



# RPX MONTHLY MANHATTAN NEIGHBORHOODS REPORT

Release Date: February 19, 2010

December 2009

## Key Characteristics

- The 28-day RPX Manhattan Condo transaction count increased 220% from its low for 2009 on May 5 to its high for the year on November 2.<sup>1</sup> The rapid increase from May to November brought the Manhattan condo transaction count close to its 5-year average. From its high point to November 17, Manhattan condo transactions fell 13%, but they stabilized thereafter. Between November 17 and December 17, the last date covered by this report, the RPX transaction count increased 0.9%. As of December 17, the 28-day transaction count is 181% higher than the 2009 low.
- In terms of both pricing and sales, the submarket for new construction has been hit harder than the Manhattan condo market as a whole over the last year. Exhibit 4 depicts the frequency of existing- and new-home sales across price per square foot intervals during two 28-day time periods: the period ending December 17, 2009, and the period one year prior. It shows that most of the growth in sales was driven by sales of existing homes, while sales of new homes declined slightly year over year. The increase in sales between December 17, 2008, and December 17, 2009, was concentrated in the \$800 - \$1000 per square foot range.
- Exhibit 4 also shows that new-unit sales shifted to lower price points relative to Manhattan condo sales in general between December 2008 and December 2009. The median price for new units declined 21% year over year, while the RPX Manhattan condo price, which is calculated using data from both new- and existing-home sales, declined by 16%.
- The Upper East Side neighborhood has been showing particularly strong activity over the past few months. Transaction counts in the Upper East Side increased 12.7% from November to December. Among neighborhoods that showed transaction count decreases in December, the Financial District, Upper West Side and Soho/Tribeca showed significant decreases of 9.7%, 11.3% and 33.3%, respectively.
- Transaction counts in all neighborhoods were higher in December 2009 than in December 2008, with the single exception of Soho/Tribeca, where transaction counts were 30.8% below their 2008 level. Transaction counts were significantly higher than 2008 levels in the other neighborhoods, with the Upper East Side, East Village/Lower East Side, Chelsea/West Village and Financial District posting year-over-year gains of at least 100%.
- The Manhattan Condo RPX price increased 3.69% in December on a month-over-month basis. However, price changes were split on the neighborhood level, with four of the eight neighborhoods increasing and four declining. The Upper West Side neighborhood exhibited the largest price gain at 10.1% while the Soho/Tribeca neighborhood exhibited the largest price decrease at -8.1%.
- The following profile of price and sales trends in the Soho/Tribeca neighborhood was featured in the RPX Monthly Housing Market Report for December 2009. It is the first of a recurring segment focused on neighborhood housing markets within the 25 metropolitan areas tracked by Radar Logic.

<sup>1</sup> Transaction counts represent the transactions included in the calculation of the Radar Logic Daily Prices and may not reflect transaction volume in the market.

## *RPX Neighborhood Snapshot: Soho/Tribeca, NY*

This market snapshot of recent price and sales activity trends in the Soho/Tribeca neighborhood of New York City (comprised of zip codes 10007, 10012 and 10013) is based on RPX data, as prepared by Radar Logic. It focuses exclusively on the market for condominiums and examines price and transaction trends at the neighborhood level.

Since the onset of the national housing bust, the Soho/Tribeca submarket has exhibited a textbook case of sticky home prices: sellers are loathe to reduce prices, so weakness in demand is expressed predominantly as a decline in sales activity. In mid-December, the aggregate price per square foot for Soho/Tribeca condo transactions was 35% off its peak in January 2009, while the RPX transaction count for the neighborhood was 82% off its peak in May 2007 (see Exhibit 1).

