



First Quarter Real Estate Report for Upper Manhattan

2021



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About Harlem Lofts, Inc.

Harlem Lofts, Inc. is a boutique real estate firm incorporated in 2002 and located at 272 Lenox Avenue in Harlem, New York. We keep a sharp focus on seller representation, with specialization in townhouse and condominium properties, while maintaining an extensive proprietary database of well-qualified buyers.

With experienced professionals at its core, the employee-owned firm is divided into two complementary divisions: **Research and Sales**. Our approach begins with outstanding quality Research, which underpins our strategic Sales model. We tailor each sales campaign to leverage our expertise and professional relationships, **to achieve optimal results**. This approach allows our team to provide a consistent, seamless service to our clients for every transaction.

Cultivating long-lasting relationships within the community is essential to the success of our firm and our clients. We are members of the Real Estate Board of New York (REBNY www.rebny.com) and the Hudson Gateway Association of Realtors® (HGAR www.hgar.com). This means (depending on client preference) we can either tailor a listing to a specific well-qualified clientele or syndicate our offerings across all major marketing platforms to reach an exceptionally large audience in a truly short timeframe.

To start the conversation, send us an email at info@harlemlofts.com, visit our website at <https://harlemlofts.com/>, and/or call us at **212 280 8866**. We also have an active **social media presence** – join us there or at our regular **webinars/events** and **market analysis videos** on our **YouTube channel**:

<https://tinyurl.com/HLIYouTube>

<https://tinyurl.com/HLITwitter>

Or, **to meet us in person**, stop in at our Harlem office at **272 Lenox Avenue, between 123rd and 124th Streets**.

Sincerely,

Robert ‘Robb’ Pair

Founder



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From the Desk of Robb Pair

2021 – Full Steam Ahead!

Welcome to the Harlem Lofts Q1 2021 Upper Manhattan Real Estate Report!

Overall, Upper Manhattan real estate has been more of a psychological roller coaster than anything else over the past year.

As we have reported monthly throughout the pandemic, the underlying market for Upper Manhattan real estate and Harlem Real Estate **have remained healthy**. In this report, you will see the market is showing **all the signs of a full recovery**.



Being on the front line daily in this market, one gets a feel for things from others before the facts prove the theory. I first started "feeling/sensing" the recovery in the market as I heard comments like "**Full Steam Ahead!**" and "**Time to Double Down!**" from serial investors and small developers looking at some of Harlem Lofts' townhouse listings in October 2020. Looking back, the townhouse listings mentioned in those comments are all now in contract or have closed! Some have remained as townhouses, while others have become assemblages for larger development projects.

The second sign of recovery we detected came from working with our Research Team and seeing that December 2020 was the top month for townhouse contracts signed since the onset of the COVID-19 situation. In our March monthly **YouTube Market Analysis** video, I reported that **March 2021 saw the highest number of March closings since 2018**.

That being said, I wouldn't cash out just yet if your plans allow you to hold your real estate for a few years, as pricing is **currently stable**, but I do not predict a surge in market activity - rather a slow and healthy return to normality. Mistakes are made in both Sellers' and Buyer's markets and there seem to always be winners and losers, but a slow healthy recovery creates a market that treats everyone a little more fairly. **In my opinion, that's the best market for everyone involved.**

Final Thoughts

In December 2019, we reported and predicted that Upper Manhattan pricing would finally start going up slowly for the first time since 2016. Q1 2020 showed that happening as predicted until COVID-19 hit. Things basically stopped in their tracks for 7 months, but at least market pricing held steady. If you purchased a home in 2015-16, you may be looking at a very similar value now on average, but at least you haven't lost much value.

While the headlines of urban flight continue, and Manhattan proper feels the pain, Harlem and Upper Manhattan have actually benefited from being a little more like suburbia. **Harlem was originally developed in the 1800's as a Manhattan suburb**, and during COVID it seemed to reap the benefits of being on the fringe of Manhattan yet again.

In this report, you will see a market that is much healthier than most submarkets in Manhattan. While Midtown, Downtown, and the commercial markets continue to show signs of struggle, Upper Manhattan and Harlem (often referred to as the Manhattan "Fringe Market") continue to hold their own.

