



New York City Townhouse Market Report

2020 3rd Quarter Review

Insights from New York's premier broker for townhouses and small buildings

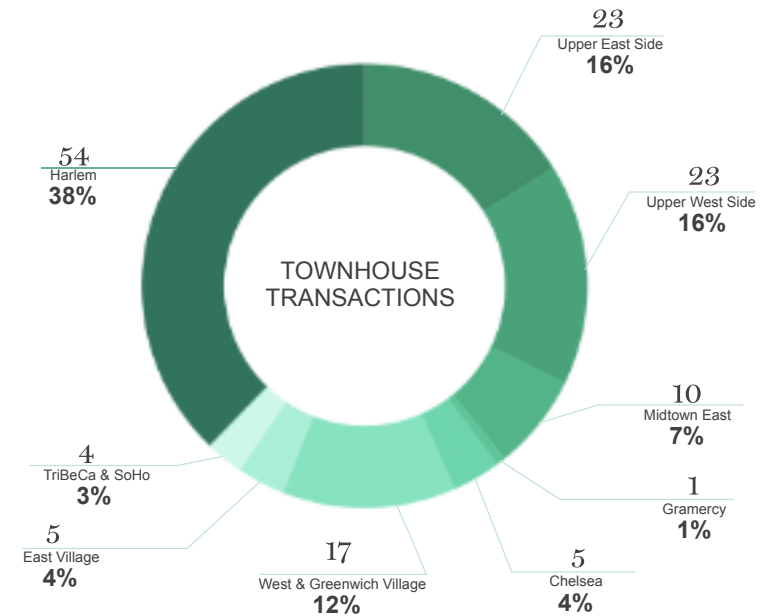
Manhattan

2020 thus far has clearly been dominated by the pandemic, and the NYC townhouse market is no different than any other industry in that regard. Sales volume is down about 50% year-over-year, and pricing is down about 25%. The size of the gap is largely due to the near complete halt to the market in 1H2020, compared to a very strong 2Q2019 as there was a significant push for sales to close before the increase in mansion and transfer taxes in 3Q2019. Quarter-over-quarter paints a very different picture, as 3Q2019 was one of the slowest quarters on record in recent years as a result of the implementation of the tax law changes, while the market picked up a bit in 3Q2020 from the Covid slump earlier in the year.

Despite the pandemic, the townhouse sales market has shown activity since March, with 33 contracts signed in Manhattan at the end of 3Q2020. We continue to hear from buyers that townhouses are a desirable option for City living given the privacy and space offered. There seems to be the greatest demand in the four to eight-million-dollar range, particularly among product with little need for extensive renovation. By contrast, the higher end of the market is soft in comparison with last year, with 22 sales over \$10M thus far in 2020 compared to 64 eight-figure sales this time last year. In the multi-family sector of the market, cap rates have expanded from around three to four percent to around four to five percent, creating a favorable spread between cap rates and interest rates. This presents excellent opportunities for buyers who are willing to take on short-term rental vacancy risk for long-term value.

The rental market has taken the biggest hit this year, as most schools and offices are still not fully open and there is still uncertainty surrounding when they will be open. We are optimistic that as progress is made with Covid therapies and vaccines, there will be an end in sight to the uncertainty and the rental market will bounce back, it is just a matter of when. For now, it is truly a renter's market, with the highest inventory available in recent memory (over 23,000 apartments currently available for rent in Manhattan).

Overall, the New York City real estate market has remained resilient given the circumstances, and for buyers willing to purchase before the City fully returns to normal there is good value to be had. With a healthy number of contracts signed and active buyers in the townhouse market, we anticipate a solid finish to 2020.



AVERAGE SALE PRICE

\$6.2M

-23% Year Over Year

BID-ASK SPREAD

14%

-2 points Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

31

AVERAGE PRICE PER SQFT

\$1,167

-18% Year Over Year

AVERAGE DAYS ON MARKET

405

+11% Year Over Year

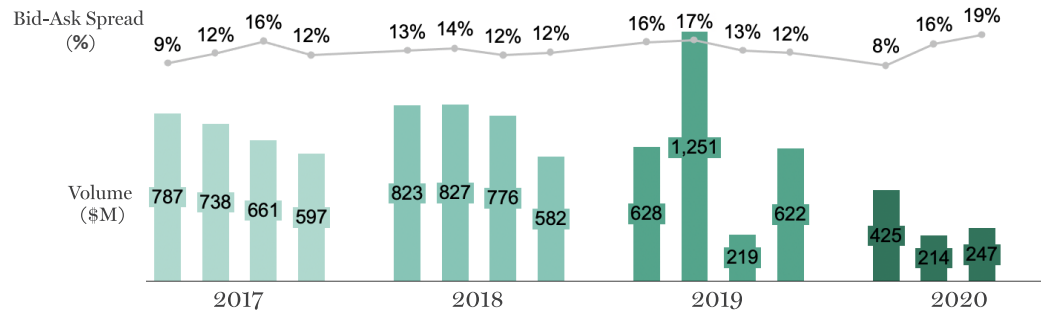
NUMBER OF SALES

142

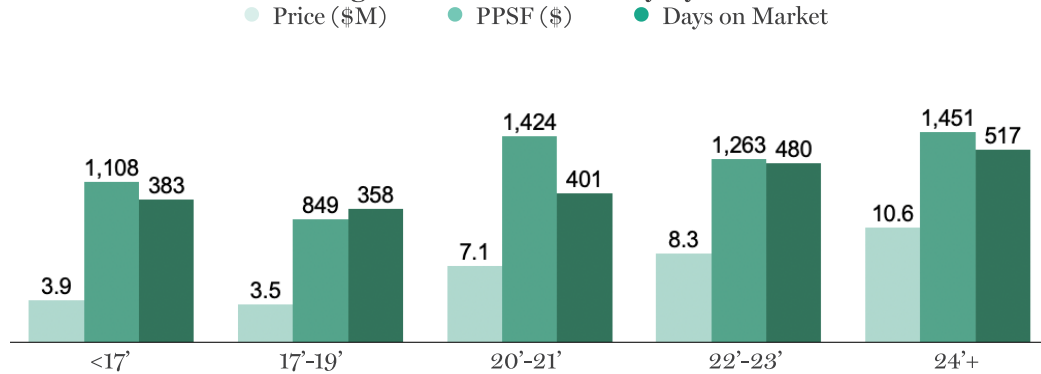
-45% Year Over Year

Manhattan

Quarterly Transaction Volume & Bid-Ask Spread

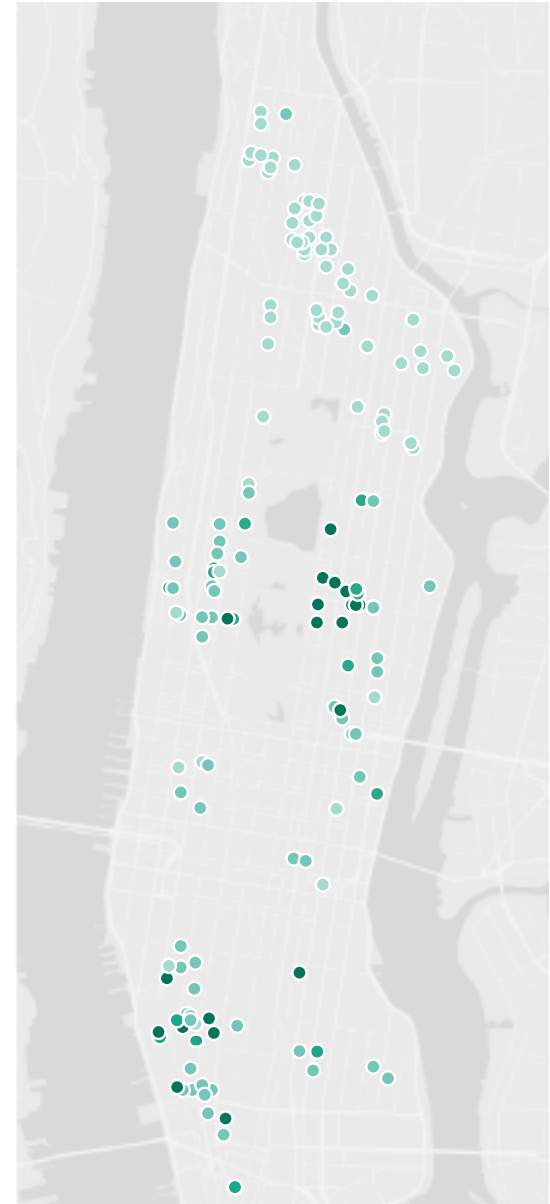


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

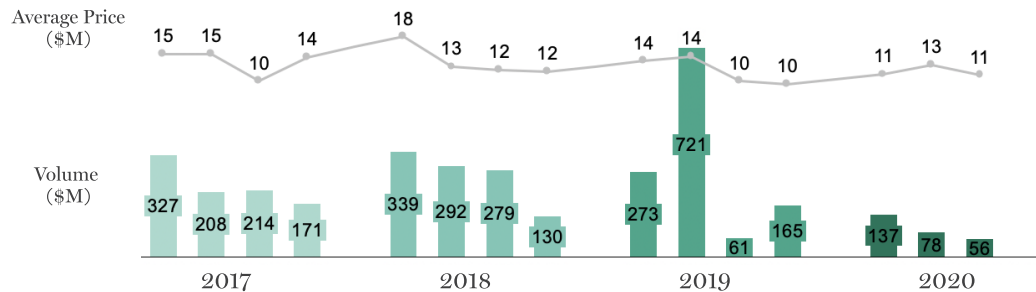
● <\$4M
 ● \$4-\$8M
 ● \$8-\$12M
 ● \$12M+



