

Manhattan Apartment Sales Double as Buyers Target Bargains

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By Oshrat Carmiel

April 2 (Bloomberg) -- Manhattan apartment sales almost doubled in the first quarter as bargain-hunting buyers scooped up co-ops and condos in a market where prices have fallen an average 29 percent since their peak.

The number of sales soared to 2,348 from 1,195 a year earlier, New York appraiser Miller Samuel Inc. and broker Prudential Douglas Elliman Real Estate said today.

The median price for a co-op or condo slid 11 percent to \$868,000.

Values fell across apartments of all sizes as New York City recorded 10.2 percent unemployment in February. Fallout from the recession and credit crisis that cost more than 184,000 finance jobs in the Americas is still hurting New York. The city lost 5.4 percent of its finance industry jobs in the 12 months ending in February, the state Labor Department said March 25.

"Buyers out there who are sophisticated are bypassing the product that is significantly overpriced," said Jonathan Miller, president of New York-based appraiser Miller Samuel Inc. "The people who are priced correctly are seeing their properties sell."

Properties stayed on the market an average of 124 days, or 27 percent less time than a year earlier. Listing discounts, which measure the amount of money sellers subtracted from their asking price to strike a deal, fell to 5.4 percent from 12.4 percent in the first three months of 2009.

Both figures suggest that apartments priced to meet buyer expectations were the most likely to sell, Miller said.

Priced to Sell

About two-thirds of units on the market are priced at least 10 percent too high, he said. Five reports issued today showed price declines in Manhattan. The Corcoran Group, which conducts its survey with research company PropertyShark.com, said the median price dropped 11 percent from a year earlier. Brown Harris Stevens and Halstead Property LLC put the decline at 10 percent and StreetEasy.com said the fall was 8.1 percent.

The number of apartments for sale surged 17 percent from the previous three months to 8,027 properties, the biggest jump from the end of one year to the beginning of the next in at least a decade, Miller said.

"I anticipate a lot more inventory growth this year than we normally see because people are testing the waters again," Miller said.

Plotting Strategy

Jessica Brookbanks knew she'd face competition when she and her husband decided to put their two-bedroom, two-bathroom co-op on the Upper West Side up for

sale. Brookbanks, a broker at Stribling & Associates who just had a second child, is planning a move to Westport, Connecticut, and wanted to be there in time for Jessica Brookbanks knew she'd face competition when she and her husband decided to put their two-bedroom, two-bathroom co-op on the Upper West Side up for sale. Brookbanks, a broker at Stribling & Associates who just had a second child, is planning a move to Westport, Connecticut, and wanted to be there in time for next school year.

She priced her apartment at \$850,000, about \$50,000 less than comparable units in her neighborhood, hoping to sell fast and short-circuit lengthy negotiations. The price was also slightly less than the couple paid in 2006.

They had a contract with a buyer within two weeks of listing the apartment.

"I felt I could have put it on for \$875,000 and possibly negotiated with my buyer -- but not much," Brookbanks, 33, said in a telephone interview. "I thought: I don't want the extra two weeks negotiating. In the end I got my price."

About 3,996 listings, or 28 percent of properties on the market, carried price cuts in the first quarter, according to StreetEasy's report.

Biggest Price Cut

The biggest was at 30 E. 65th St., where a unit listed in January for \$2.4 million was reduced 29 percent to \$1.7 million on Feb. 10, according to StreetEasy. The 1,300-square-foot co-operative with a wrap-around terrace was under contract to a buyer a month later.

"There is still zero tolerance for overpricing," said Pamela Liebman, chief executive officer of New York-based broker the Corcoran Group. "If your property is overpriced, take it off the market because it's not going to sell."

Corcoran brokers counted 190 bidding wars among buyers vying for apartments, Liebman said. Unlike competitions during the boom, most ended without driving the price beyond what the seller initially asked, she said.

Studio apartment prices fell 14 percent from a year earlier to a median of \$375,000, Miller Samuel said. One-bedrooms slid 12 percent to \$627,500; two-bedrooms sank 25 percent to \$1.21 million and three-bedrooms plunged 36 percent to \$2.4 million. Prices for four-bedroom apartments declined 28 percent to a median of \$5.65 million.

Luxury Sales

Sales of luxury apartments, defined as the top 10 percent by price, climbed 96 percent to 235 transactions, Miller Samuel said. Their median price fell 31 percent to \$4.58 million.

On the Upper East Side, the median price of existing co-ops dropped 6 percent to \$840,000, according to Corcoran and PropertyShark.com. Condos in the area fell 18 percent to a median of \$1.18 million. On the Upper West Side, co-op re-sales prices climbed 11 percent to a median of \$775,000 and condos rose 4 percent to a median of \$1.02 million.

The average price per-square-foot of condos on the Upper East Side fell 19 percent in the first quarter to \$1,192, according to Halstead and Brown Harris, both owned by Terra Holdings LLC.

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--Editors: Sharon L. Lynch, Kara Wetzel