We hope you enjoy this report! Please feel free to reach out to us at info@harlemlofts.com with your real estate needs. I also encourage you to **join us on our social media platforms and website** (linked on the opposite page and throughout this report), register for our **Market Reports**, and attend our **regular webinars and events!**

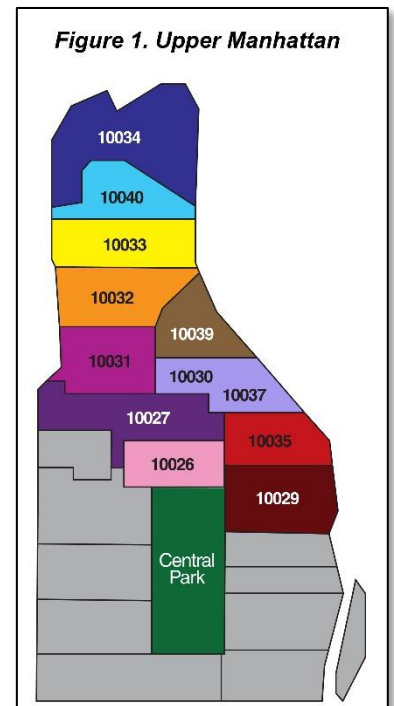
Hope to hear from you soon!

Robb Pair, Founder and President, Harlem Lofts Inc.

2021 Q1 Townhouse Market Analysis

A. Introduction

- This article summarizes 1-8 family and Single Room Occupancy (SRO) townhouse transactions in Upper Manhattan between **Jan 1st and March 31st, 2021 (Q1 2021)** and compares these data with **prior years (2018-2020)**.
- We also provide **market reports** on our website at <https://harlemlofts.com/> and **market analysis videos** on our **YouTube channel**: <https://tinyurl.com/HLIYouTube>
- Upper Manhattan includes **12 zipcodes** extending north from East 96th St, Central Park North and W 110th Street, to the northern tip of the island. See **Figure 1**.
- This report excludes transactions in non-representative areas, for example bordering Central Park, and west of Morningside Park.
- Based on our data, the townhouse market **is recovering** following the COVID-19 situation. We are tracking market trajectory.



B. Sales (Graphs 1-4)

1. Q1 2021

- **16** Fair Market Value (FMV) sales generating **\$35.42 million**.
- Mean sale price of **\$2,213,789**, and median PPSF of **\$518/SF**.

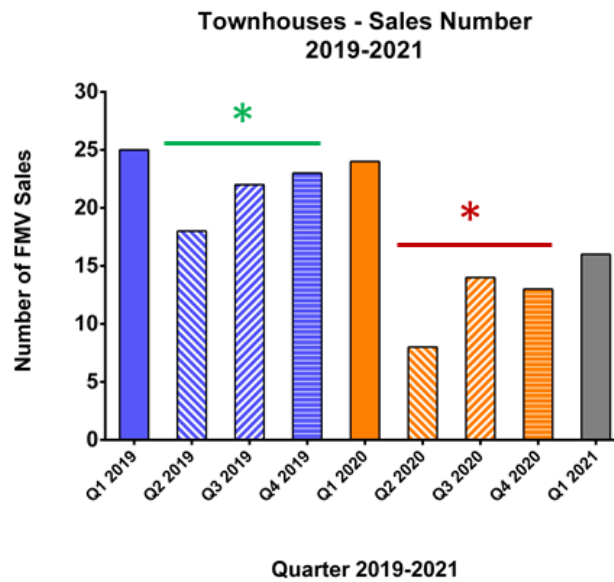
2. Comparison with Q1 2020

- Numbers of FMV transactions in **Q1 2021 (16, grey)** were **33.3%** lower than **Q1 2020 (24, orange)** (**Graph 1**).
- Sales volume in **Q1 2021 (\$35.42 million)** was **35.7%** lower than in **Q1 2020 (\$55.05 million)** (**Graph 2**).
- Average price/PPSF in **Q1 2021 (\$2,213,789, \$518)** were **similar** to **Q1 2020 (\$2,293,644, \$559)**. These metrics have been similar since 2018 (**Graphs 3,4**).

