



# RPX MONTHLY MANHATTAN NEIGHBORHOODS REPORT

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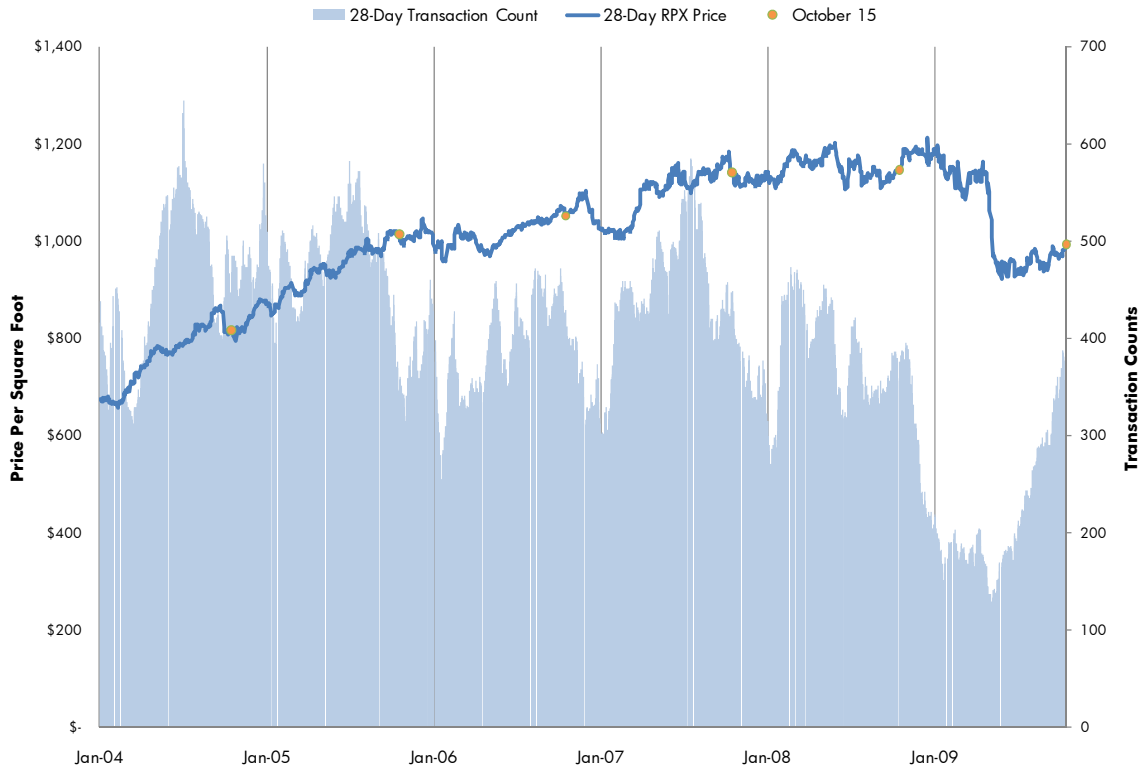
October 2009

