

Manhattan apartment sales slowed in first quarter of 2019

Profits predict New York prices will fall this year as new developments come to market



An apartment at 220 Central Park South in New York City was bought by Ken Griffin, the billionaire hedge fund manager, for \$238m in January, making it the most expensive home ever sold in the US © Bloomberg

Lindsay Fortado in New York 7 MINUTES AGO

Sales of Manhattan apartments slowed in the first quarter of this year amid a flurry of new developments coming to market, while the average price skewed upwards because of hedge fund titan Ken Griffin's purchase of a [\\$238m condominium](#), the most expensive ever in New York City.

The number of sales was down as much as 11 per cent, according to Stribling & Associates, a residential real estate broker. Another report on Tuesday from Corcoran had sales falling by 5 per cent. Brokerage Douglas Elliman and Miller Samuel, a real estate appraisal firm, said first quarter sales of co-operative and condominium apartments fell 2.7 per cent.

The median price of apartments in Manhattan, depending on the report, ranged from down 2 per cent to up 3.2 per cent from a year earlier.

I don't think New York City is acting very friendly right now to the wealthy buyers

Pam Liebman, Corcoran chief executive

Prices are likely to [fall further](#) in New York City's prime borough in the coming year, said Pam Liebman, Corcoran's chief executive. "A lot of the pricing that you're seeing is based on deals that have been in the pipeline for several years," she said. The number of contracts signed in the first quarter fell 6 per cent.

"I think that we're seeing inventory levels that are the highest since the first quarter of 2012 and with more choice out there," she said. "It's put downward pressure on pricing."

The number of sales of apartments in new developments fell 39.4 per cent, according to Douglas Elliman and Miller Samuel. The average sales price of new developments rose 89.4 per cent to \$7.6m, but that reflected Mr Griffin's purchase of an apartment overlooking Central Park, adding to his [extensive portfolio](#) of prime properties in the US and Europe.

President Donald Trump's tax reform law, which reduced the amount of mortgage interest buyers could deduct, also had a negative effect on property sales.

A new [mansion tax](#), which introduces a one-time levy on purchases of New York City apartments that sell for at least \$1m, could stymie the market further. Still, for the real estate industry, the tax is better than an initial proposal of an ongoing pied-à-terre tax on luxury second homes in the city.

"The pied-à-terre tax would have been a market stopper, [the mansion tax] is a market dampener," said Ms Liebman.

"I don't think New York City is acting very friendly right now to the wealthy buyers," she said, adding that they many are opting to buy in Florida and other states with lower taxes than New York.

Tax increases also have been driving buyers towards rentals, she said.

Stribling said the number of properties rented in Manhattan during the last quarter of 2018 and the first quarter of this year fell 3 per cent. The same indicator rose 38 per cent in the New York borough of Brooklyn year over year.

Managing Assets for Insurers UK 2019

London
03 April 2019

Finding growth at a time of increasing uncertainty

[Register now](#)

Presented by



[Get alerts on Property sector when a new story is published](#)

[Get alerts](#)

[Copyright](#) The Financial Times Limited 2019. All rights reserved.

Latest on Property sector

Follow the topics in this article

Property sector

North American prime property

Douglas Elliman LLC

Miller Samuel Inc

Manhattan

How easy or hard was it to use FT.com today?

[Leave feedback](#)