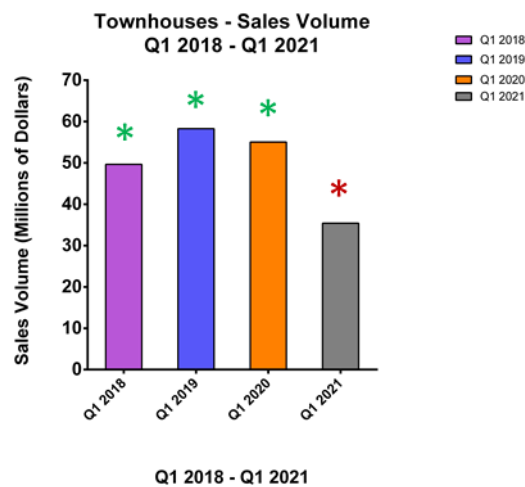
3. Longer-Term Trends

- The market in **Q1 2020 (24 sales, \$55.05 million)** was **similar** to **Q1 2019 (25 sales, \$58.3 million)** (**Graphs 1,2**).
- But **Q2-4 2020 (35, \$72.8 million)** were **46.7%** and **49.5% lower** than **Q2-4 2019 (63, \$133.8 million)** (**Graph 1**).
- This **slump** in sales in **Q2-4 2020** was due to **COVID-19**, which curtailed retail activity (**Graph 1, red asterisk**).
- **Q1 2021** shows a trend towards recovery but **the market is still down by 33.3%** compared with **Q1 2020**.
- Average price/PPSF in **Q1 2018 (\$2,256,920, \$599)** through **Q1 2021 (\$2,213,789, \$518)** are also similar, further indicating **underlying market health** (**Graphs 3,4**). Please see also our **Market Analysis** article, **pages X-X**.

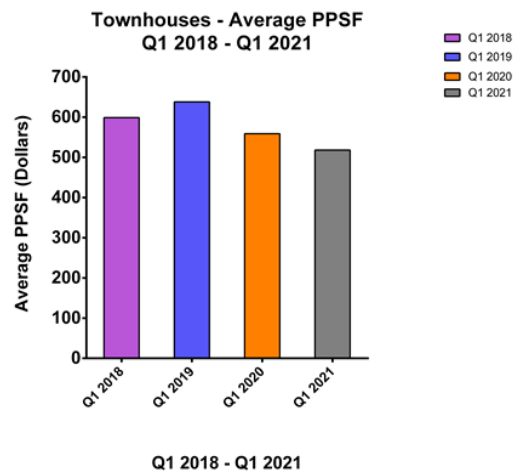
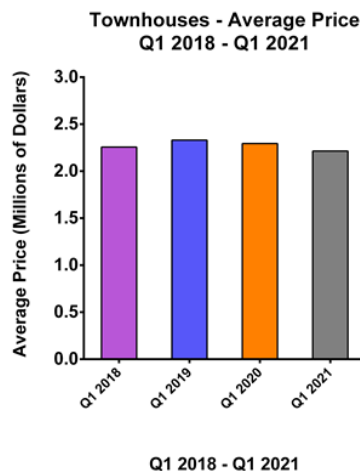
Graph 1. Townhouse Transaction Number, Q1 2019 through Q1 2021



Graph 2. Townhouse Q1 Sales Volume, 2018 through 2021



Graphs 3,4. Townhouse Q1 Average Sale Price and Price per Square Foot (PPSF), 2018 through 2021



C. Sales by Property Class (Graphs 5-7)

1. Q1 2021

- In Q1 2021, one- and two-family residential properties combined generated **highest sales (9 transfers)** (Graph 7, right, blue/yellow bars).
- Three- and four+ family rental investment properties were a smaller market sector (4 transactions).

2. Comparison with Q1 2019 and Q1 2020

- The trend in Q1 2021 is **similar to** that seen in Q1 2019, which saw one- and two-family residential properties (11 transactions) edge out rental investment properties (9 transfers).
- In Q1 2020, sales of residential townhouses (6 transfers) were **overtaken by** rental investment properties (13 transactions), but the market **reverted to its prior pattern** in Q1 2021.

Graphs 5-7. Townhouse Q1 Transaction Number by Property Class, 2019 through 2021



3. Interpretation

- Stringent new laws** passed in June 2019 by New York City impacting rent-controlled and rent-stabilized apartments in larger rental buildings increased the attractiveness of smaller rental investment properties (such as townhouses) to investors. This likely **underlaid their popularity** in Q1 2020.
- The market returned to the norm in Q1 2021, with residential properties regaining market share.