Upper East Side

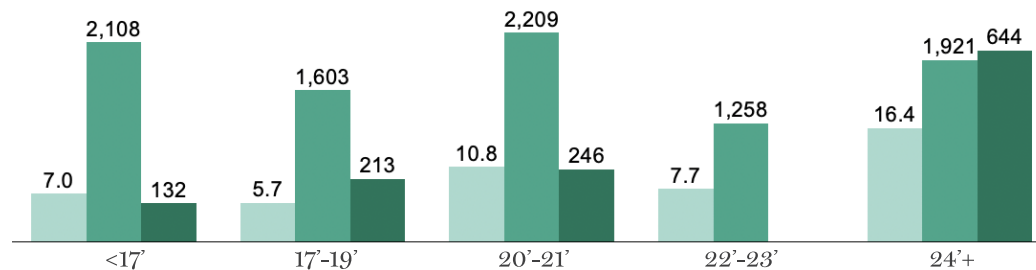
The combination of the Covid pandemic and the fact that we are amid an election cycle has made this year a challenge for the Upper East Side townhouse market. Transaction volume and available properties are significantly down from this time period last year. We also noted that sale prices are down from last year as the upper end of the market has been notably slow - with only two sales over \$20 million so far this year opposed to the 10 we had at this point last year. However, we are hopeful that the market is slowly returning as there are also five homes in contract, all signed during this quarter and buyers seem to be out looking at appropriately priced properties.

Quarterly Transaction Volume & Average Price



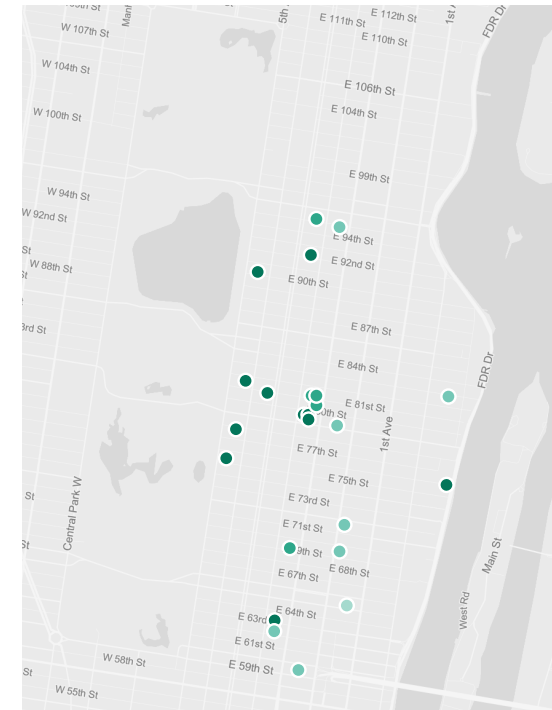
YTD 2020 Average Transaction Activity by Townhouse Width

● Price (\$M) ● PPSF (\$) ● Days on Market



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$11.8M

-15% Year Over Year

AVERAGE PRICE PER SQFT

\$1,889

-3% Year Over Year

BID-ASK SPREAD

16%

-3 points Year Over Year

AVERAGE DAYS ON MARKET

361

-17% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

5

NUMBER OF SALES

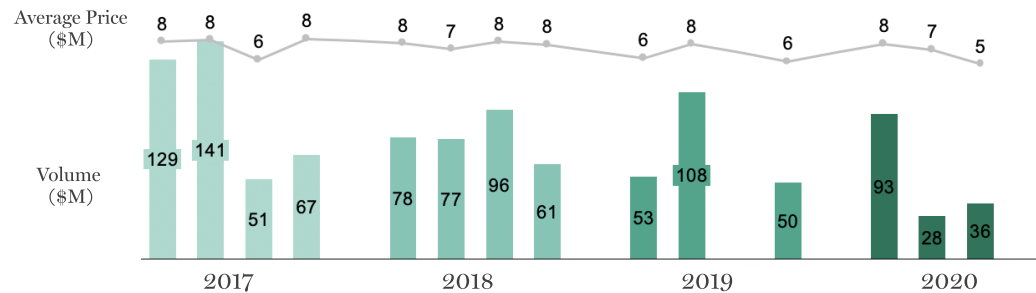
23

-70% Year Over Year

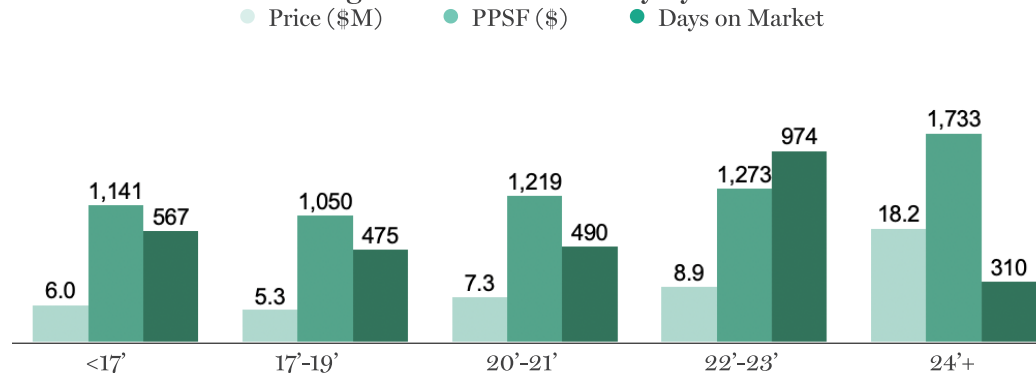
Upper West Side

Year-to-date, 2020 is right on par with 2019 in average sale price, dollar volume, transaction volume, and average PPSF. The reason for this is that the slow 1H2020 balanced out the slow 2H2019. There were zero sales in 3Q2019 due to the increase in the mansion and transfer taxes, which went into effect in July 2019. 2020 has been slow but steady, with five sales in both 2Q2020 and 3Q2020, and thirteen sales in 1Q2020, all of which deals were signed prior to the pandemic. There has also been a steady stream of signed contracts throughout the year, with seven properties currently under contract. In the last year, inventory has decreased from about 90 townhouses to roughly 45 townhouses currently available for sale. There has been strong interest particularly in the three to seven million dollar range. The rental market has taken the biggest hit given the delay in many UWS schools starting, as well as offices remaining closed indefinitely. However, we do remain optimistic that as schools slowly integrate more in-person learning, this will change.

Quarterly Transaction Volume & Average Price

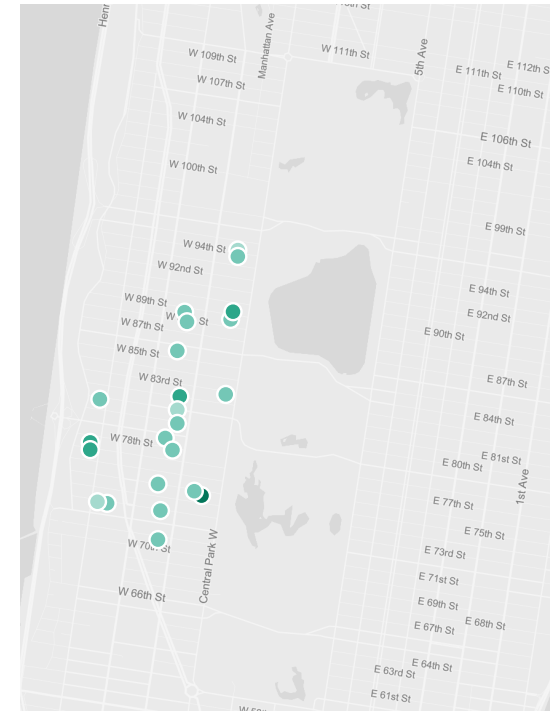


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M
 ● \$4-\$8M
 ● \$8-\$12M
 ● \$12M+