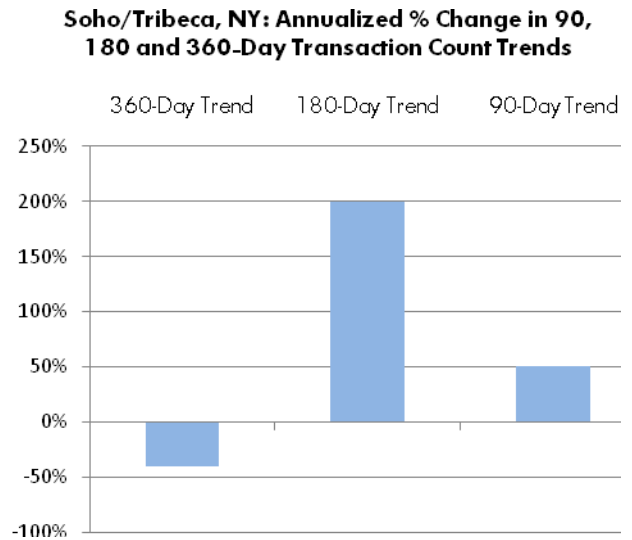
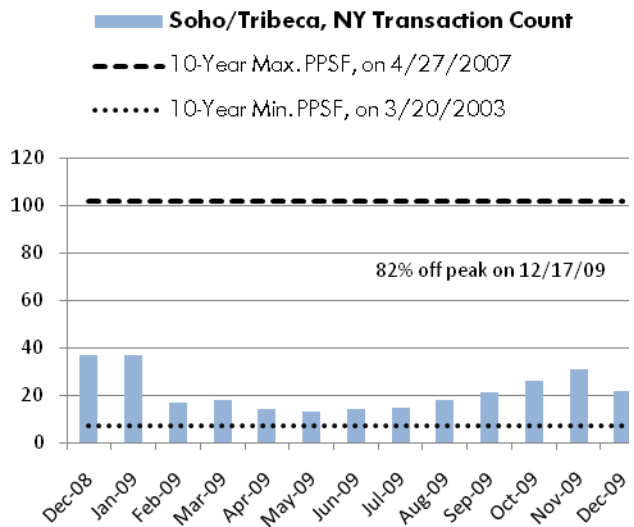
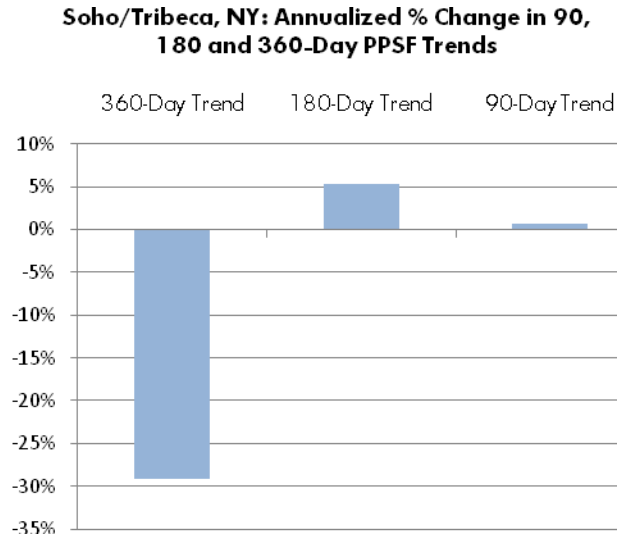
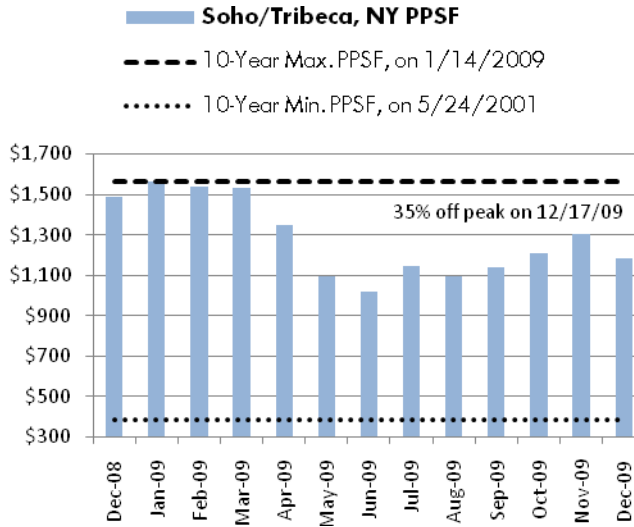
Price per square foot in Soho/Tribeca condo sales is hovering at roughly \$1100, and trends suggest that prices have been firming over both the last 90 days and the last 180 days, although the 360 day trend is still negative. While trends in transaction counts are significantly positive, they are off a very low base and may not be able to sustain their current growth rates.

As can be seen in Exhibit 2, an examination of the Soho/Tribeca neighborhood by price tier reveals an interesting pattern. Activity in units priced below \$1 million is extremely light. Transaction counts remain 89% below their historic peak. This may reflect low inventory levels at these price points.