## Key Characteristics

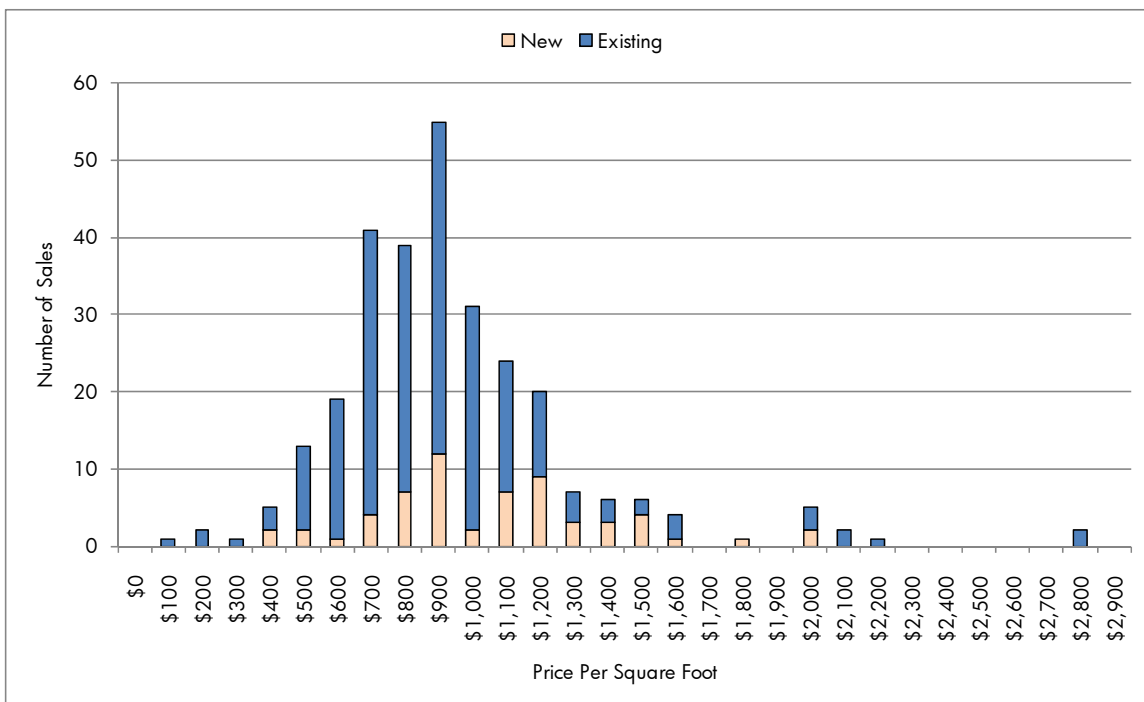
- The Manhattan Condo RPX transaction count increased 12.96% in October after increasing 18% in September. The transaction count has more than doubled since hitting its historic low in March, when transaction counts were down 80% from peak transaction levels in 2007. Transaction activity levels were roughly even with levels in October 2008, down only 2.6% year over year, which marks the first time that 2009 transaction levels have approached 2008 levels.<sup>1</sup>
- The transaction count is moving counter to historic patterns. As can be seen in Exhibit 1, the transaction count typically declines during the latter months of the year. In contrast, 2009 transactions have continued to increase through October, after bottoming in late March.
- The month-over-month increase in the Manhattan Condo RPX transaction count was due largely to an increase in sales on the Upper East Side. The Upper East Side transaction count increased by 31 sales, or 70.5%, between September 15 and October 15. This increase was larger than the transaction count increases in all other neighborhoods combined.
- The Manhattan Condo RPX price increased to \$993.89, a gain of 1.23% in the month of October, after rising 2.1% in the month of September. Year-over-year, the Manhattan Condo RPX is still down 13.37%.
- New unit sales increased to 19.6% of total transactions, up from 15.6% of total sales in September. Most new unit sales occurred in the top half of Manhattan condominium sales when ranked by price per square foot, as can be seen in Exhibit 2. This is in contrast to the distributions of sales in August and September, when most new-home sales were in the bottom half of Manhattan condominium sales ranked by price per square foot.
- On December 7, the FHA announced new lending rules that limit the percentage of units in condominium buildings that can be purchased with FHA-backed loans. The rules also put restrictions on buildings with poor finances, too many delinquent owners and a high number of rentals. Under the new regime, only half of a condo building's units can have FHA-backed loans, with some exceptions. The limit falls to 30% in 2011. Another new rule requires at least 30% of units in new buildings be pre-sold before the agency insures any loans. That number will rise to 50% in 2011. The lending limit for FHA loans in the New York metropolitan area is \$729,750, implying a \$756,000 sale price with a 3.5% down payment, the minimum required by the agency, or an \$810,000 sale price with a 10% down payment, which is typically the minimum required by Manhattan condo associations. As the median sale price for Manhattan condos in October was \$902,500, any immediate impact of the new lending rules on demand for condos will be concentrated in the low-end of the Manhattan market.

