



# RPX MONTHLY MANHATTAN NEIGHBORHOODS *REPORT*

Release Date: May 21, 2009

March 2009

## ***Key Characteristics***

- In March 2009, the RPX Manhattan Condo price decreased 2.5 percent on a month-over-month basis and was 7.5 percent off its peak in December 2008. Manhattan Condo transactions were down 57.5 percent year-over-year.
- RPX Manhattan Neighborhood Prices for the Upper East Side, Soho/Tribeca and Murray Hill/Gramercy were still above their March 2008 levels, but two of these neighborhoods, the Upper East Side and Soho/Tribeca, posted month-over-month price declines.
  - On the Upper East Side, the 11.5 percent month-over-month decline was driven by capitulation on the part of developers selling newly-constructed units.
  - In Soho/Tribeca, the 4.1 percent month-over-month decline can be attributed to capitulation on the part of owners of existing condos.
- In Murray Hill/Gramercy, month-over-month price gains reflected an increase in existing-unit prices.
- Year-over-year price declines of over ten percent in the Upper West Side, Midtown/Clinton and the East Village/Lower East Side can be attributed to 90 to 100 percent declines in the number of new-unit sales.

## ***Discussion***

Until recently, the Manhattan condominium market has shown resilience in the face of the housing bust. The all-time peak of the RPX Manhattan Condo price did not occur until December 16, 2008. In March 2009, however, there were indications that the housing bust has arrived in Manhattan. Condo transactions were down 57.5 percent year-over-year and the RPX Manhattan Condo price was down 2.5 percent for the month, and 7.6 percent off its peak.

Of the three RPX Manhattan Neighborhoods Prices that were higher in March 2009 than they were a year earlier, two posted declines between February and March. The Upper East Side and Soho/Tribeca posted month-over-month price declines of 11.5 percent and 4.1 percent, respectively. On the Upper East Side, the 11.5 percent month-over-month decline was driven by capitulation on the part of developers selling newly-constructed units. Between February 19 and March 19, the median price per square foot observed in new-unit sales decreased 26 percent on the Upper East Side. Over the same period the median price per square foot for existing condos increased by 13 percent. Roughly half the sales on the Upper East Side were new unit sales, and roughly half were existing-unit sales (18 new-unit sales and 19 existing-unit sales).

In Soho/Tribeca, the month-over-month decline in price per square foot can be attributed to capitulation on the part of owners of existing condos. The median price per square foot in existing-unit sales decreased 20 percent between

February and March while the median price per square foot in new-unit sales decreased 2 percent. Existing-unit sales in Soho-Tribeca outnumbered new unit sales by nearly two to one.

In Murray Hill/Gramercy, the only other neighborhood covered by this report where prices increased year-over-year, prices increased between February and March 2009 by 21 percent. This month-over-month increase can be attributed to a 21 percent increase in the median price per square foot observed in existing-unit sales, but given the small sample size (18 sales) the increase could also simply reflect sampling error.

Year-over-year price declines of over ten percent in the Upper West Side, Midtown/Clinton and the East Village/Lower East Side can be attributed to 90 to 100 percent declines in the number of new-unit sales. Last March, newly constructed units in these three neighborhoods sold at roughly a ten percent premium to existing units, so the sharp decline in new unit sales over the intervening year resulted in the decline in aggregate prices for these neighborhoods. New unit sales in Midtown/Clinton decreased from 67 in March 2008 to 6 in March 2009. In the Upper West Side and East Village/Lower East Side, new unit sales fell to zero from 13 and nine a year ago, respectively.

Four percent year-over-year price declines in Chelsea/West Village and the Financial District reflect 9 and 10 percent year-over-year declines, respectively, in the median price per square foot for new-unit sales.

## Exhibit 1: Manhattan Neighborhoods Ranked by 1-Year % Change\*

Mar 09 Rank	Feb 09 Rank	Neighborhood	PPSF	Mar 09 vs. Mar 08	Mar 08 vs. Mar 07	Mar 09 vs. Feb 09	Mar 08 vs. Feb 08
1	2	Soho/Tribeca	\$1,475.37	23.5%	-5.1%	-4.1%	-13.9%
2	1	Upper East Side	\$1,316.98	11.1%	12.9%	-11.5%	10.1%
3	7	Murray Hill/Gramercy	\$1,057.86	3.5%	2.9%	20.7%	-19.0%
4	4	Chelsea/West Village	\$1,200.77	-4.2%	8.0%	0.3%	2.0%
5	3	Financial District	\$1,025.62	-4.2%	11.9%	3.3%	7.4%
6	6	Upper West Side	\$982.22	-15.8%	10.1%	4.7%	-2.5%
7	5	Midtown/Clinton	\$1,038.69	-21.5%	17.6%	-5.8%	8.9%
8	8	East Village/Lower East Side	\$914.22	-22.8%	18.8%	21.0%	5.6%

\*Manhattan Neighborhoods are subsets of the New York MSA

■ = positive ■ = neutral ■ = negative

## Exhibit 2: Transaction Counts\*

	Mar 2008	Feb 2009	Mar 2009
Chelsea/West Village	30	24	25
East Village/Lower East Side	20	2	8
Financial District	36	22	20
Murray Hill/Gramercy	43	11	18
Midtown/Clinton	128	32	26
Soho/Tribeca	23	14	17
Upper East Side	52	36	37
Upper West Side	58	24	16

## Exhibit 3: Transaction Counts % Change\*

	Mar 2009 vs. Mar 2008	Mar 2009 vs. Feb 2009
Chelsea/West Village	-16.7%	4.2%
Soho/Tribeca	-26.1%	21.4%
Upper East Side	-28.9%	2.8%
Financial District	-44.4%	-9.1%
Murray Hill/Gramercy	-58.1%	63.6%
East Village/Lower East Side	-60.0%	300.0%
Upper West Side	-72.4%	-33.3%
Midtown/Clinton	-79.7%	-18.8%

## Exhibit 4: Manhattan Neighborhoods Ranked by 2-Year and 5-Year Annualized Change\*

Leading 5 Manhattan Neighborhoods (2-Year Annualized % Change)		
Rank	Neighborhood	% Change
1	Upper East Side	12.0%
2	Soho/Tribeca	8.3%
3	Financial District	3.6%
4	Murray Hill/Gramercy	3.2%
5	Chelsea/West Village	1.7%

Trailing 5 Manhattan Neighborhoods (2-Year Annualized % Change)		
Rank	Neighborhood	% Change
1	East Village/Lower East Side	-4.2%
2	Midtown/Clinton	-3.9%
3	Upper West Side	-3.7%
4	Chelsea/West Village	1.7%
5	Murray Hill/Gramercy	3.2%

Leading 5 Manhattan Neighborhoods (5-Year Annualized % Change)		
Rank	Neighborhood	% Change
1	Soho/Tribeca	14.8%
2	Upper East Side	12.4%
3	Financial District	10.9%
4	Murray Hill/Gramercy	9.0%
5	Midtown/Clinton	7.6%

Trailing 5 Manhattan Neighborhoods (5-Year Annualized % Change)		
Rank	Neighborhood	% Change
1	Upper West Side	2.2%
2	East Village/Lower East Side	3.1%
3	Chelsea/West Village	6.2%
4	Midtown/Clinton	7.6%
5	Murray Hill/Gramercy	9.0%

\* Source: 28-Day RPX value for each Manhattan Neighborhood as of 3/19/2009. Please refer to [www.radarlogic.com/disclosure\\_disclaimer.html](http://www.radarlogic.com/disclosure_disclaimer.html) for more information.

## 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:

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