

Luxury Home Prices Dip to 2014 Levels in Manhattan

Continued lack of buyer demand drove luxury home prices to their lowest levels since 2014 in Manhattan and 2016 in Brooklyn, according to the October 2017 StreetEasy Market Reports

NEW YORK, Nov. 21, 2017 /PRNewswire/ -- As the supply of luxury homes in NYC continued to outpace buyer demand, the median price of luxury homes sank to its lowest level since April 2014 in Manhattan and close to its lowest level since May 2016 in Brooklyn, according to the October 2017 StreetEasy® Market Reportsⁱ.

In Manhattan, the median resale price for a luxury home, defined as within the top 20 percent of the market, dropped 2.0 percent year-over-year in October to \$4,317,377. It fell 3.6 percent in Brooklyn, to \$1,627,904ⁱⁱ. In Queens, the median price for a top-tier home rose 6.9 percent to \$1,036,058ⁱⁱⁱ.

"The onslaught of high-end development in Manhattan and Brooklyn shows no signs of slowing down," said StreetEasy Senior Economist [Grant Long](#). "Sellers are having a hard time finding buyers without offering severe price cuts, often to levels below their original purchase prices. This isn't a new phenomenon, but with too much luxury inventory already on the market and even more supply to come, this trend isn't over. The luxury market in 2018 will continue to favor the buyer, who will likely encounter increasingly anxious sellers willing to slash prices as more new construction hits the market."

October 2017 Key Findings - Manhattan

- **Broader resale prices rose in Manhattan as luxury resale prices fell.** Manhattan's median resale price rose by 2.2 percent to \$1,184,362, while the median luxury resale price fell by 2.0 percent to \$4,317,377. Manhattan's luxury homes also spent 15 more days on the market for a total of 157 days.
- **Rents stagnated across Manhattan; rents fell in Tribeca.** Rents in Manhattan grew 0.4 percent since last year to a median of \$3,164^{iv}. Tribeca's pricey median asking rent dropped a substantial 25.1 percent since last year to \$5,995.
- **Rental discounts reached an all-time high.** The share of Manhattan rentals that offered a discount reached their highest levels on record: 28 percent of rental units were discounted, up 3.4 percent year-over-year.

October 2017 Key Findings - Brooklyn

- **Resale prices rose, except in North Brooklyn.** The median resale price in Brooklyn rose 3.4 percent year-over-year to \$751,100. North Brooklyn, the borough's second-most expensive submarket, was the only submarket where prices declined, with the median down 0.9 percent year-over-year to \$1,095,370.
- **Luxury resale prices dropped the most of the three boroughs.** Brooklyn luxury resale prices fell by 3.6 percent to a median of \$1,627,904. Luxury homes also spent 11 days longer on the market than last year - reaching a median of 66 days.
- **Brooklyn rents grew modestly.** Median rent rose just 0.7 percent to \$2,550, marking the 11th consecutive month in which rents grew less than 1 percent in Brooklyn.

October 2017 Key Findings - Queens

- **Queens resale prices rose at the fastest rate.** Outpacing Manhattan and Brooklyn, Queens' median resale price rose 6.8 percent year-over-year to \$510,034.
- **Prices for the most expensive homes increased.** Unlike Brooklyn and Manhattan, luxury resale prices in Queens rose 6.9 percent to a median of \$1,036,058, but homes spent 46 more days on the market - reaching a median of 95 days.
- **Rents in Queens remain unchanged from last year.** Queens' rents declined just 0.1 percent (or \$2) since last year, reaching a median of \$2,114.
- **Rental discounts reached an all-time high.** The share of Queens rentals that offered a discount reached their highest levels on record: 25 percent of rental units were discounted (up 5.9 percent year-over-year).

The complete StreetEasy Market Reports for Manhattan, Brooklyn and Queens, with additional neighborhood data and graphics, can be viewed at streeteasy.com/blog/market-reports.

About StreetEasy

StreetEasy is New York City's leading local real estate marketplace on mobile and the web, providing accurate and comprehensive for-sale and for-rent listings from hundreds of real estate brokerages throughout New York City and the major NYC metropolitan area. StreetEasy adds layers of proprietary data and useful search tools to help home shoppers and real estate professionals navigate the complex real estate markets within the five boroughs of New York City, as well as Northern New Jersey and the Hamptons.

Launched in 2006, StreetEasy is based in the Flatiron neighborhood of Manhattan. StreetEasy is owned and operated by Zillow Group (NASDAQ: Z and ZG).

StreetEasy is a registered trademark of Zillow, Inc.

ⁱ The StreetEasy Market Reports are a monthly overview of the Manhattan, Brooklyn and Queens sales and rental markets. Every three months, a quarterly analysis is published. The report data is aggregated from public recorded sales and listings data from real estate brokerages that provide comprehensive coverage of Manhattan, Brooklyn and Queens with more than a decade of history for most metrics. The reports are compiled by the StreetEasy Research team. For more information, visit <http://streeteasy.com/blog/market-reports/>. StreetEasy tracks data for all five boroughs within New York City, but currently only produces reports for Manhattan, Brooklyn and Queens.

ⁱⁱ The luxury tier cutoff price is derived from the 80th percentile (the top 20 percent) of recorded sales prices in each borough during the month. Price tier cutoffs change each period in order to capture evolving trends in homes that are being sold.

ⁱⁱⁱ Median resale price is measured by the StreetEasy Price Indices, monthly indices that track changes in resale prices of condo, co-op, and townhouse units. Each index uses a repeat-sales method of comparing the sales prices of the same properties since January 1995 in Manhattan and January 2007 in Brooklyn and Queens. Given this methodology, each index accurately captures the change in home prices by controlling for the varying composition of homes sold in a given month. Data on sale of homes is sourced from the New York City Department of Finance. Full methodology here: <http://streeteasy.com/blog/methodology-price-and-rent-indices/>

^{iv} Similar to the StreetEasy Price Indices, median rents are measured by the StreetEasy Rent Indices. By including only valid and verified listings from StreetEasy and employing a repeat rentals approach, the indices emphasize the changes in rent on individual properties and not between different sets of properties. Full methodology here: <http://streeteasy.com/blog/methodology-price-and-rent-indices/>

SOURCE StreetEasy

For further information: Casey Roberts, StreetEasy, press@streeteasy.com

<http://press.streeteasy.com/2017-11-21-Luxury-Home-Prices-Dip-to-2014-Levels-in-Manhattan>