For units priced between \$1 million and \$3 million, price per square foot is roughly 35% below its peak and transactions are running at 85% of their peak. Prices and sales were increasing in a contra-seasonal way through the autumn before dropping off in December. If there is a much anticipated "bonus bounce," we would expect prices to start to firm once again in the new year. As Soho/Tribeca does not typically have a large number of distressed properties (motivated sales) we do not expect this segment to have a meaningful impact.

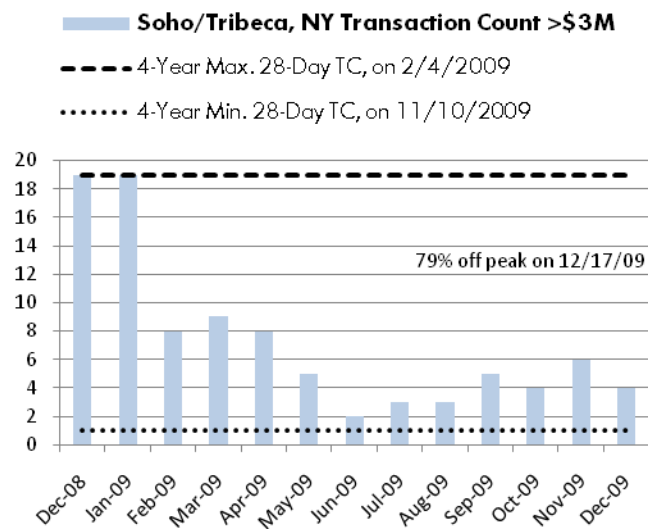