AVERAGE SALE PRICE

\$6.8M

-2% Year Over Year

AVERAGE PRICE PER SQFT

\$1,156

+4% Year Over Year

BID-ASK SPREAD

18%

+1 points Year Over Year

AVERAGE DAYS ON MARKET

529

+62% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

7

NUMBER OF SALES

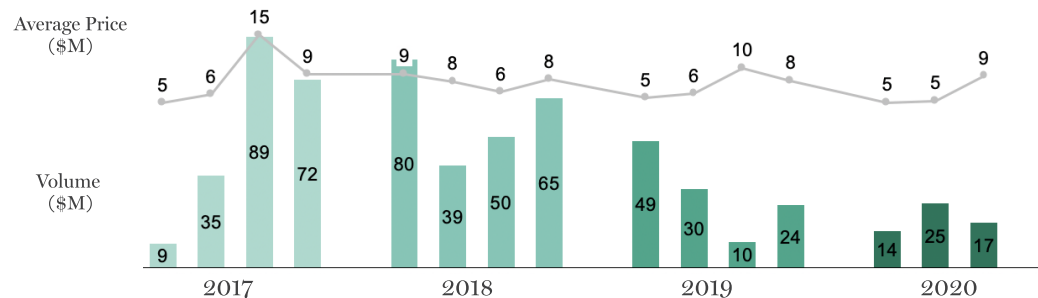
23

0% Year Over Year

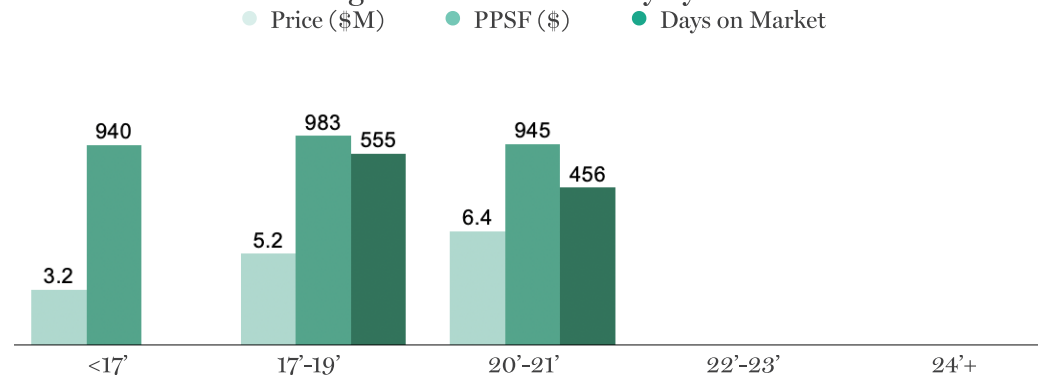
Midtown

The Midtown townhouse market has certainly felt the effects of the pandemic, with transaction volume down roughly 30% between 2019 and 2020. However, 3Q2020 saw an uptick in pricing, largely due to the sale at 29 Beekman Place for \$11.5M, a single-family mansion with over 10,000 s.f. of living space. Though Midtown has struggled as offices remain closed, the space and privacy associated with townhouses continues to appeal to buyers, and Midtown offers a central location at a reasonable price point compared to the rest of the City. The convenience of living in Midtown is particularly relevant right now, obviating need for public transport. As we enter the last quarter of the year, buyers have a bit of an advantage given the healthy inventory available in the neighborhood - 19 townhouses are currently available for sale in Midtown.

Quarterly Transaction Volume & Average Price

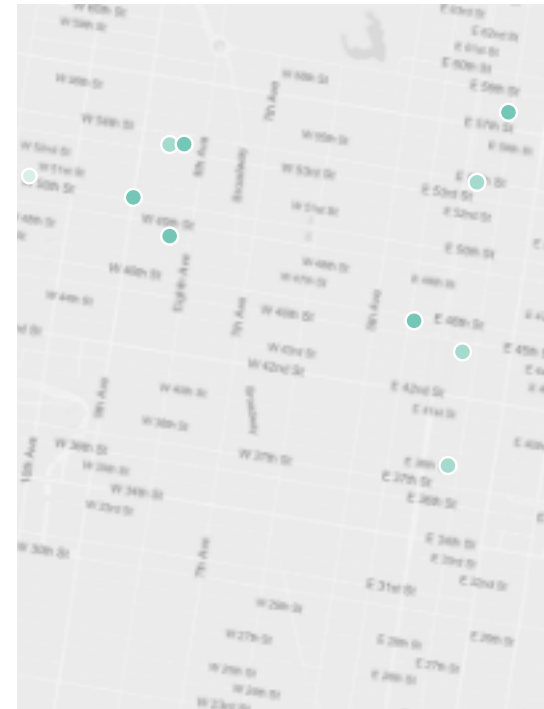


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$5.6M

-5% Year Over Year

AVERAGE PRICE PER SQFT

\$959

-31% Year Over Year

BID-ASK SPREAD

22%

13 points Year Over Year

AVERAGE DAYS ON MARKET

522

+135% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

1

NUMBER OF SALES

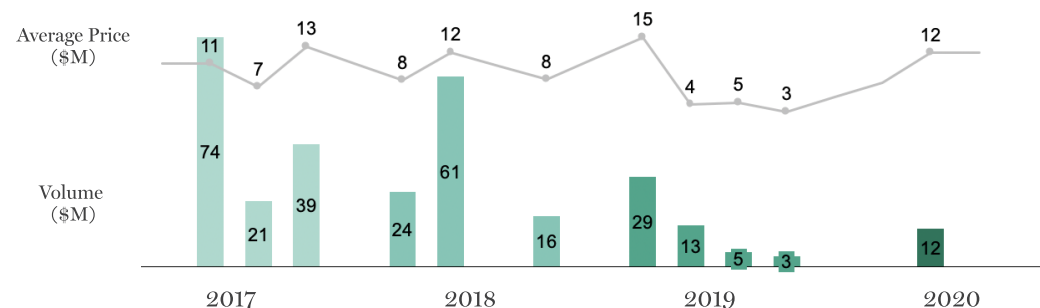
10

-33% Year Over Year

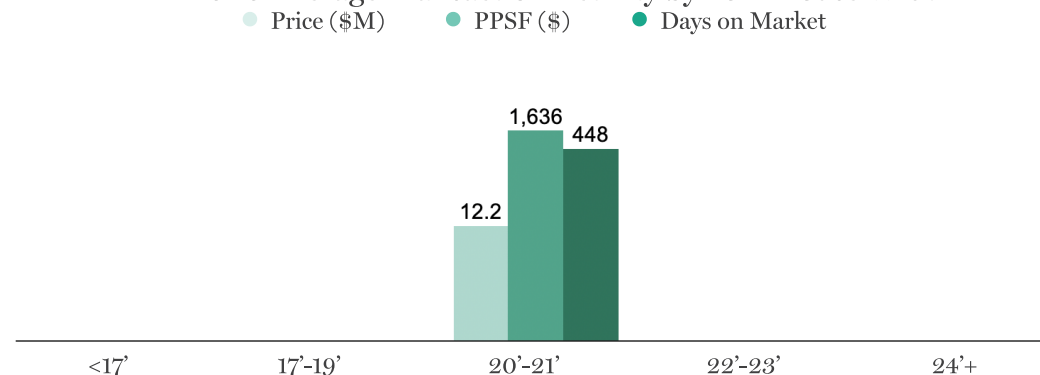
Gramercy

Coming out of a stalled 2Q2020 due to the Covid lockdown, we saw an uptick in showing activity and pent up demand in July. While available inventory remains low in the Gramercy district, two properties quickly went into contract during the late summer months: 315 East 18th Street and 140 East 19th Street. After nearly one year of being on the market, 315 East 18th Street entered contract with a quick closing timeline for \$9,350,000, or \$1,615/ft. The house was completely renovated. After nearly 17 months on the market and several price reductions, 140 East 19th Street entered contract with a last asking price of \$10,000,000 or \$1,736/ft. Owned by a famed musician, this house, while unique, was in need of a full renovation. These two single-family transactions are a positive sign for the market. The last time Gramercy had three or more single-family home sales was in 2011 so these two sales seem to be a good sign. There are currently 9 townhouse properties available for sale with an average days on market of 212. Showing activity has picked up, but there is little sense of urgency in the marketplace. Pricing adjustments will be the driver in securing a successful transaction.

Quarterly Transaction Volume & Average Price

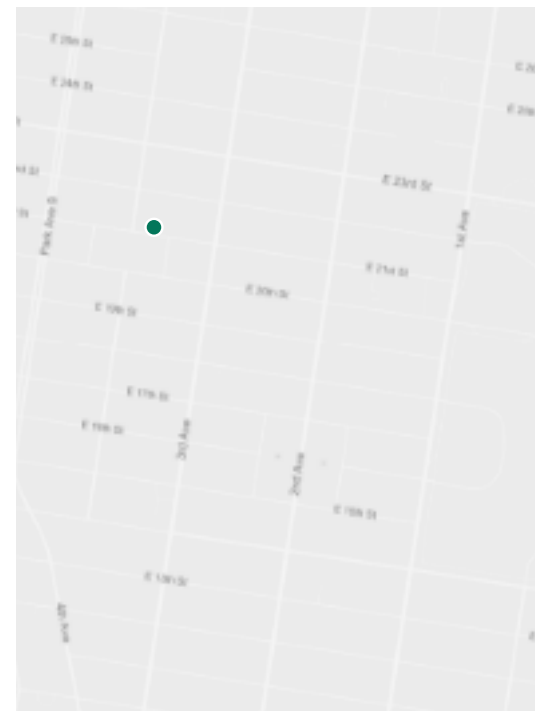


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M
 ● \$4-\$8M
 ● \$8-\$12M
 ● \$12M+