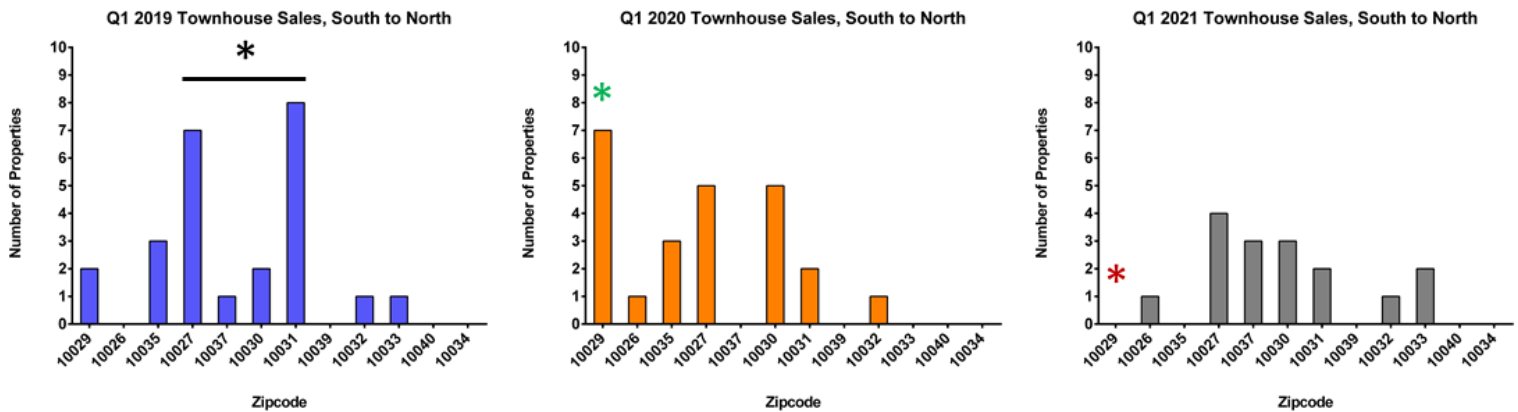
D. Transactions by Zipcode (Graphs 8-10)

1. Q1 2021, Comparison with Q1 2019 and Q1 2020

- Graphs 8-10** compare number of Q1 townhouse sales in Upper Manhattan in **2019** (left, blue), **2020** (center, orange) and **2021** (right, grey), by zipcode south to north (left to right on each graph and see **Figure 1**).

- In general, townhouse sales are focused in the center of Upper Manhattan, from Central Harlem (**10027**) through the St. Nicholas Historic District (**10031**) (*Graph 8, black asterisk*). In **Q1 2019** these accounted for 18 out of a total of 25 sales.
- In **Q1 2020**, the market showed a shift towards more southern zipcodes, with 10029 (East Harlem) accounting for 7 of 24 sales (*Graph 9, green asterisk*).
- This shift was not maintained in Q1 2021, which saw a **reversion to favoring sales in mid-Upper Manhattan zipcodes** (*Graph 10*).

Graphs 8-10 – Townhouse Q1 transaction number by zipcode 2019 through 2021



E. Summary – 2020 Year-End Townhouse Market Analysis

- Following COVID-19, the townhouse market in **Q1 2021** **shows a trend towards recovery** but **is still down by 33.3%** compared with **Q1 2020**. Please see also our **Market Analysis** article on **pages X-X**.
- Average price and PPSF in **Q1 2018 (\$2,256,920, \$599)** through **Q1 2021 (\$2,213,789, \$518)** are also similar, further indicating **underlying health of the market** (*Graphs 3,4*).
- In **Q1 2021**, **one- and two-family residential properties combined** generated **highest sales**, re-establishing their pre-eminence in the market.
- **Q1 2021** saw a reversion to favoring sales in mid-Upper Manhattan zipcodes.
- **For more information, please follow our market analysis reports at <https://harlemlofts.com/>, and analysis videos on our YouTube channel at <https://tinyurl.com/HLIYouTube>**
- Harlem Lofts, Inc. is the **acknowledged expert** in the Upper Manhattan townhouse market - please feel free to reach out to us at **info@harlemlofts.com** for a comprehensive evaluation of your townhouse assets.

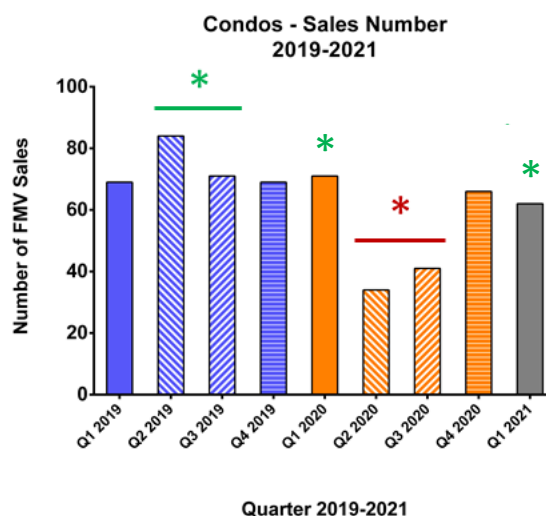
2021 Q1 Condominium Market Analysis

A. Introduction

- This article analyzes Upper Manhattan condominium transactions between **January 1 and March 31, 2021** and compares these data with prior years. These data complement our Townhouse Analysis article on **pages 4-7**.
- As mentioned in our townhouse article, we also provide **market reports accessible on our website at <https://harlemlofts.com/> and market analysis videos on our YouTube channel: <https://tinyurl.com/HLIYouTube>**
- Per our townhouse article, Upper Manhattan includes **12 zipcodes** extending north from East 96th St, Central Park North and W 110th Street, to the northern tip of the island (**Figure 1, p4**). Our analysis excludes transactions in non-representative areas, for example bordering Central Park and the Hudson River, and west of Morningside Park.
- Based on our data, the condominium market **has recovered almost completely following COVID-19**.