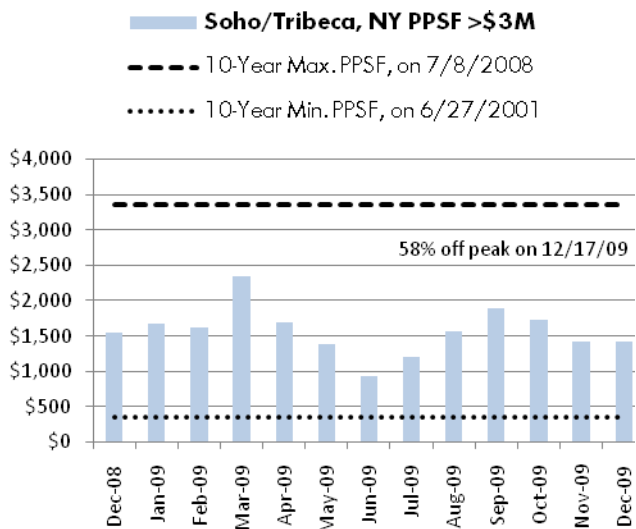
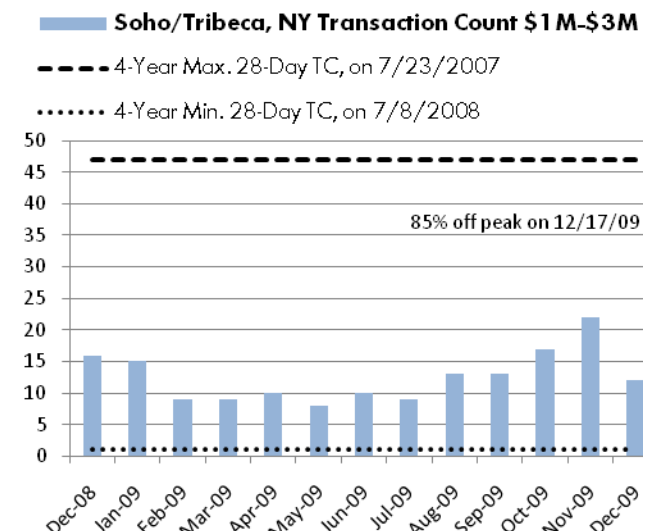
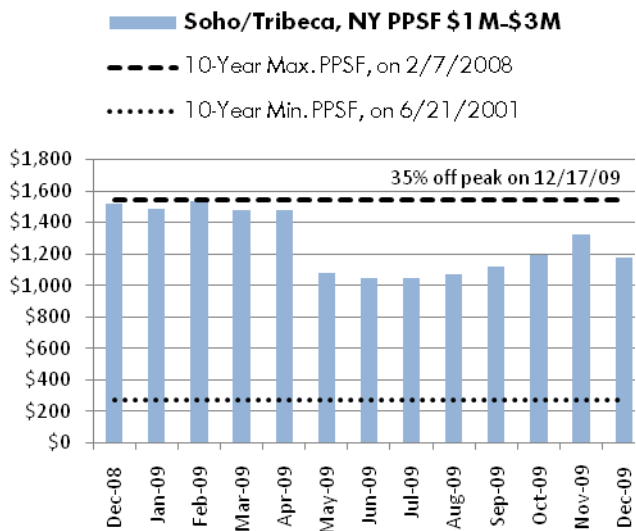
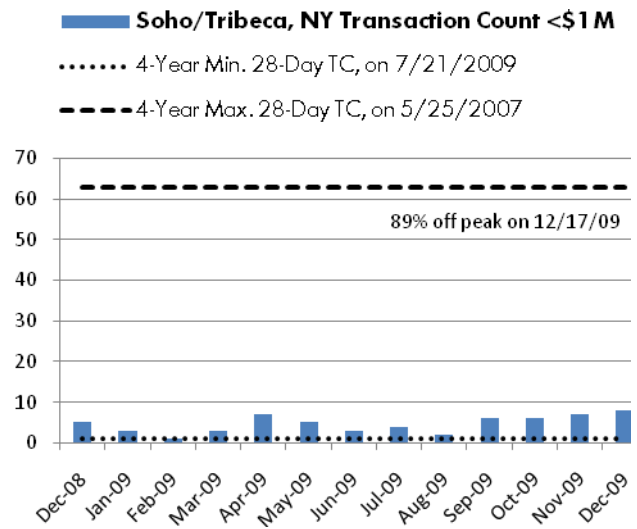
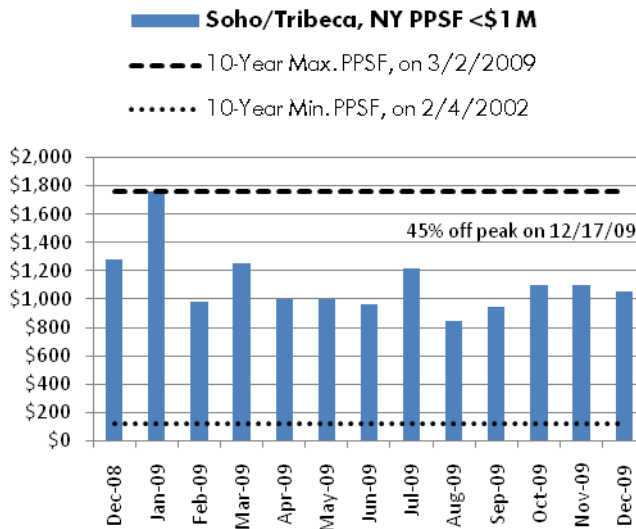
For units priced above \$3 million, the pattern suggests that activity is quite low, and prices per square foot are less relevant than the "I love this home" element. Transaction counts are 79% off peak and price per square foot is 58% off peak, but the data are too thin for this to be predictive. This is likely a segment where transaction activity is driven by home specific factors.