AVERAGE SALE PRICE

\$12.2M

+56% Year Over Year

AVERAGE PRICE PER SQFT

\$1,636

+20% Year Over Year

BID-ASK SPREAD

19%

+14 points Year Over Year

AVERAGE DAYS ON MARKET

448

+308% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

1

NUMBER OF SALES

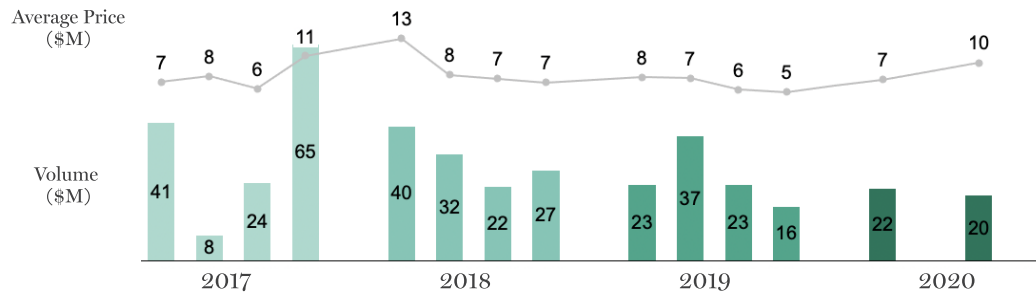
1

-83% Year Over Year

Chelsea

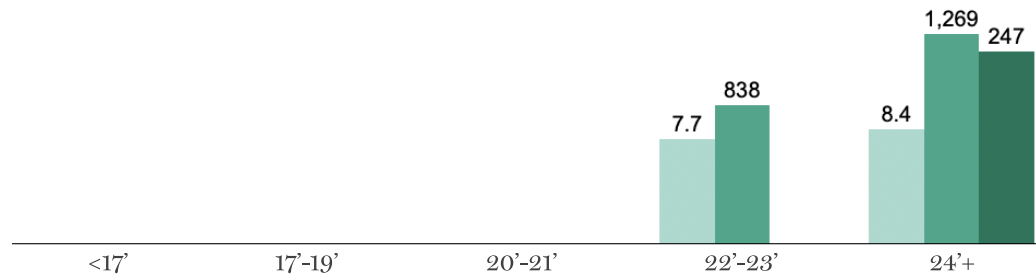
We have seen only five transactions through 3Q2020 compared to 13 in 3Q2019, the Chelsea townhouse market has seen better days. Available inventory remains steady year over year with 25 townhouses available for sale. The majority of availabilities are in need of gut renovations of which four townhouses are offered with Landmarks and Department of Building approvals for single-family conversions. While it appears, post-pandemic, that there is a market for townhouse living, construction projects that require approximately two years are less compelling in the marketplace today. Between construction prices and project uncertainties, buyers are trending towards turnkey product that can be moved into immediately.

Quarterly Transaction Volume & Average Price



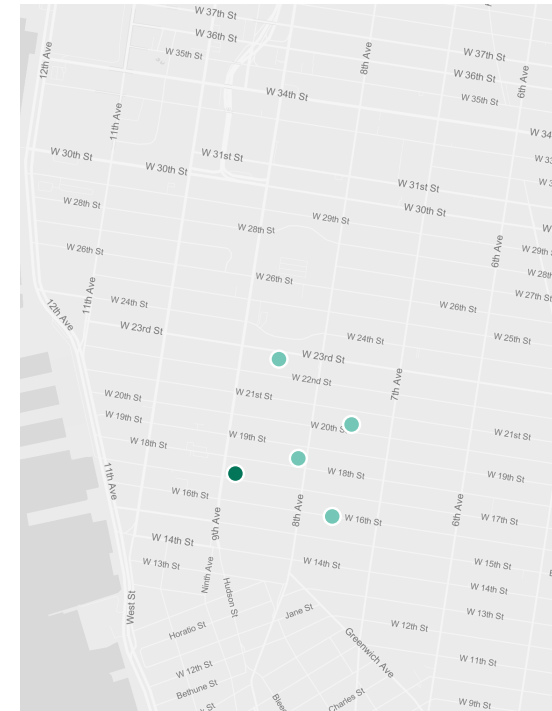
YTD 2020 Average Transaction Activity by Townhouse Width

● Price (\$M) ● PPSF (\$) ● Days on Market



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$8.3M

19% Year Over Year

AVERAGE PRICE PER SQFT

\$1,183

-13% Year Over Year

BID-ASK SPREAD

23%

5 points Year Over Year

AVERAGE DAYS ON MARKET

247

-16% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

2

NUMBER OF SALES

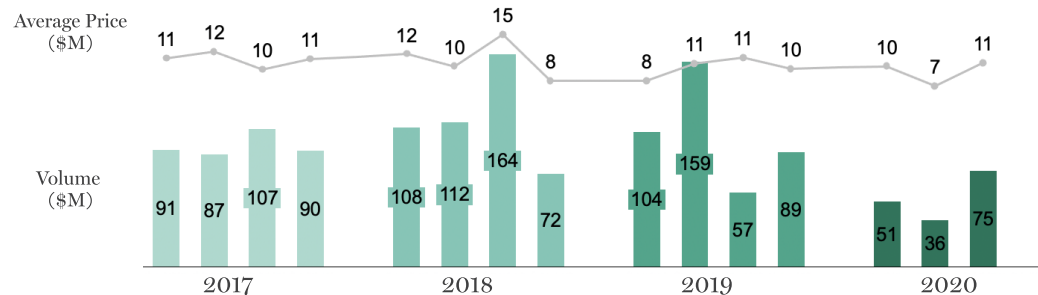
5

-58% Year Over Year

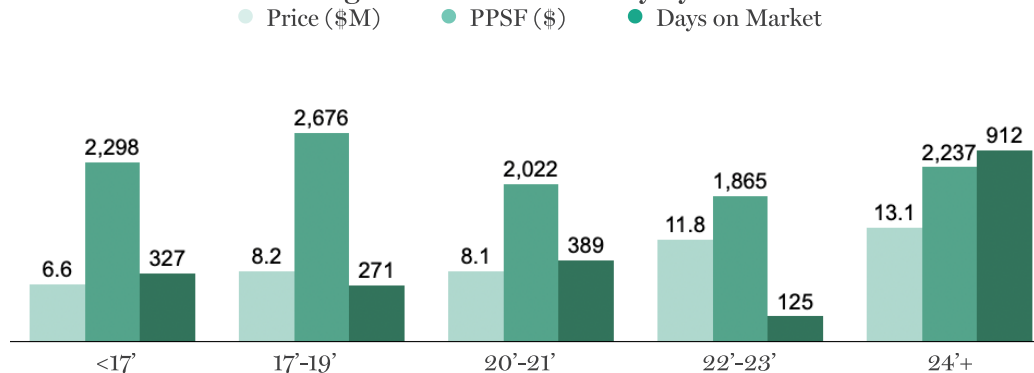
West & Greenwich Village

3Q2020 has seen an increase in closed transactions over 3Q2019 with seven total sales, as the mansion tax was passed at the end of 2Q2019 leading to a significant decrease in closings. There are currently three townhouses under contract with an average sales price of \$12,480,000 and \$2,640/ft. The most expensive is a single-family townhouse at 20 East 10th Street last asking \$18,250,000 which was formerly owned by Matthew Broderick and Sarah Jessica Parker. The current owner intended to renovate the home, but later decided to sell instead. The most expensive sale and PPSF transaction in 3Q2020 was a newly renovated single-family townhouse, formerly owned by Christopher Hughes, co-founder of Facebook, at 157 West 12th Street for \$19,500,000 and \$3,250/ft. He previously purchased the home for \$22,300,000 in 2015.

