



Midyear Upper Manhattan Real Estate Report

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 that depending on client preference we can tailor a listing to a specific well-qualified clientele, and/or 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 on our **YouTube channel** for our regular **market analysis videos**:

<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**.



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From the Desk of Robb Pair

Midyear 2021 – Time's Up, Buyers!

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

Dear **Potential Buyers**,

Do you remember in **2008**, when you may have thought, 'Should I make the investment in Upper Manhattan now'?

Do you remember in **2015-17**, when you may have asked yourself, 'Wow, why didn't I make that investment in 2008'?

Well, be sure to check with your personal advisers here, but history has a tendency of repeating itself, and I have worked in this industry since before the **1989** crash and President Carter's 18% interest rates for homes, so I'm just saying...

As you will see in the pages of this Report. our **Research** here at Harlem Lofts is showing us that the Upper Manhattan real estate market is firmly in recovery.

Analysis of Townhouse Sales by Class from 2018-2021 shows **the rental investment sector of the market** increasing market share in 2019 and retaining value in 2020, followed by a **resurgence of the residential market driven by two-family properties in 2021**. Analysis of Townhouse Price per Square Foot (PPSF) by Class shows a **gradual flattening** of the usual 1-family through SRO gradient over time, although 2020 has some outlier values.

Our analysis of Townhouse Current Listings, In-Contract Properties and 2021 Sales clearly shows that Townhouse market activity is **concentrated below \$3M, especially in the \$2M-\$3M market sector**, and that **the number of In-Contract properties is increasing progressively**.

Importantly, **the rate at which discounts are being offered** in the Townhouse market is also dwindling, **from 59.2% of listings in February to 41% currently**.

Importantly, **Condominium Inventory is high** due to some delayed projects coming to market now. Some of this was strategic, with sponsors releasing minimal inventory during COVID. **BUT demand is currently so high** that analysis of Condominium Sales Price and PPSF show that both have remained stable during COVID and **are now increasing slightly**.

Final Thoughts

If you stayed in touch with us personally or through our **YouTube** updates and **Quarterly Market Reports** over the last 15 months, you likely noticed a few very distinct underlying areas in which, although being surprised, I was excited to see:

- A **strong underlying real estate market in Upper Manhattan** throughout COVID.
- Many Homeowners making **hard real estate decisions** based on economic, social and public health instability.
- Glamorization of Urban flight and the **rebirth of Suburbia**.

I realize I'm 12 to 24 months ahead of the actual statistics backing up my theory, but my prediction is that **the tables will now start to turn ever so slightly** with the Fall Market Inventory return. We will time travel back to January 2020 in which the **2016-2019 buyers** will start to see their Upper Manhattan real estate investments increase in value, finally!

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 Events**!

Hope to hear from you soon!

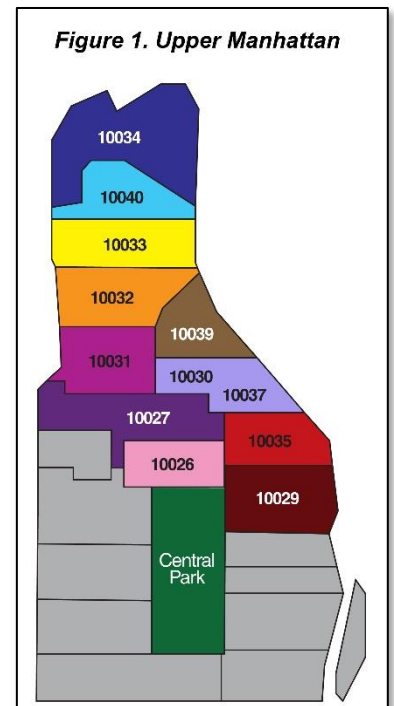
Robb Pair, Founder and President, Harlem Lofts Inc.