**Exhibit 1: Price Per Square Foot and Transaction Count for Soho/Tribeca Condominiums (Zip Codes: 10007,10012,10013)**



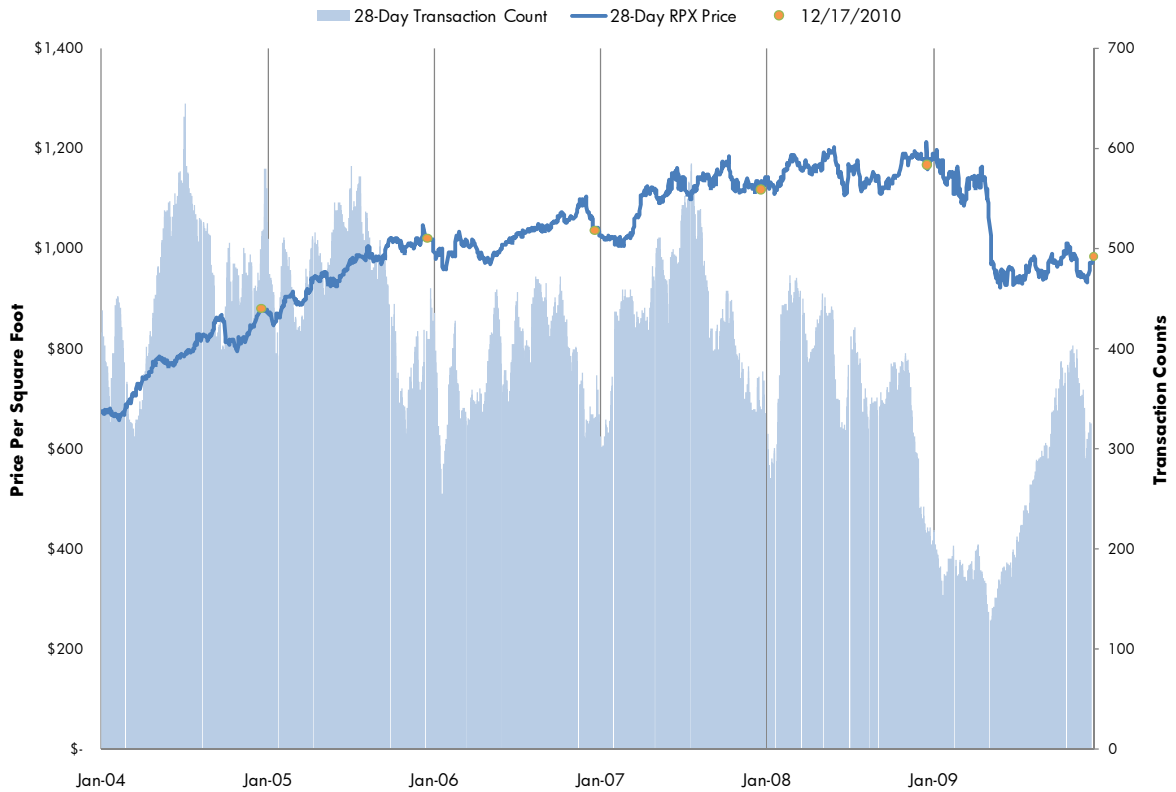
Source: Radar Logic, 28-Day RPX™ values for the Soho/Tribeca neighborhood as of 12/17/2009

## Exhibit 2: Prices Per Square Foot and Transaction Counts for Soho/Tribeca Condominiums in Three Price Tiers

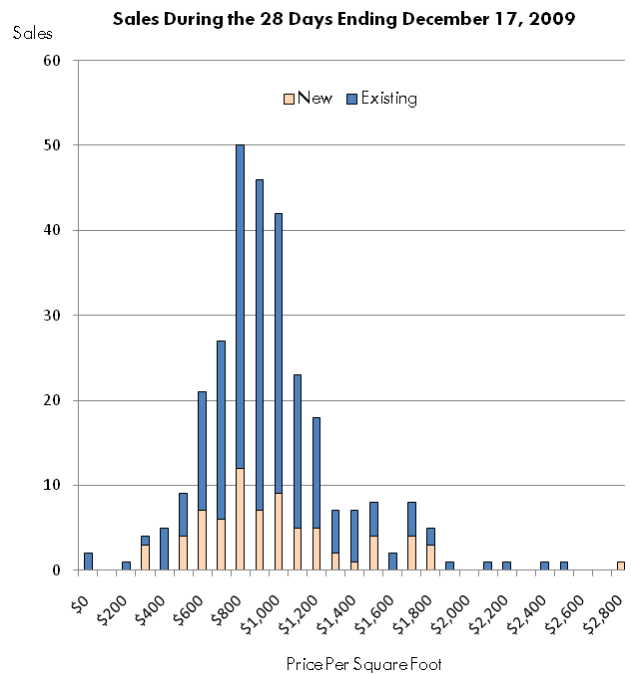
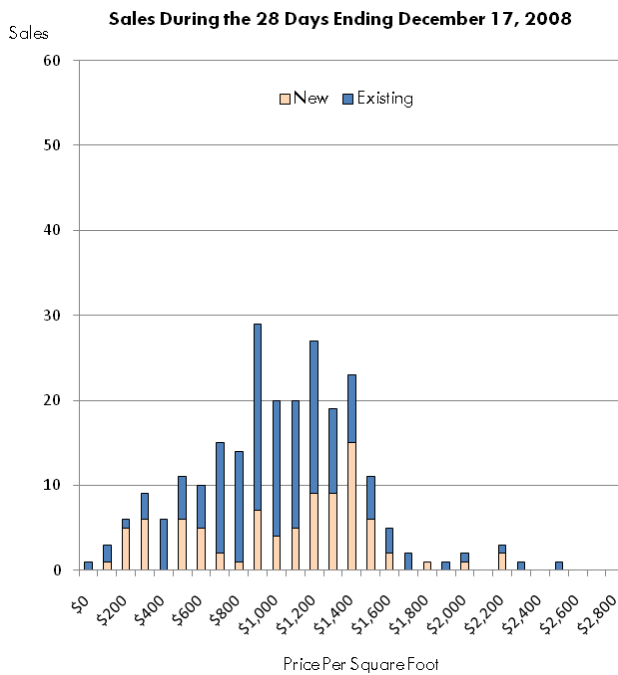