Quarterly Transaction Volume & Average Price

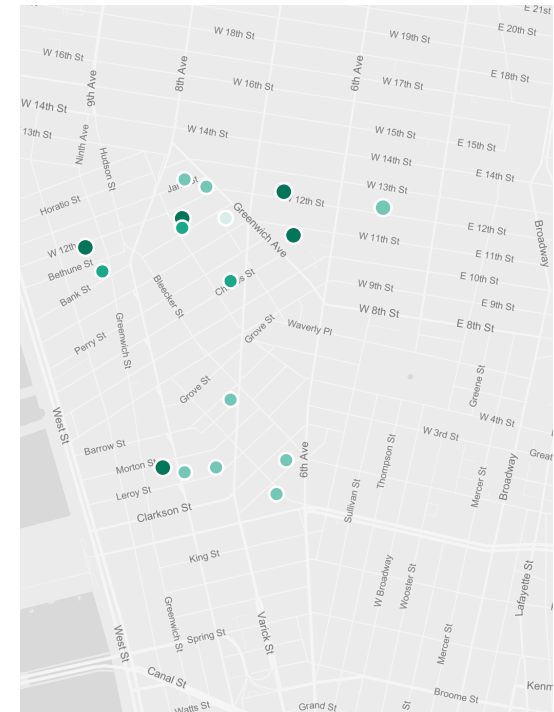


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$9.5M

-2% Year Over Year

AVERAGE PRICE PER SQFT

\$2,244

-5% Year Over Year

BID-ASK SPREAD

17%

-5 points Year Over Year

AVERAGE DAYS ON MARKET

392

-16% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

5

NUMBER OF SALES

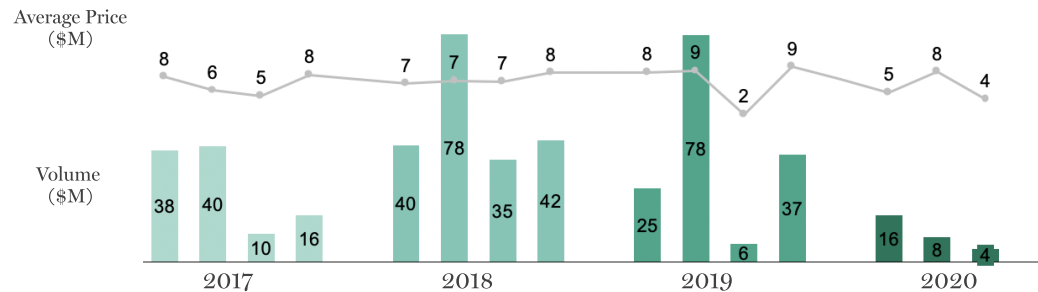
17

-48% Year Over Year

East Village

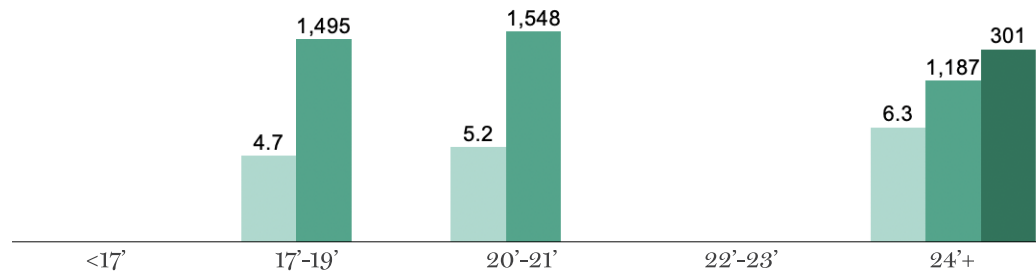
As mid-sized and larger investment properties have traditionally dominated the East Village market, the uncertainty caused by the pandemic and recently overhauled rent regulation laws has slowed transaction volume significantly. Supply is outpacing demand, which is reflected by the five transactions through 3Q2020 compared to 15 through 3Q2019. There are currently nine properties available for sale. Nevertheless, the rent regulation laws will continue to impact pricing and demand as buyers evaluate their options to add future value to these properties.

Quarterly Transaction Volume & Average Price



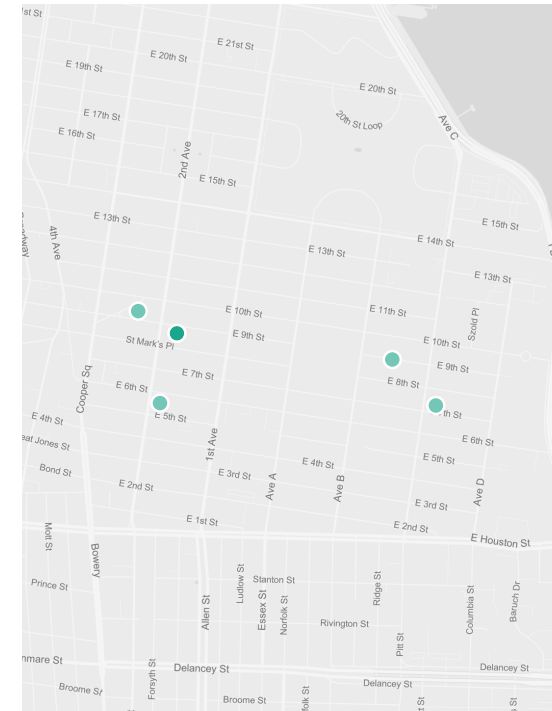
YTD 2020 Average Transaction Activity by Townhouse Width

● Price (\$M) ● PPSF (\$) ● Days on Market



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$5.8M

-21% Year Over Year

AVERAGE PRICE PER SQFT

\$1,321

+13% Year Over Year

BID-ASK SPREAD

10%

+4 point Year Over Year

AVERAGE DAYS ON MARKET

301

+3% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

2

NUMBER OF SALES

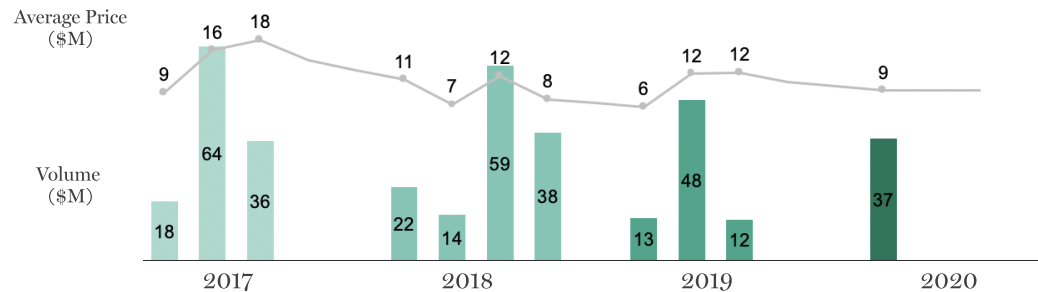
5

-67% Year Over Year

TriBeCa & SoHo

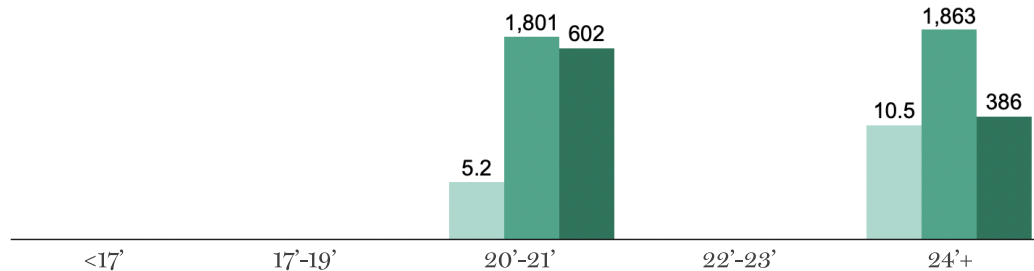
Similar to the rest of the City, Soho & Tribeca were affected adversely by the pandemic with a 43% decrease in transaction volume year-over-year, despite the fact that 2020 started out strong. The highest priced sale of 2020 was at 116 Sullivan Street, a renovated single-family home which sold for \$13.45M and \$2,155/ft in 1Q2020. While there are no properties currently in contract in the area and no sales closed in 3Q2020, inventory is healthy with seven properties are currently on the market, six of which have seven-figure asking prices.

Quarterly Transaction Volume & Average Price



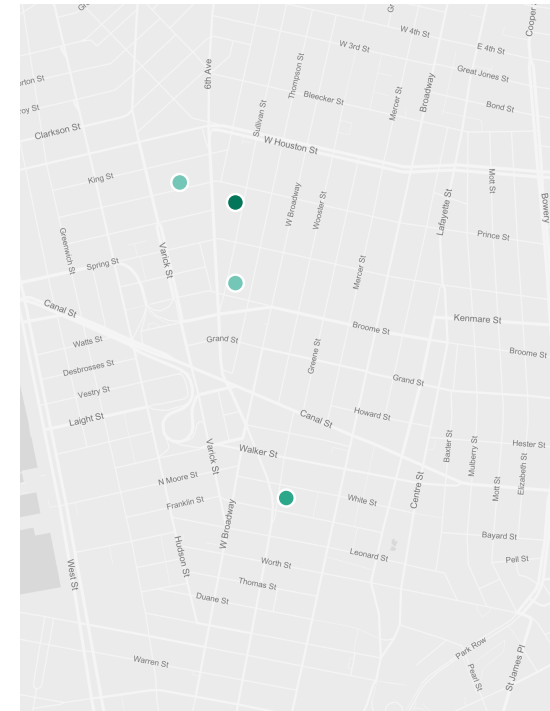
YTD 2020 Average Transaction Activity by Townhouse Width

