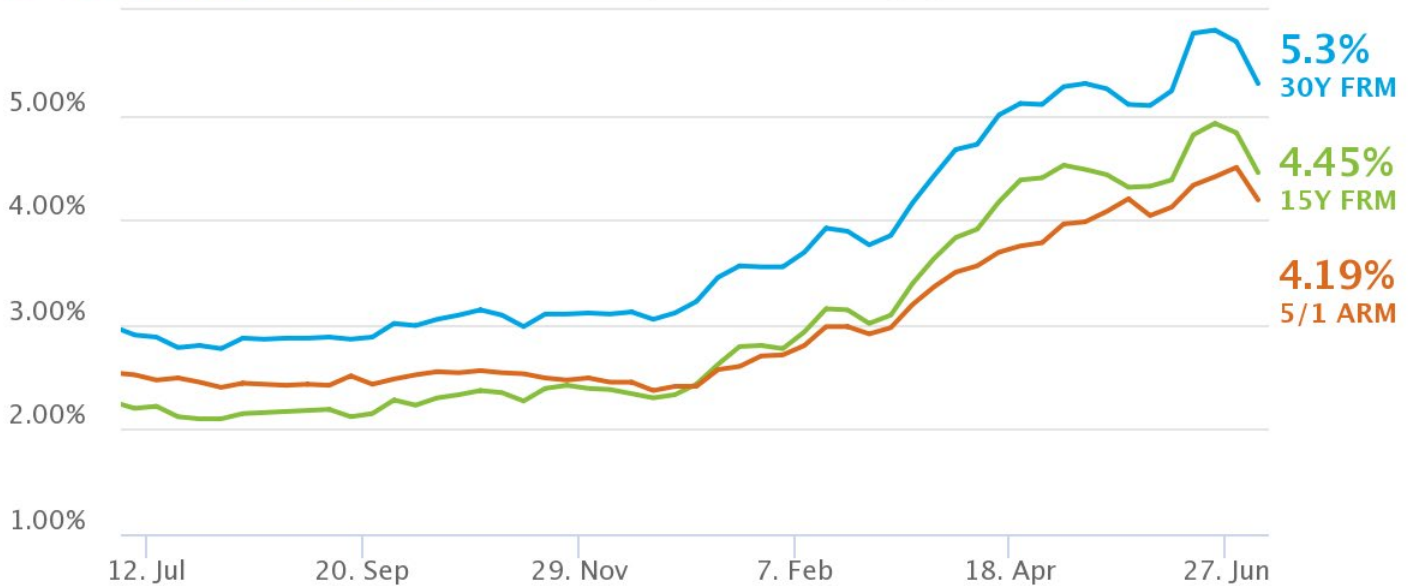
Mortgage rates pose some risks to the housing market due to recent rapid increase

30-year mortgage rates are currently at 5.3% up 2% in the past year and at a 5-year high and will likely dampen some of the strong demand for housing in New York City.



Primary Mortgage Market Survey[®]

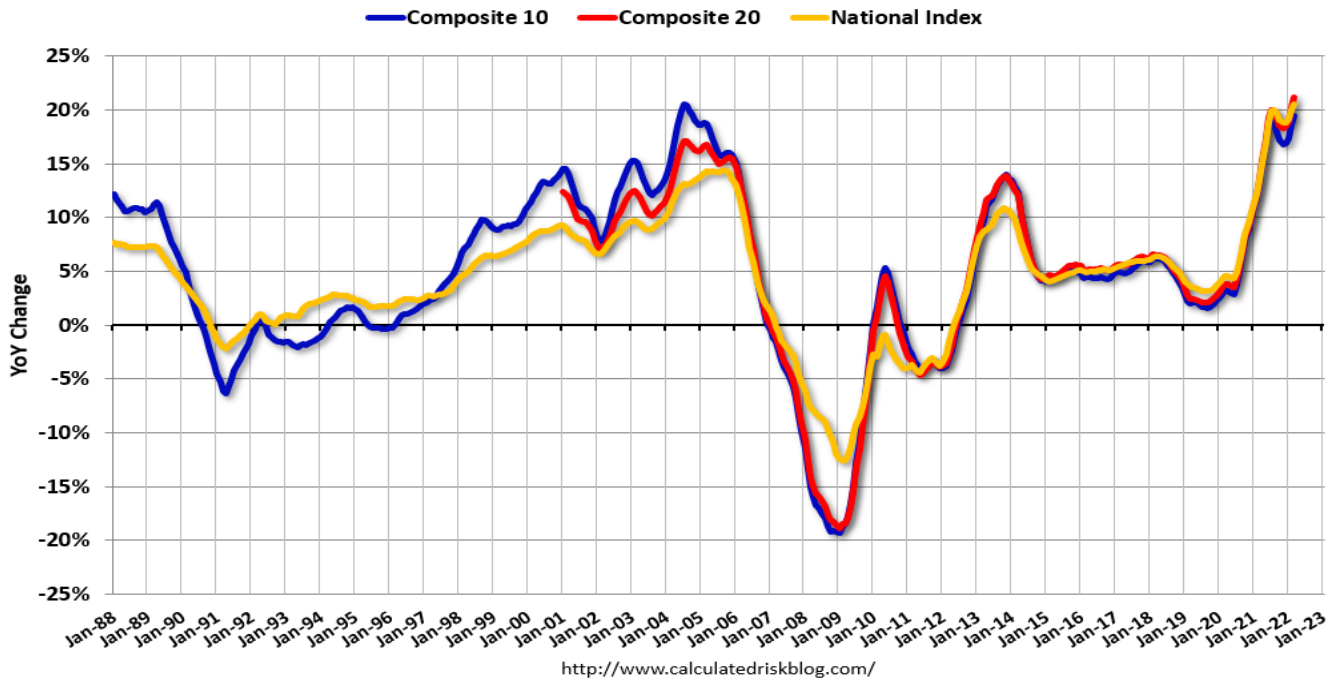
U.S. weekly average mortgage rates as of 07/07/2022