Source: Radar Logic, 28-Day RPX™ values for the Soho/Tribeca neighborhood as of 12/17/2009

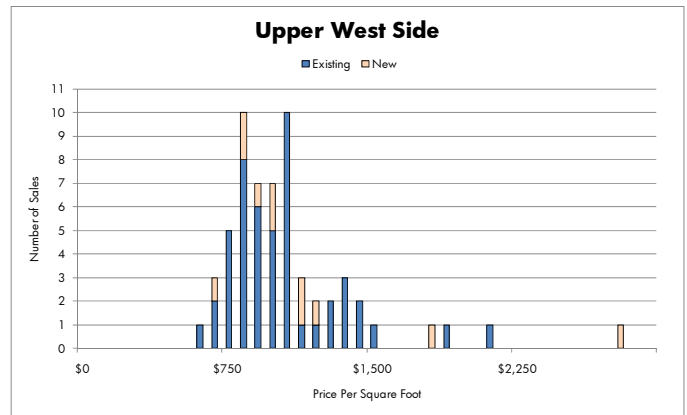
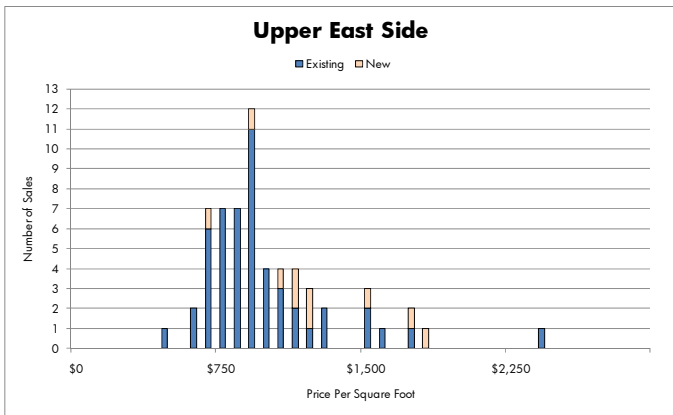
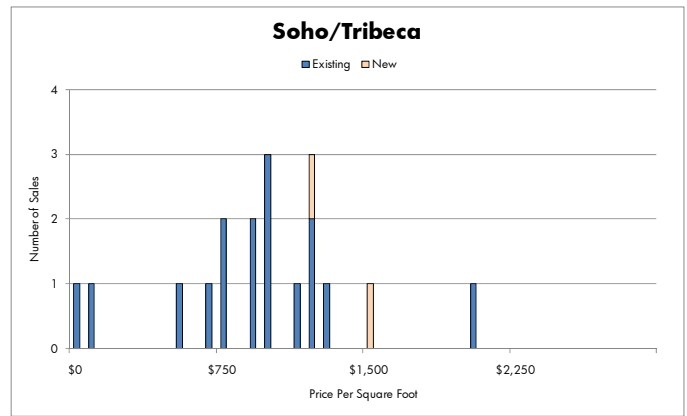
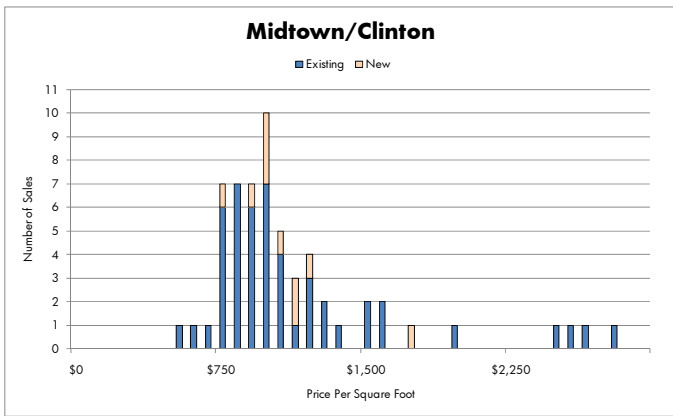