<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.

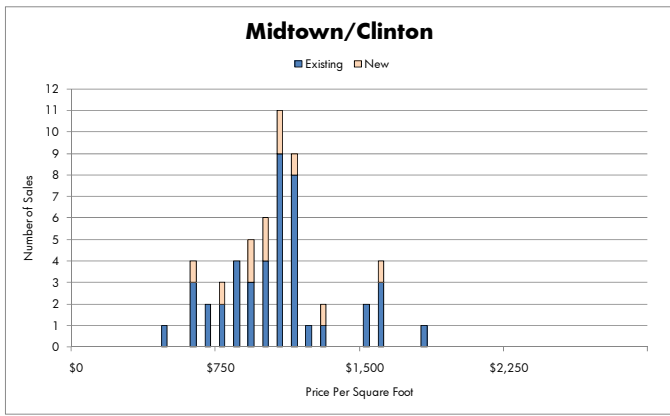
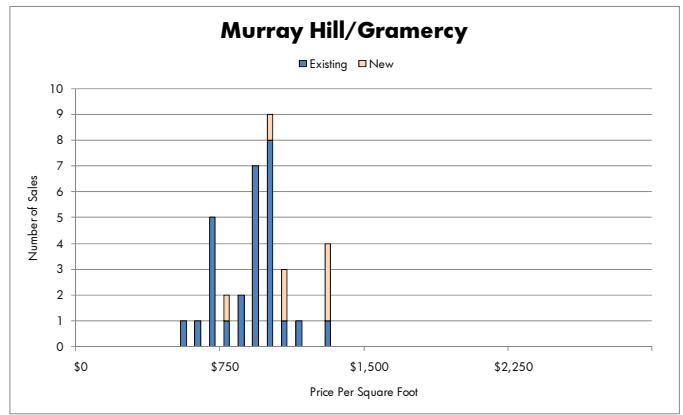
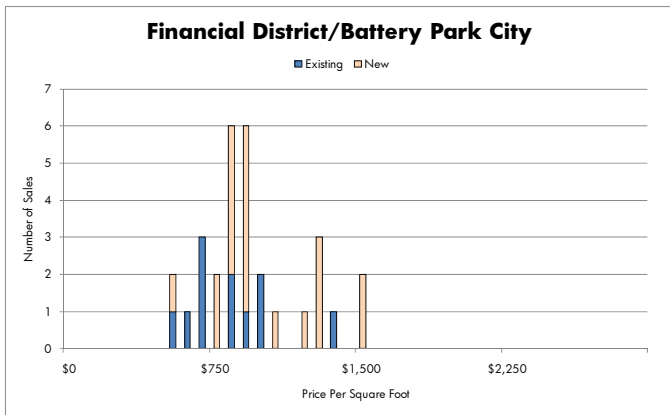
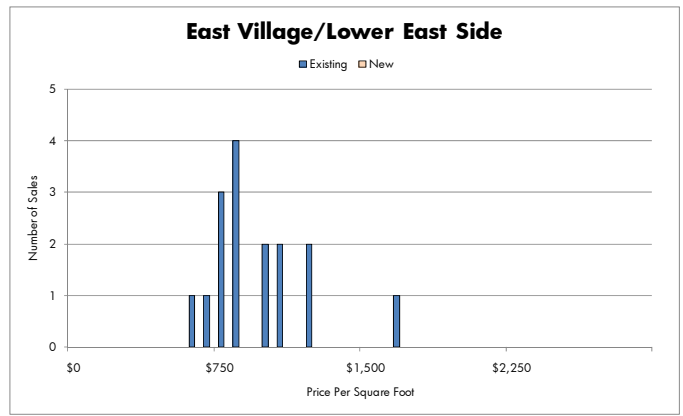
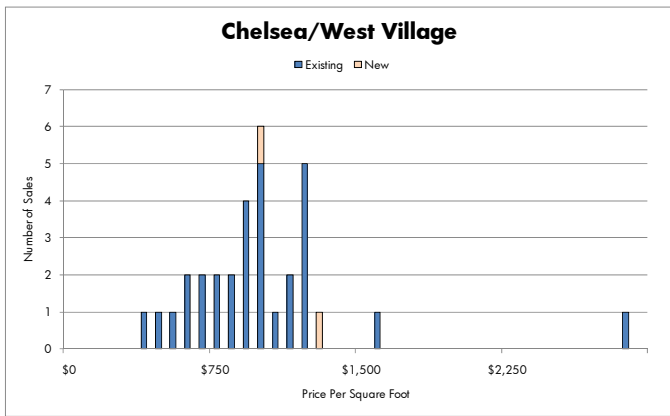
### Exhibit 1: Manhattan Condo RPX Prices and Transaction Counts, 2004-2009