Economic indicators show that the US economy is experiencing a strong recovery

Home prices nationwide area very strong and up 20% year over year; this should help the Manhattan real estate market which has lagged behind in pricing vs. other cities

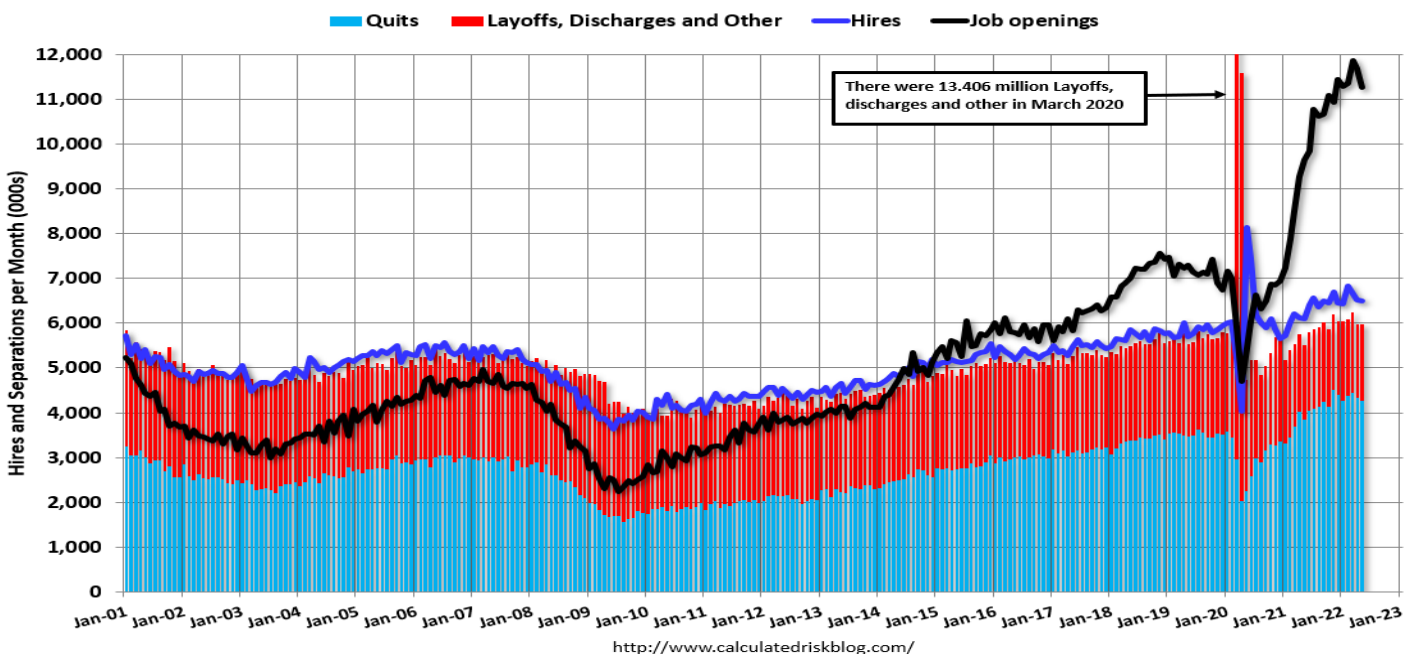
Case-Shiller National and Composite Indices SA, Year-over-year Change