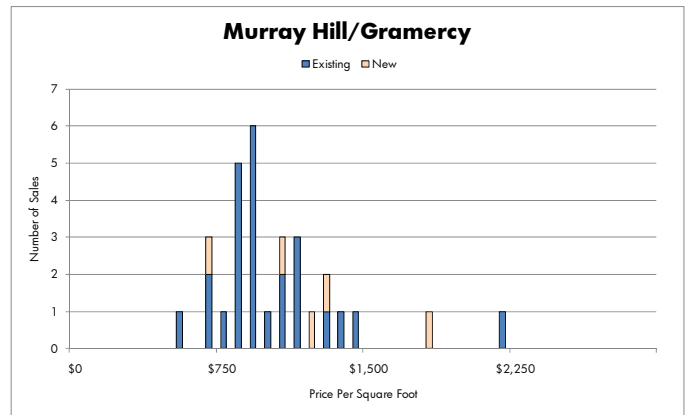
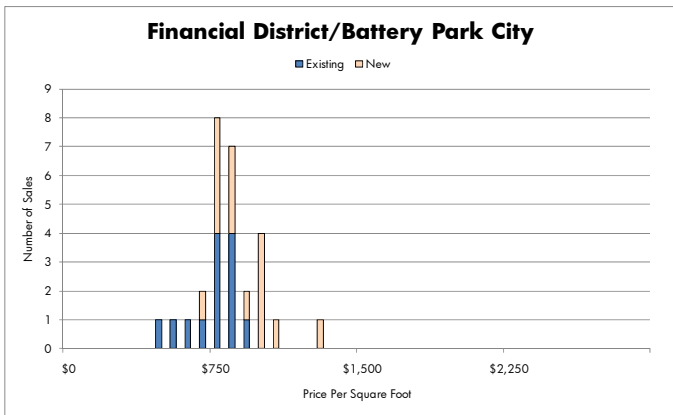
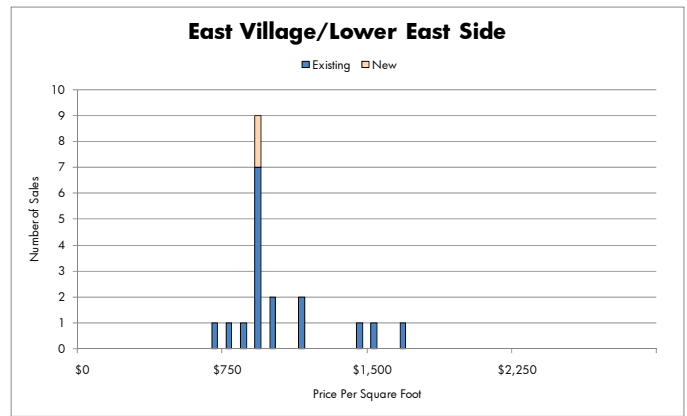
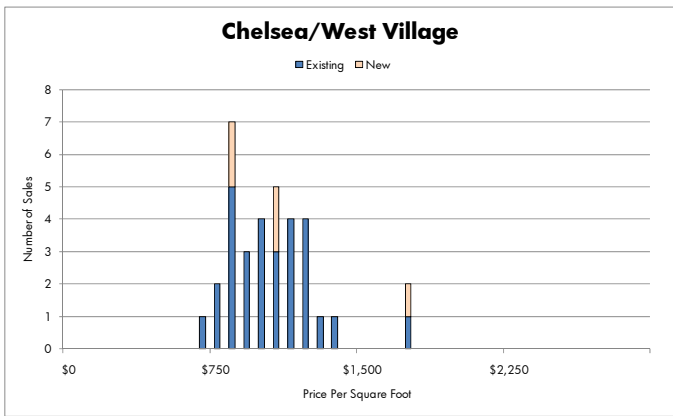
### Exhibit 3: Manhattan Condo RPX Prices and Transaction Counts, 2004-2009