● Price (\$M) ● PPSF (\$) ● Days on Market



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$9.1M

-12% Year Over Year

AVERAGE PRICE PER SQFT

\$1,847

+7% Year Over Year

BID-ASK SPREAD

22%

+4 points Year Over Year

AVERAGE DAYS ON MARKET

440

119% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

0

NUMBER OF SALES

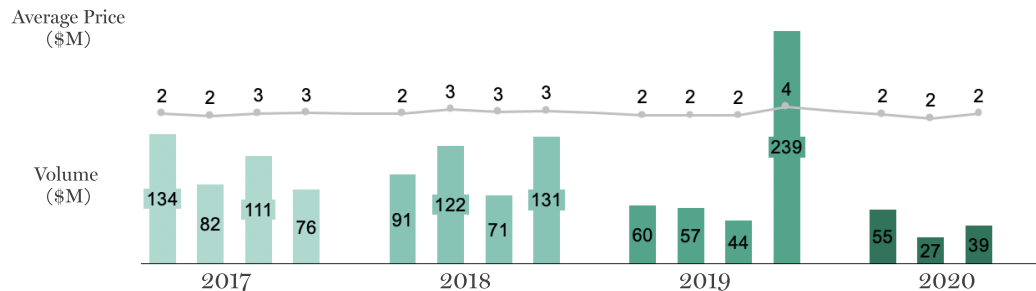
4

-43% Year Over Year

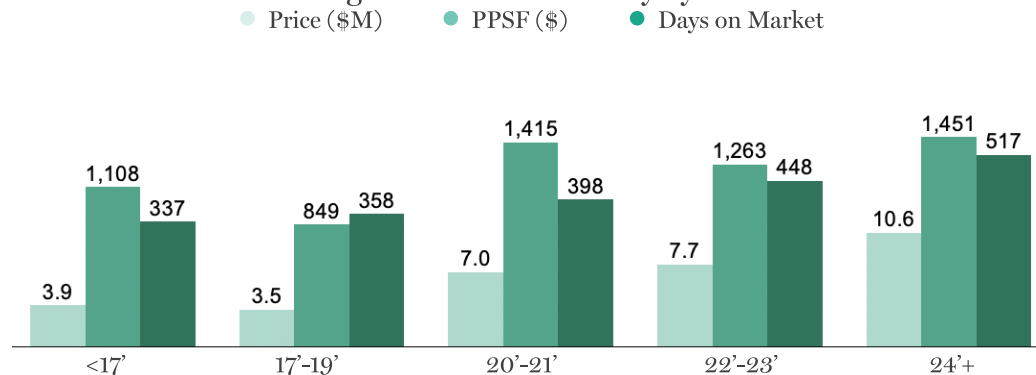
Harlem

Inventory has increased to 81 from 77 last month making properties that aren't well priced even more difficult to sell. Owners of properties with over three units seem to have been impacted the most by the current market, three to five unit properties have seen a 26% decline in PPSF and there is an even steeper decline for the owners of 6-25 unit buildings compared to Q3 2019. With another increase in inventory and record low mortgage rates, buyers are well-positioned to make a great townhouse purchase with sellers open to making a deal. Currently, there are 12 properties in contract. As we prepare for the colder months, townhouses are becoming more appealing to limit exposure to Covid, and multi-families over three-units are showing signs of providing better returns as prices continue to soften.

Quarterly Transaction Volume & Average Price

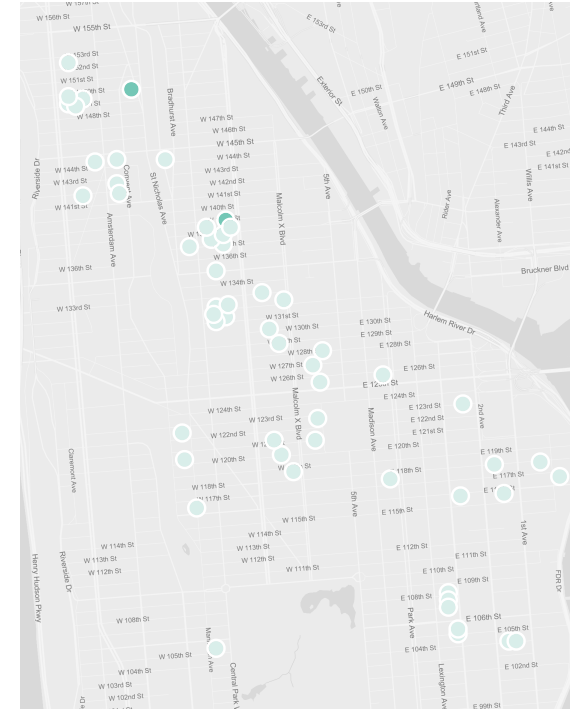


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M
 ● \$4-\$8M
 ● \$8-\$12M
 ● \$12M+



AVERAGE SALE PRICE

\$2.3M

0% Year Over Year

AVERAGE PRICE PER SQFT

\$490

-11% Year Over Year

BID-ASK SPREAD

3%

-9 points Year Over Year

AVERAGE DAYS ON MARKET

329

+5% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

12

NUMBER OF SALES

54

-24% Year Over Year

Brooklyn

The pandemic froze Brooklyn's townhouse market in place in March, but signs from 1Q2020 were looking up. Sales volume across Brooklyn was up 11% from 1Q2019 and showing activity was high. This came to a halt when the "stay at home" order went into effect. As NYC began to reopen, the question for the real estate market was whether pent-up demand would push buyers into action quickly or if the uncertainty of the economy and virus would keep them on the sidelines.

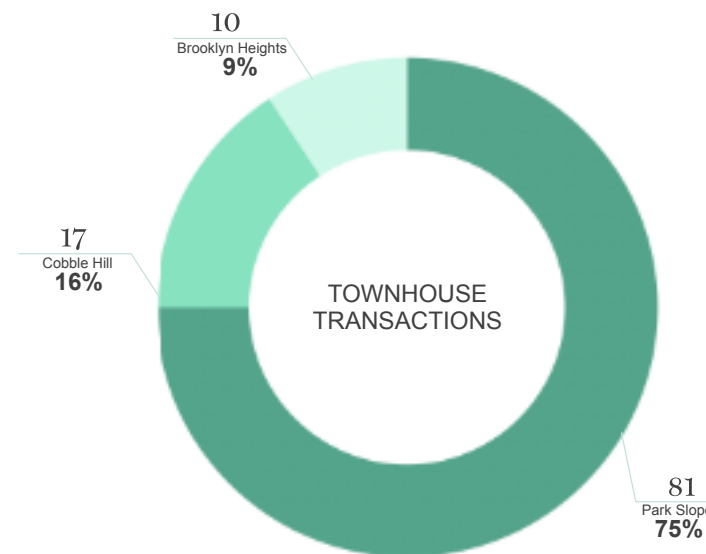
It's too early to definitively say where the market is going, but the first few weeks of the reopened market were very active. Buyers are out looking at townhouses and offers have begun to trickle in which is a trend we are seeing throughout 3Q2020.

There are three trends we are tracking in the Brooklyn townhouse market today:

First, we are seeing an increased number of Manhattan buyers in Brooklyn. This has been the case for years, but typically, buyers have come to Brooklyn from Downtown Manhattan - TriBeCa, SoHo, the West Village, Greenwich Village, Gramercy, and Chelsea. Recently, buyers from the Upper East Side have started to appear in Brooklyn. There seems to be an increased emphasis on the open space and air found in Brooklyn neighborhoods, as well as the larger interiors and outdoor spaces that exist in Brooklyn townhouses when compared to those in Manhattan.

Second, renovated houses continue to command a premium from today's buyer. In addition to rising construction costs, buyers today are looking for immediate change. This is found in turnkey townhouses, not in fixer-uppers. Therefore, we expect demand for renovated townhouses to increase, while those in need of renovation may see less demand.

Third, we are seeing an increasing number of high-end buyers looking in Brooklyn. Brooklyn Heights and Park Slope used to be the two options for luxury townhouse buyers in Brooklyn. Today, we are seeing record numbers in Cobble Hill, Carroll Gardens, Fort Greene, and Prospect Heights. Increasingly, buyers are willing to spend more money in Brooklyn than ever before.