B. Sales (Graphs 1-3)

Graph 1. Condominium transaction number, Q1 2019 through Q1 2021



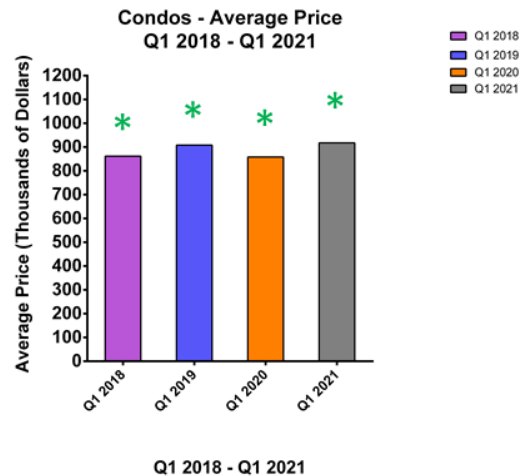
1. Q1 2021

- **62** FMV sales generating **\$56.9 million**, a higher dollar volume than the townhouse market.
- Average sale price of **\$917,559**.

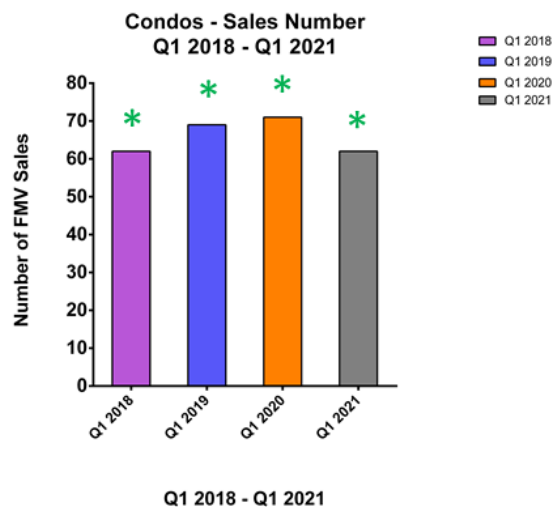
2. Comparison with Q1 2020

- Number of FMV transactions in **Q1 2021** (**Graph 1, 62, grey**) was **12.7%** lower than **Q1 2020** (**71, orange**) (**green asterisks**).
- Sales volume in **Q1 2021** (**\$56.9 million**) was just **6.6%** lower than in **Q1 2020** (**\$60.9 million**).
- Interestingly (**Graph 2**), and similar to the townhouse market, **average sale price** in **Q1 2021** (**\$917,559**) was **similar** to **Q1 2020** (**\$858,498**).