### Exhibit 4: Mix of New and Existing Unit Sales in Manhattan Condominium Market



**Exhibit 5: Mix of New and Existing Unit Sales in RPX Manhattan Neighborhoods, 28 Days Ending December 17, 2009**



## Exhibit 6: Manhattan Neighborhoods Ranked by 1-Year % Change<sup>2</sup>

Dec 2009 Rank	Nov 2009 Rank	Neighborhood	PPSF on Dec 17, 2009	Dec 2009 vs. Dec 2008	Dec 2008 vs. Dec 2007	Dec 2009 vs. Nov 2009	Dec 2008 vs. Nov 2008
1	1	East Village/Lower East Side	\$967.09	3.2%	-26.4%	-0.4%	6.9%
2	2	Murray Hill/Gramercy	\$949.57	-1.5%	-6.8%	-4.5%	-12.7%
3	3	Upper West Side	\$1,043.74	-6.7%	-4.1%	10.1%	4.2%
4	5	Financial District	\$833.06	-8.3%	-13.5%	2.3%	-9.1%
5	4	Chelsea/West Village	\$1,056.72	-14.0%	4.1%	-2.4%	-5.4%
6	7	Midtown/Clinton	\$1,008.34	-19.4%	5.2%	2.8%	-3.7%
7	8	Upper East Side	\$935.71	-24.5%	13.1%	8.3%	6.0%
8	6	Soho/Tribeca	\$1,014.63	-28.8%	1.7%	-8.1%	3.9%
Manhattan Condominium			\$984.14	-15.75%	4.42%	3.69%	-1.42%

Manhattan Condominium and Manhattan Neighborhoods are subsets of the New York MSA

■ = positive ■ = neutral ■ = negative

## Exhibit 7: Transaction Counts<sup>3</sup>

	Dec 2008	Nov 2009	Dec 2009
Chelsea/West Village	16	34	35
East Village/Lower East Side	7	13	19
Financial District	14	31	28
Murray Hill/Gramercy	24	31	30
Midtown/Clinton	46	61	60
Soho/Tribeca	26	27	18
Upper East Side	15	55	62
Upper West Side	34	71	63

## Exhibit 8: Transaction Counts % Change<sup>3</sup>

	Dec 2009 vs. Dec 2008	Dec 2009 vs. Nov 2009
Upper East Side	313.3%	12.7%
East Village/Lower East Side	171.4%	46.2%
Chelsea/West Village	118.8%	2.9%
Financial District	100.0%	-9.7%
Upper West Side	85.3%	-11.3%
Midtown/Clinton	30.4%	-1.6%
Murray Hill/Gramercy	25.0%	-3.2%
Soho/Tribeca	-30.8%	-33.3%
Manhattan Condominium	63.9%	0.9%

<sup>2</sup> Source: 28-Day RPX value for the Manhattan Condominium market and each Manhattan Neighborhood as of 12/17/2009. Please refer to [www.radarlogic.com/disclosure\\_disclaimer.html](http://www.radarlogic.com/disclosure_disclaimer.html) for more information.

<sup>3</sup> Transaction counts represent the transactions included in the calculation of the Radar Logic Daily Prices and may not reflect transaction volume in the market.

## **About Radar Logic**

Radar Logic Incorporated, a real estate data and analytics company, calculates and publishes the Radar Logic Daily™ Prices. The prices track housing values for major U.S. metropolitan areas and are the basis of the Residential Property Index™ (RPX™), a market that enables real estate to be traded as a liquid asset, via property derivatives marketed by major financial institutions.

RPX allows real estate and financial professionals to manage opportunity and risk, invest in real estate values without owning physical assets and effectively analyze markets using a consistent metric: price per square foot. Data in the RPX Monthly Manhattan Neighborhoods Report reflect the 28-day aggregated value of Radar Logic Daily Prices. The price per square foot metric used significantly reduces the influence of property sizes on overall housing price trends, which can skew results.

The Daily Prices are not adjusted for seasonal variations. In some cases, Daily Prices may vary based on reporting characteristics within individual markets.

## **RPX Analytics & Research**

Radar Logic offers specialized analytic services which allow real estate and financial professionals to view current and historical price per square foot and transaction count trends for all markets and sub-markets we track. MSAs and neighborhoods can be segmented by location (zip code and county), property type (single family, multi-family and condo), property size, date range, and sale price. The database is derived from our neutral, public source records.

Our web-based tools provide a means for all entities associated with or affected by housing prices to maintain market data streams on a constant, neutral and daily updated basis.

For additional insight on this report or for inquiries about research or analytic products, please contact:

**Radar Logic Incorporated**  
180 Varick Street, Suite 502  
New York, NY 10014  
212.965.0300  
info@radarlogic.com