AVERAGE SALE PRICE

\$3.4M

-7% Year Over Year

BID-ASK SPREAD

6%

-2 point Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

33

AVERAGE PRICE PER SQFT

\$1,064

2% Year Over Year

AVERAGE DAYS ON MARKET

188

-15% Year Over Year

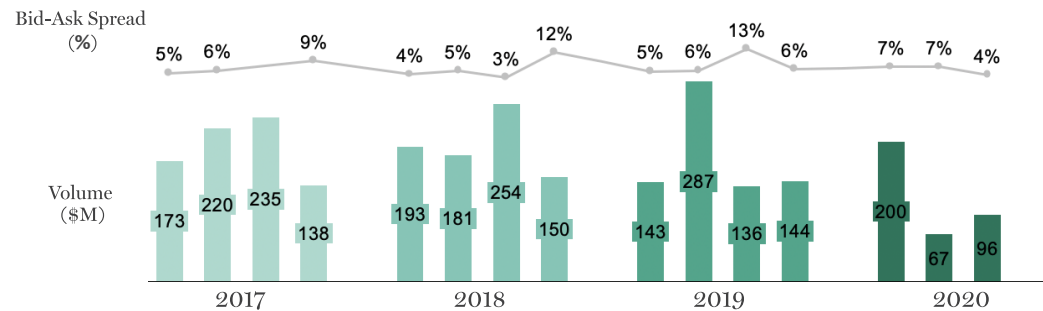
NUMBER OF SALES

108

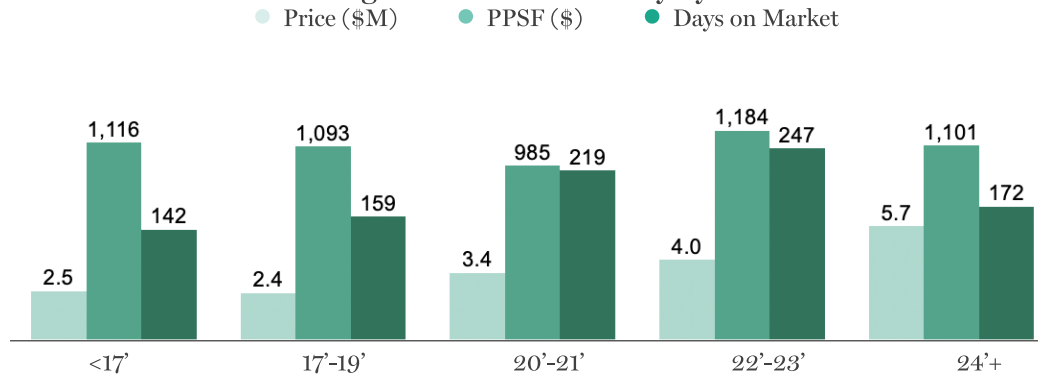
-31% Year Over Year

Brooklyn

Quarterly Transaction Volume & Bid-Ask Spread

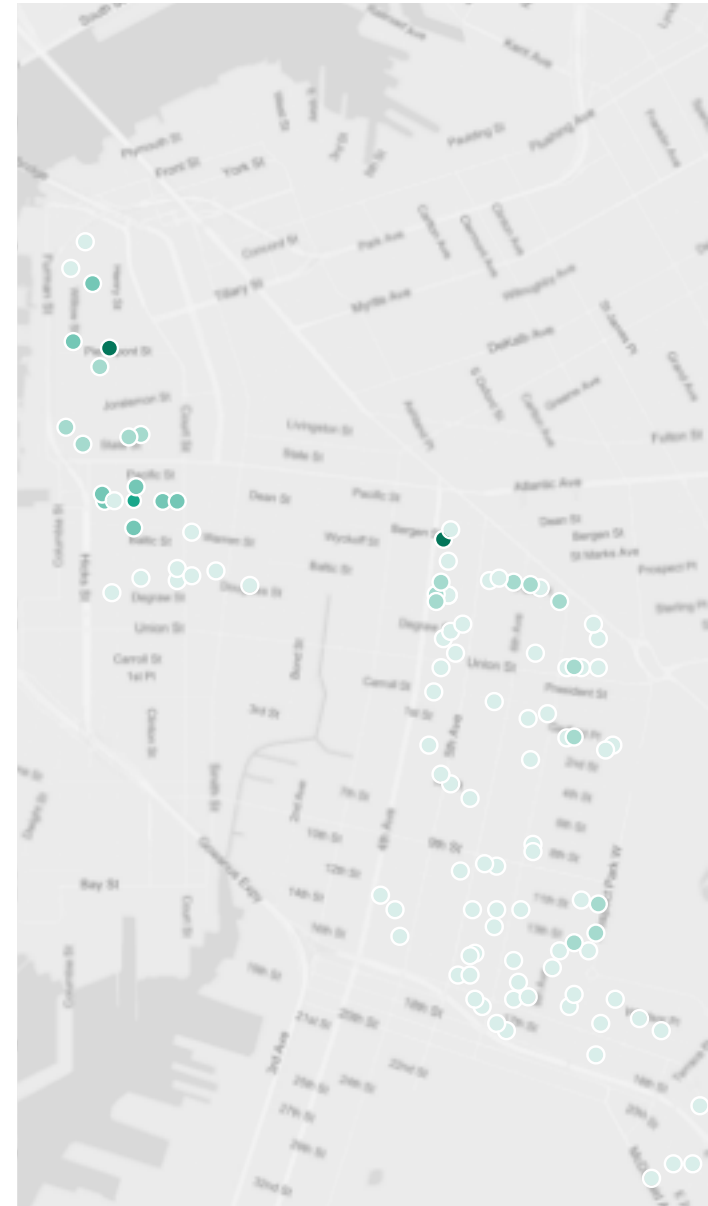


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

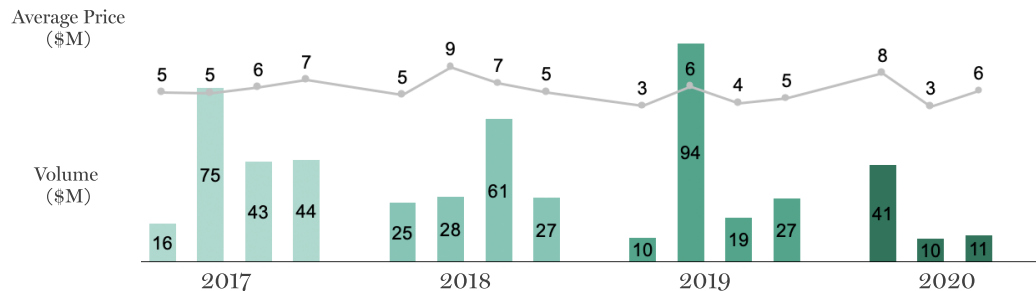
● <\$4M
 ● \$4-\$8M
 ● \$8-\$12M
 ● \$12M+



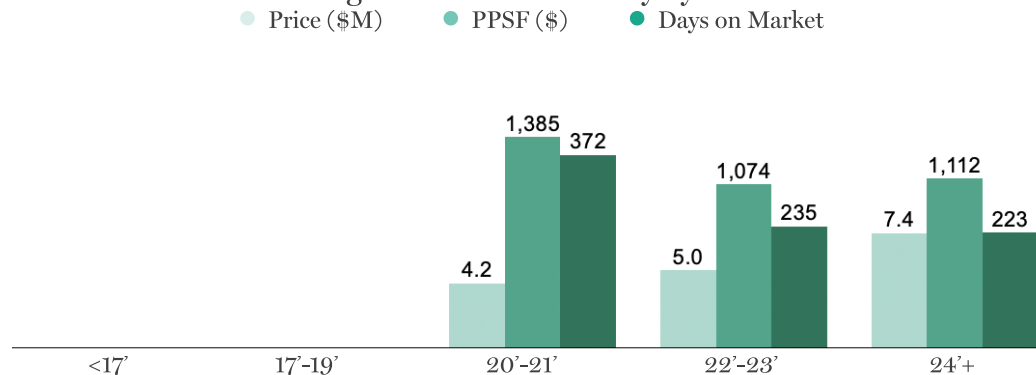
Brooklyn Heights

Like most of New York City, Brooklyn Heights sales volume is down nearly 50% from this time last year. But as the real estate industry reopened, new buyers have emerged and showing traffic is up. Two “pandemic deals” have already closed in July, and two houses have gone into contract during 3Q2020; 52 Remsen Street, a 25'-wide, 7,675 sq. ft. townhouse originally asking \$12,695,000, and 25 Schermerhorn Street with an original ask of \$5,800,000 and 503 days on market. While Brooklyn Heights' average sale price is up, that is largely due to lower volume and two larger \$10M+ sales. Buyers expect value - that doesn't mean bargain basement pricing, but it's critical to price realistically. Aspirational pricing will only result in a stale listing. We expect increased interest in turnkey townhomes because many buyers are looking for immediate solutions.