Graph 2. Condominium Q1 Average Sale Price, 2018 through 2021



Graph 3. Condominium Q1 Transaction Number, 2018 through 2021



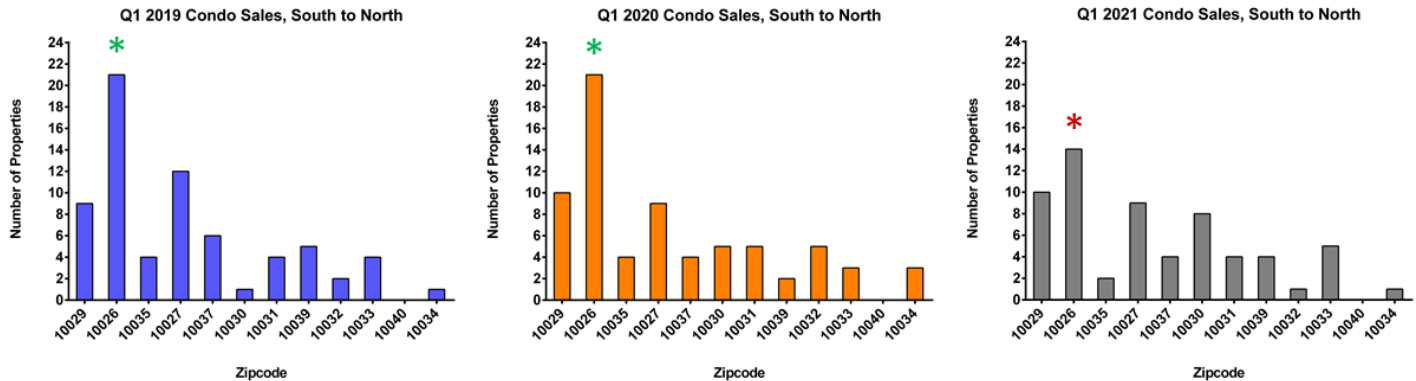
3. Longer-Term Trends

- As seen in our townhouse analysis, the market in **Q1 2020 (71 sales, \$60.95 million)** was **similar** to **Q1 2019 (69 sales, \$62.68 million)** (*Graph 1*).
- However, sales and volume in **Q2/3 2020 (75, \$68.33 million)** were **51.61%** and **52.61%** lower than in **Q2/3 2019 (155, \$144.64 million)** (*Graph 1, compare red asterisk and bar with green asterisk and bar*).
- The **slump** in sales in **Q2/3 2020** was due to the **COVID-19 pandemic**, which curtailed activity in the condominium market **at least as severely in Q2/3 2020 as** in the townhouse market.
- However, the **condominium market recovered in Q4 2020**, with sales **(66, \$58.00 million)** **similar** to **Q4 2019 (69, \$62.58 million)** (*Graph 1*).

- This recovery has continued in **Q1 2021**, in which the number of FMV transactions and sales volume (**62, \$56.9 million**) were only **12.7% and 6.6%** lower than **Q1 2020 (71, \$60.9 million)**.
- Average **condominium sale price, and transaction number**, have shown overall **stability** over a longer period, from **Q1 2018** through **Q1 2021** despite the temporary market downturn associated with **COVID-19 (Graphs 2, 3, green asterisks)**.

C. Transactions by Zipcode (Graphs 4-6)

Graphs 4-6 – Condominium Q1 transaction number by zipcode 2019 through 2021



1. Q1 2021, Comparison with Q1 2019 and Q1 2020

- **Graphs 4-6** compare Q1 condominium sales in Upper Manhattan in 2019 (left, blue), 2020 (center, orange) and 2021 (right, grey), by zipcode south to north (left to right on each graph and see **Figure 1**).
- Unlike the townhouse market, condominium sales in Upper Manhattan are usually concentrated in southern zipcodes, from 10029 (East Harlem) through 10027 (Central Harlem).
- There were **21 condominium sales** in both **Q1 2019** and **Q1 2020** in **10026** (South Harlem), dropping to **14** in **Q1 2021**. Sales in this zipcode in **Q1 2019** and **Q1 2020** were boosted by **two condominium building launches**, which had both sold out by **Q1 2021**.

D. Summary – 2020 Year-End Condominium Market Analysis

- The Upper Manhattan condominium market was **significantly impacted by the COVID-19 situation in Q2/3 2020** but **recovered in Q4**, and **this recovery has been sustained through Q1 2021 (Graph 1)**.
- Average transaction number and sale price in **Q1 2018 (62, \$53.42 million)** through **Q1 2021 (62, \$56.89 million)** **have also been stable**, further indicating **the underlying health of the market (Graphs 2, 3)**.
- Condominium sales continue to be focused largely in the **southern part of Upper Manhattan (Graphs 4-6)**.
- **For more information, please contact us at info@harlemlofts.com, follow our market analysis reports at <https://harlemlofts.com/>, and analysis videos on our YouTube channel at <https://tinyurl.com/HLIYouTube>**

Q1 2021 Upper Manhattan Market Status and Trajectory

A. Introduction

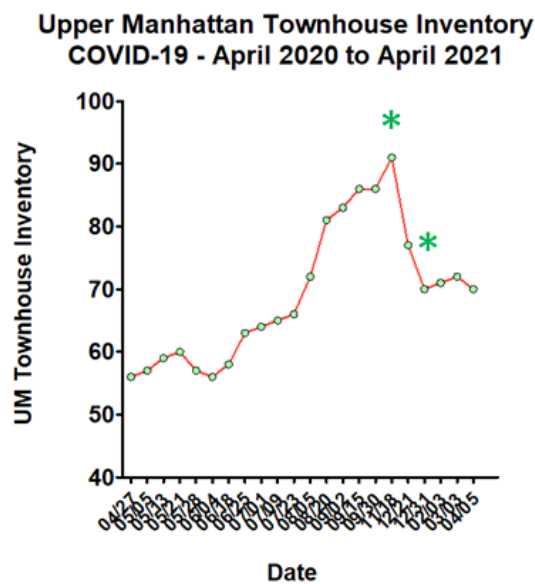
- This article summarizes the **current status of the Upper Manhattan townhouse and condominium markets and suggests their future trajectory.**
- Our analysis is shown below. We also present **regular market updates on our YouTube channel:**
<https://tinyurl.com/HLIYouTube>
- Our analysis includes **weekly measures of townhouse and condominium inventory and pricing.**
- Based on our data, the trajectories of both the condominium and townhouse markets are **towards recovery.**
- Any predictions represent a **good faith best estimate** and are subject to market forces.