Total US payroll has improved and should continue to rebound, which will support a recovery in the US economy and in the real estate market

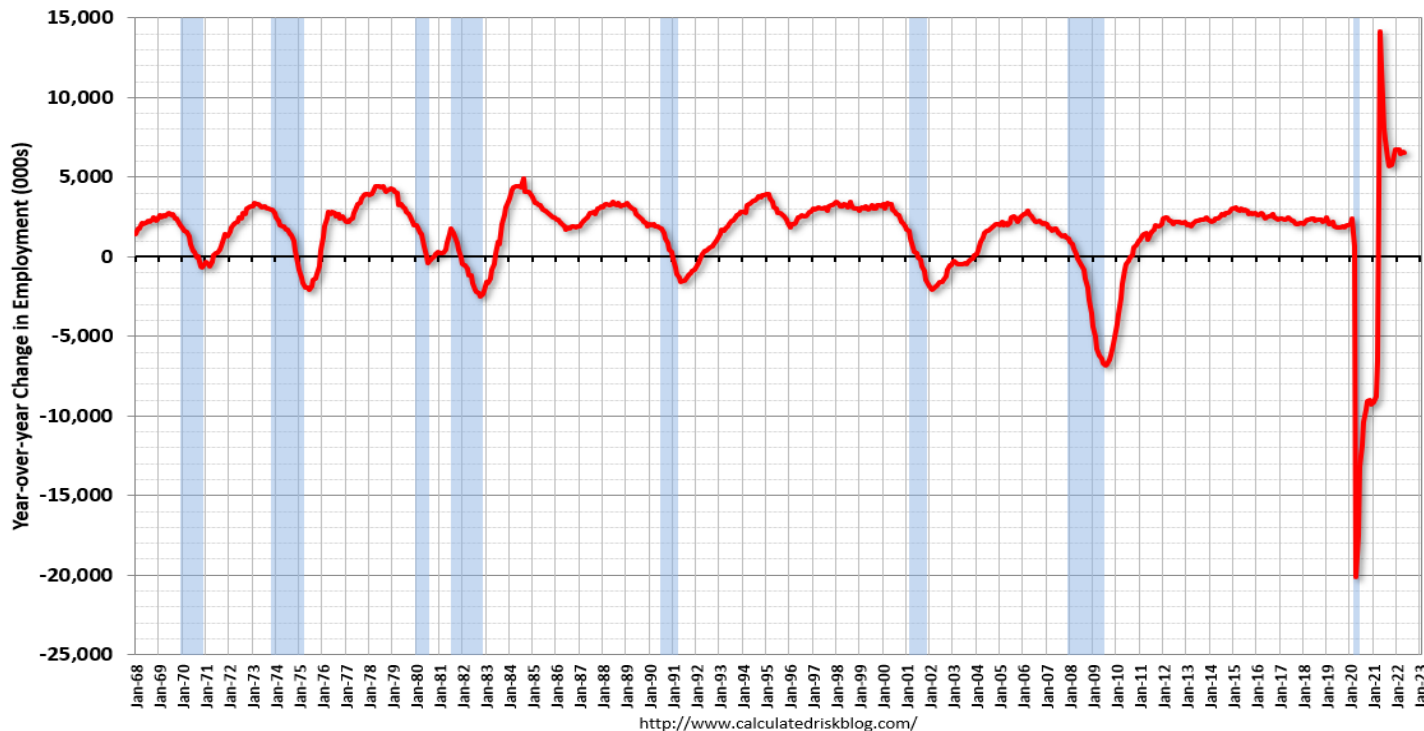
The number of job openings remain very strong at 11.3m as of May 2022.

Hires and Separations Monthly (SA) from Job Openings and Labor Turnover Survey (JOLTS), Source: BLS



After a sharp decline with millions of people laid off in 2020 due to the shutdown of business activity in the country, we are seeing a strong recovery in the job market. In the past 12 months, the US added 6.5 million jobs year over year thru May 2022. Unemployment rate has dropped back to pre-pandemic levels at 3.6% given the strong job recovery.

Year-over-Year Change in Employment



Percent Job Losses in Post WWII Recessions