Quarterly Transaction Volume & Average Price

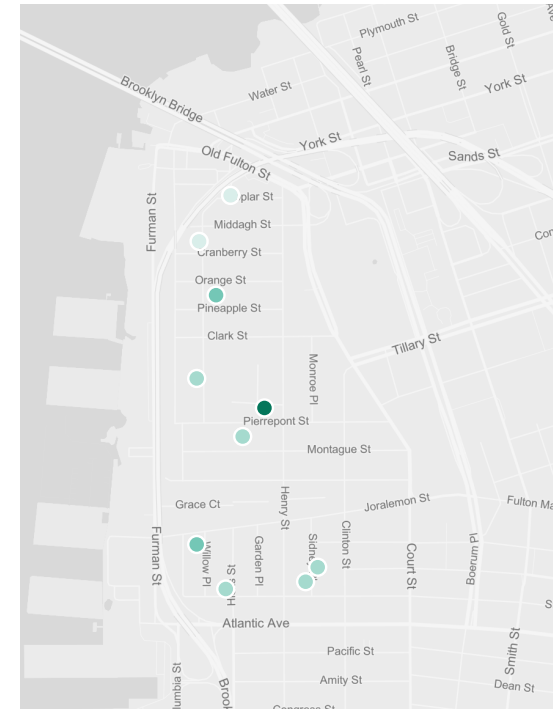


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$6.3M

+17% Year Over Year

AVERAGE PRICE PER SQFT

\$1,159

-13% Year Over Year

BID-ASK SPREAD

11%

-3 points Year Over Year

AVERAGE DAYS ON MARKET

277

-18% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

2

NUMBER OF SALES

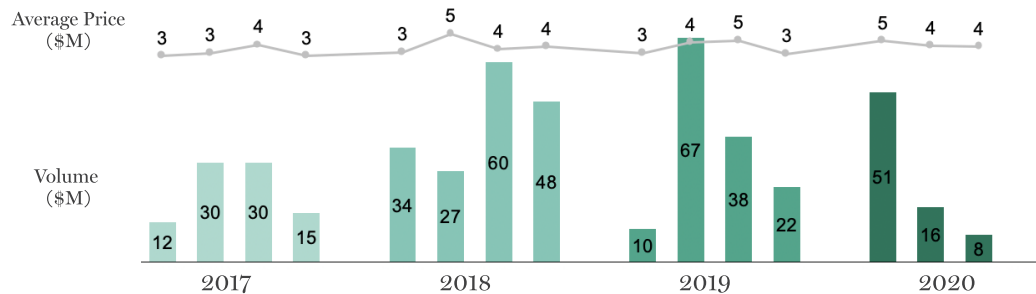
10

-57% Year Over Year

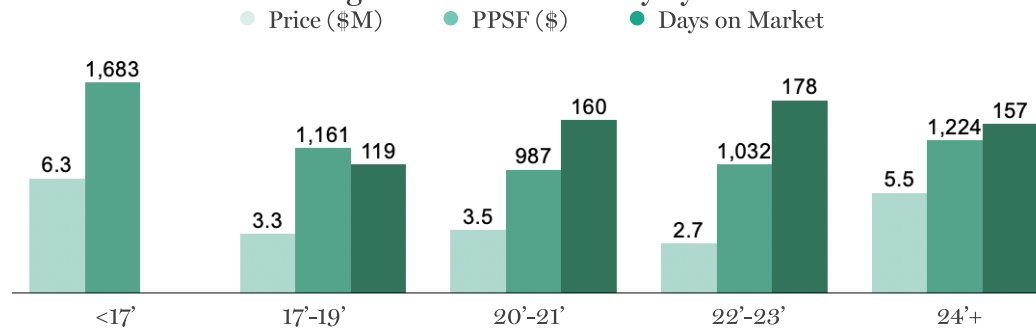
Cobble Hill

Cobble Hill has quietly outperformed the rest of New York City's market, at roughly only nine percent below last year's midway point. The neighborhood was buoyed by a very strong 1Q2020, with six sales over five million dollars. The price gap between Brooklyn Heights and Cobble Hill continues to narrow; through 3Q2020 the PPSF average is nearly equal. This continues a trend of buyers from Manhattan expanding their search from Brooklyn Heights to Cobble Hill, which offers the same beautiful, tree-lined townhouse streets with similar conveniences and proximity to Manhattan.

Quarterly Transaction Volume & Average Price

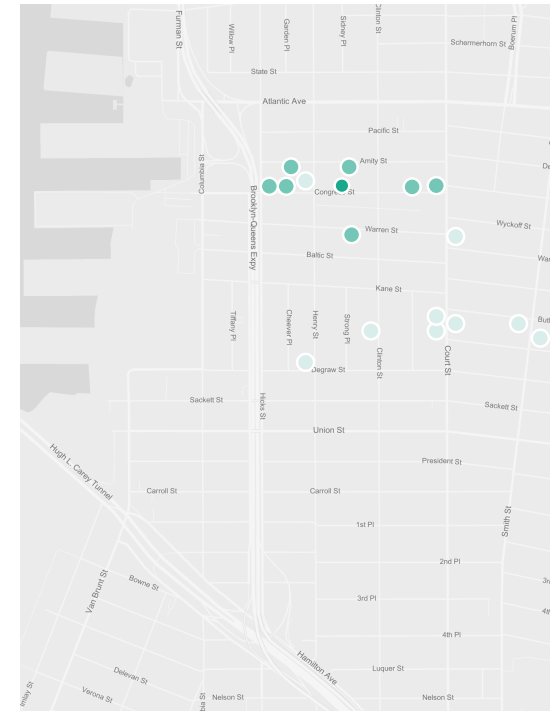


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M ● \$4-\$8M ● \$8-\$12M ● \$12M+



AVERAGE SALE PRICE

\$4.4M

+1% Year Over Year

AVERAGE PRICE PER SQFT

\$1,177

+1% Year Over Year

BID-ASK SPREAD

9%

+3 points Year Over Year

AVERAGE DAYS ON MARKET

156

-37% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

2

NUMBER OF SALES

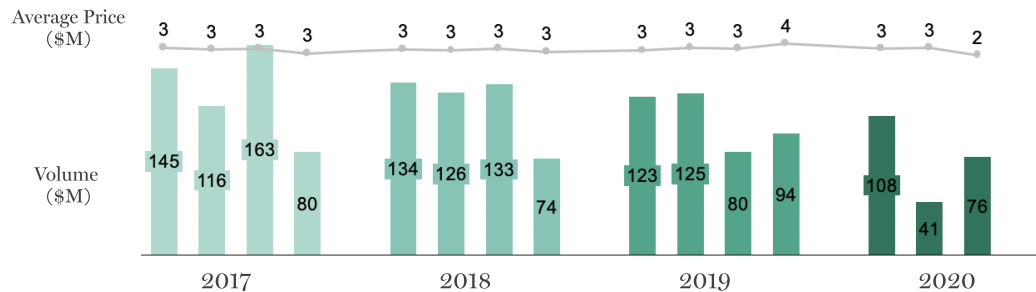
17

-35% Year Over Year

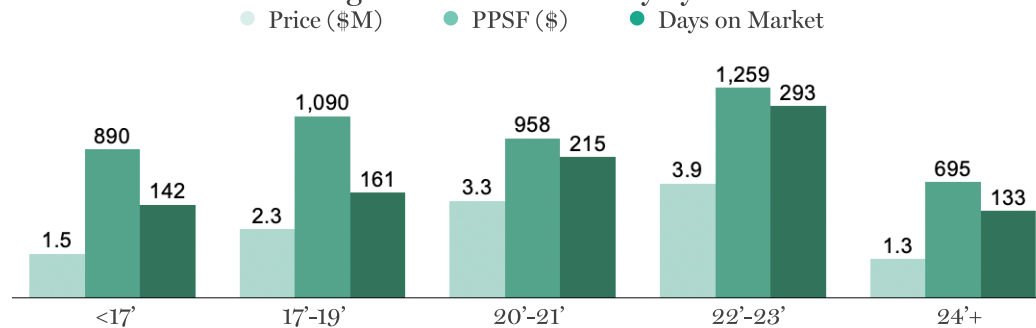
Park Slope

Park Slope was off to a strong start in 2020 with a steady stream of three million dollar+ sales. Then the pandemic hit and the market froze. But we saw it come back to life throughout 2Q2020, with several four million dollar+ transactions. With 81 sales and 29 townhomes in contract through 3Q2020, Park Slope's market has bounced back quickly as many New York City residents have been seeking a more secluded home life with private outdoor space. The combination of its natural beauty, abundant inventory, and relatively modest luxury pricing makes it an appealing option for many.

Quarterly Transaction Volume & Average Price

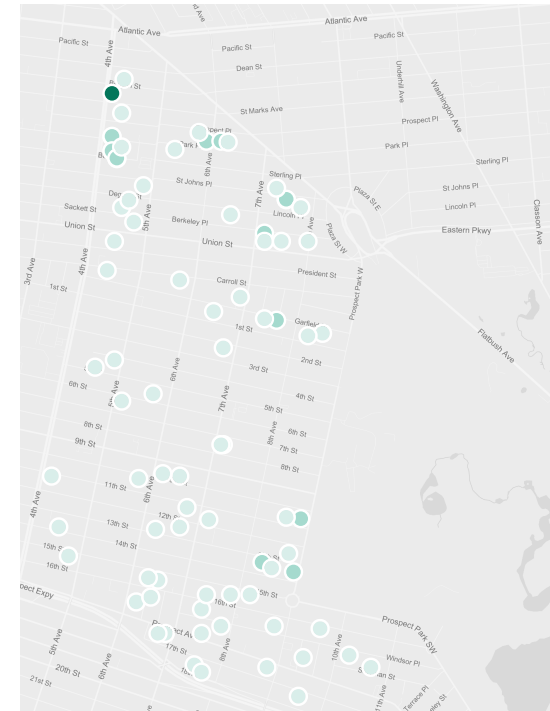


YTD 2020 Average Transaction Activity by Townhouse Width



YTD 2020 Transactions

● <\$4M
 ● \$4-\$8M
 ● \$8-\$12M
 ● \$12M+



AVERAGE SALE PRICE

\$2.8M

-9% Year Over Year

AVERAGE PRICE PER SQFT

\$1,025

+8% Year Over Year

BID-ASK SPREAD

5%

-1 points Year Over Year

AVERAGE DAYS ON MARKET

184

+1% Year Over Year

NUMBER OF CONTRACTS CURRENTLY SIGNED

29

NUMBER OF SALES

81

-24% Year Over Year

Featured Properties



313 West 4th St.

\$16,950,000

Single Family
5,300 ft²

West Village



83 Riverside Dr.

\$10,995,000

Single Family
8,440 ft²

Upper West Side



72 Middagh St.

\$7,995,000

Single Family
5,500 ft²

Brooklyn Heights



78 Morton St.

\$21,800,000

Single Family
7,281 ft²

West Village

SOLD



312 West 82nd St.

\$4,495,000

Single Family
4,708 ft²

Upper West Side

SOLD



138 East 92nd St.

\$4,450,000

Single Family
2,944 ft²

Upper East Side

SOLD

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