### Exhibit 2: Mix of New and Existing Unit Sales in Manhattan Condominium Market, 28 Days Ending October 15, 2009



**Exhibit 3: Mix of New and Existing Unit Sales in RPX Manhattan Neighborhoods, 28 Days Ending October 15, 2009**



## Exhibit 4: Manhattan Neighborhoods Ranked by 1-Year % Change<sup>2</sup>

Oct 2009 Rank	Sep 2009 Rank	Neighborhood	PPSF on Oct 15, 2009	Oct 2009 vs. Oct 2008	Oct 2008 vs. Oct 2007	Oct 2009 vs. Sep 2009	Oct 2008 vs. Sep 2008
1	2	Financial District	\$900.70	1.6%	-20.0%	-3.8%	-13.3%
2	7	Murray Hill/Gramercy	\$968.45	-10.7%	-0.9%	7.1%	-3.0%
3	8	Midtown/Clinton	\$1,101.12	-10.7%	-5.0%	18.9%	2.5%
4	3	Upper West Side	\$951.95	-15.6%	-6.1%	-2.6%	4.2%
5	6	Upper East Side	\$942.28	-15.8%	-0.3%	4.0%	0.3%
6	4	Chelsea/West Village	\$984.35	-19.6%	1.5%	-7.5%	0.0%
7	1	East Village/Lower East Side	\$889.02	-22.7%	7.1%	-24.8%	0.2%
8	5	Soho/Tribeca	\$998.35	-29.8%	8.0%	-10.8%	8.7%
		Manhattan Condominium	\$993.89	-13.37%	-12.94%	1.23%	2.29%

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

■ = positive ■ = neutral ■ = negative

## Exhibit 5: Transaction Counts<sup>3</sup>

	Oct 2008	Sep 2009	Oct 2009
Chelsea/West Village	32	43	32
East Village/Lower East Side	23	10	16
Financial District	23	27	30
Murray Hill/Gramercy	24	29	35
Midtown/Clinton	101	58	60
Soho/Tribeca	25	21	20
Upper East Side	40	44	75
Upper West Side	59	60	68

## Exhibit 6: Transaction Counts % Change<sup>3</sup>

	Oct 2009 vs. Oct 2008	Oct 2009 vs. Sep 2009
Upper East Side	87.5%	70.5%
Murray Hill/Gramercy	45.8%	20.7%
Financial District	30.4%	11.1%
Upper West Side	15.3%	13.3%
Chelsea/West Village	0.0%	-25.6%
Soho/Tribeca	-20.0%	-4.8%
East Village/Lower East Side	-30.4%	60.0%
Midtown/Clinton	-40.6%	3.5%
Manhattan Condominium	-2.66%	12.96%

<sup>2</sup> Source: 28-Day RPX value for the Manhattan Condominium market and each Manhattan Neighborhood as of 10/15/2009. 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