B. Townhouse Inventory (Graphs 1-4)

1. Inventory over Time, Q2 2020 through Q1 2021

- **Graph 1** shows Upper Manhattan townhouse inventory from **April 2020 through the beginning of April 2021.**
- Classically, following a market downturn, **inventory is the first marker of recovery.**
- Following the impact of COVID-19, **townhouse inventory peaked at 91 FMV listings** as of November 18th, 2020.
- Inventory then **decreased to 70 listings by December 31st** and has stabilized – **demand has followed supply.**

Graph 1. Upper Manhattan Townhouse Inventory, Q2 2020 through Q1 2021



2. Analysis of Townhouse Inventory Turnover

- As shown in **Graph 1**, Upper Manhattan townhouse inventory has been **stable at 70-72 FMV listings** since **December 31st, 2020**.
- However, closer analysis during this period reveals that despite the apparent stability, **15%-18% of townhouse listings have turned over every month**.
- For example, in **March 2021**, **13 townhouses left the market** (6 went into contract and 7 were delisted), while **11 joined the market** (8 new listings and 3 re-listed properties).
- In **March 2021**, there were **12 recorded townhouse sales in Upper Manhattan** - the highest number of March sales in 3 years.
- Close analysis of the market suggests a trend towards recovery and assists Harlem Lofts to better help our clients and customers.**
- We follow inventory and pricing closely, and communicate these data with our clients via **regular market updates on our YouTube channel**:

<https://tinyurl.com/HLIYouTube>

3. Analysis of Townhouse Inventory by Price (Graphs 2-4)

- Graphs 2 and 3** show **townhouse inventory number and days on the market by price as of April 5th, 2021**.
- Of the **70 townhouses** currently on the market, **27 are priced at \$2 million - \$2.99 million (Graph 2, left, green asterisk)**.
- The price bands **<\$2 million and \$3 million - \$3.99 million have 24 and 16 listings respectively**.
- There are only **3 listings priced >\$4 million**, but they have been on the market the longest, **averaging 449 days (Graph 3, right, red asterisk)**.

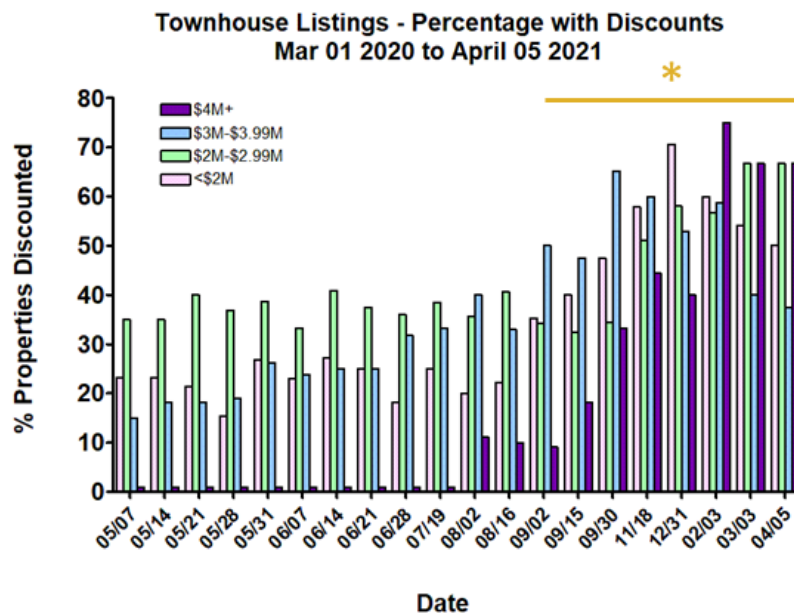
Graphs 2,3. Upper Manhattan Townhouse Inventory Number and Days on the Market by Price



4. Townhouse Discounts (Graph 4)

- **Graph 4** displays the cumulative percentage of townhouse inventory offering price discounts from **March 2020 through the beginning of April 2021**.
- Following the onset of the COVID-19-related market downturn in March 2020, **listings have increasingly offered discounts to encourage sales (Graph 4, orange asterisk and bar)**.
- Currently, **54.3% of listings** across all price brackets are offering discounts, **averaging 11.94% of original price**.
- The rate at which discounts are accumulating is slowing and reaching a plateau.
- **These data show that the townhouse market has undergone a COVID-associated price correction.**
- We will be following these trends via **market updates on our YouTube channel**: <https://tinyurl.com/HLIYouTube>

Graph 4. Upper Manhattan Townhouse Listings, Percentage Offering Discounts

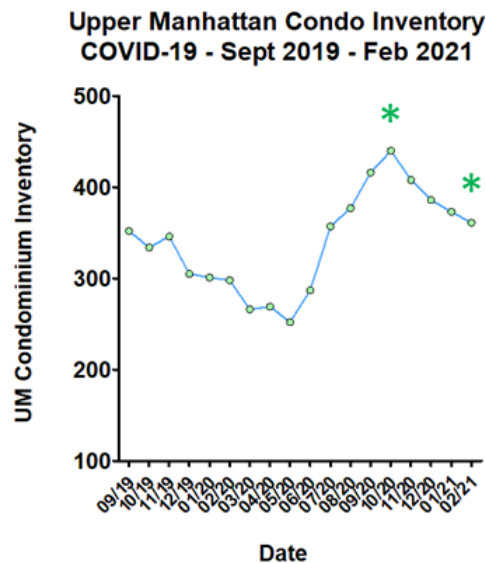


C. Condominium Inventory (Graph 5)

1. Condominium Inventory over Time, Q3 2020 through Q1 2021

- **Graph 5** shows Upper Manhattan condominium inventory from **September 2020 through February 2021** (most recent available data).
- As mentioned above, following a market downturn **inventory is the first marker of recovery**.
- Following the impact of COVID-19, **condominium inventory recovered and overshot, peaking at 440 FMV listings** in **October 2020**.
- As of February 2021, inventory has **decreased to 361 listings** – **demand has followed supply**.

Graph 5. Upper Manhattan Condominium Inventory, Q3 2020 through Q1 2021



D. Summary

- **Townhouse and condominium inventory have recovered post-COVID and demand is following supply.**
- Close analysis of the townhouse market shows that **15%-18% of listings have turned over every month** since December 2020.
- **Townhouse recorded sales are increasing and the condominium market has recovered.**
- Market trends suggests that townhouse (and perhaps condominium) listings were overpriced in early 2020 due to anticipated market recovery following reduced sales in 2018/2019. **The market has corrected to 2019 levels.**
- **Close analysis of the market assists Harlem Lofts to better help our clients and customers.**
- **We follow these trends via our market reports which can be downloaded from our website, and via regular video market updates on our YouTube channel:**

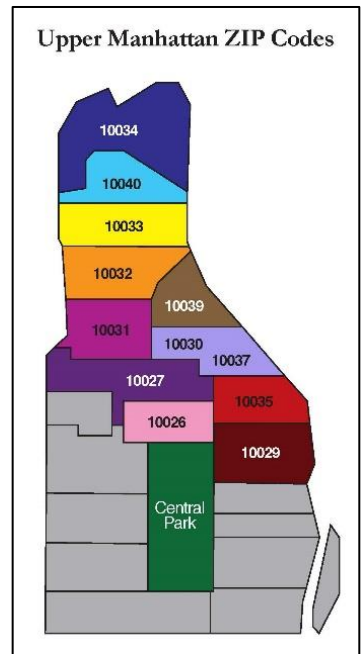
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About This Report

- Our **Upper Manhattan Real Estate Report** is published quarterly and summarizes Upper Manhattan townhouse and condominium real estate sales activity.
- **We define Upper Manhattan** as extending as far south as East 96th Street, Central Park North and West 110th Street, and encompassing **12 zipcodes**, as shown:
- **This Report is based on 2018-2021 data from independent sources**, including our exclusive sales database, NYC public records, the Manhattan MLS, REBNY, ACRIS and the NYC Department of Buildings, NYC Department of Finance, and the NYC Department of Housing Preservation and Development.
- To reflect **actual market value**, we exclude properties bordering Central Park and the Hudson River, properties west of Morningside Park, extremely high/low sales, package or multiple property deals, off-market sales, and income-restricted units.
- To receive an individual **Comparable Market Analysis** on your property, or more detailed information on any topic relating to Upper Manhattan real estate, **please contact us at info@harlemlofts.com**



Our Vision Statement

- To **represent and advise** property owners on how to **maximize the value of their real estate assets** in conjunction with their financial objectives.

Townhouse Experts Since 1998

Licensed & insured contractor offering the following services for homeowners, sellers, or buyers:

Pre-Sale Inspection and Consultation

An à la carte menu with pricing of items needed to improve a home in preparation for sale

Home Services Yearly Contract

Roof to cellar inspection and quarterly service for townhomes



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L O F T S

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