2021 Midyear Townhouse Market Analysis

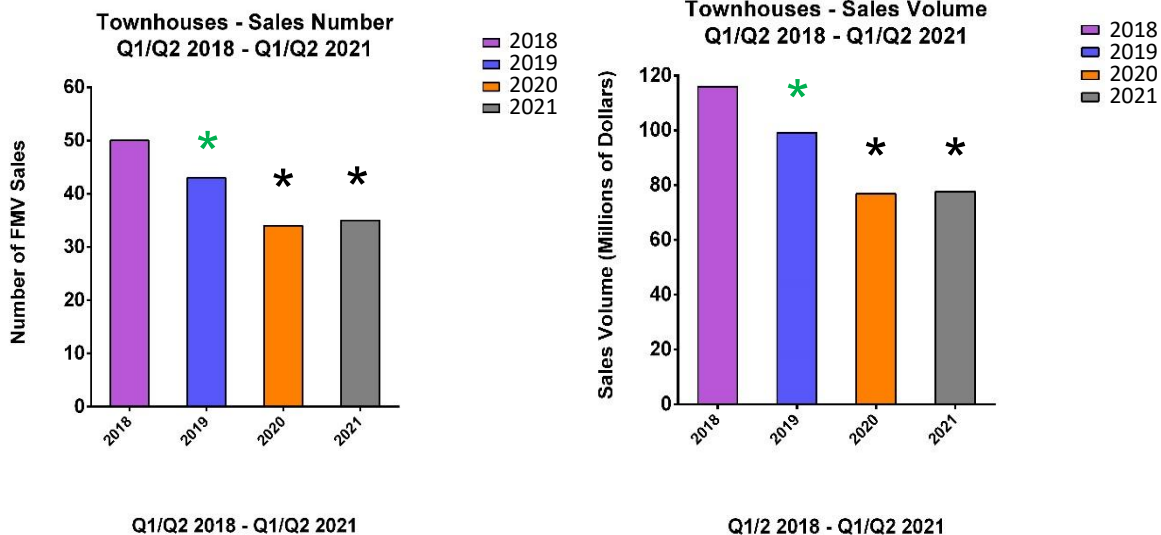
A. Introduction

- This article summarizes 1-8 family and Single Room Occupancy (SRO) townhouse transactions in Upper Manhattan between **Jan 1st and June 30th, 2021 (Q1 and Q2 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)

Graphs 1 and 2. Townhouse Transaction Number and Volume, Q1/2 2018 through Q2 2021

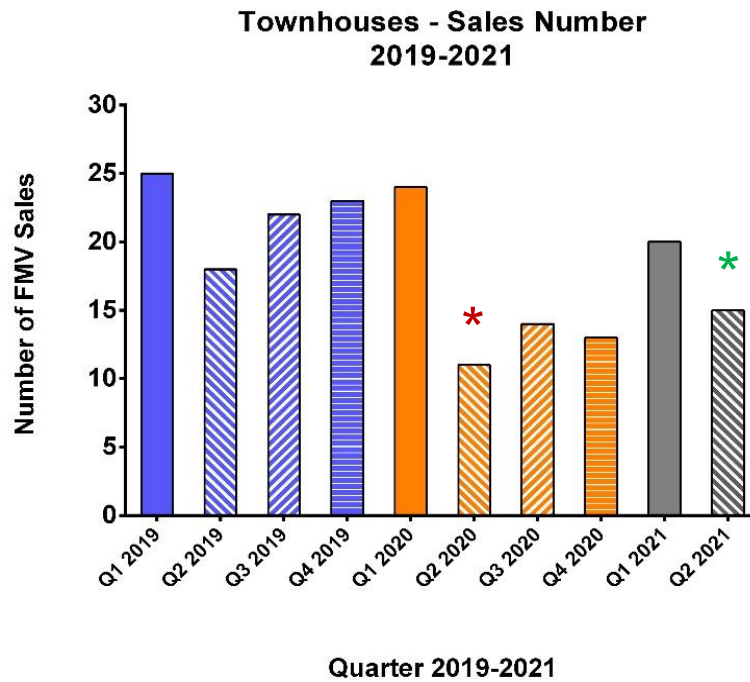


Q1/2 2021, Comparison with Q1/2 2018-2020 (Graphs 1-4)

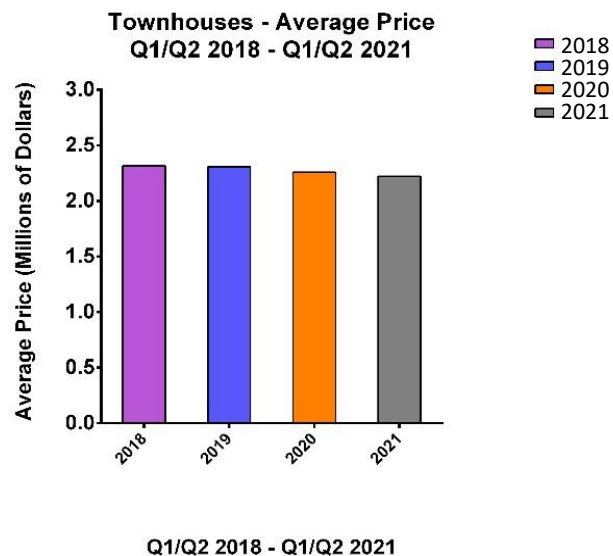
- Numbers of FMV transactions in **Q1/2 2021 (35)** were **similar to Q1/2 2020 (34)** (*Graph 1, black asterisks*).
- Sales volume in **Q1/2 2021 (\$77.7 million)** was **similar to Q1/2 2020 (\$76.8 million)** (*Graph 2, black asterisks*).
- However, the number of sales and volume in **Q1/2 2021 are both down by about 20%** compared with **Q1/2 2019**, due to COVID-19 which has curtailed market activity (*Graphs 1, 2, compare green and black asterisks*).

- More detailed analysis shows sales in **Q2 2021** (15, as COVID has waned) have been **36.4% higher** than in **Q2 2020** (11, at the start of COVID), suggesting **market recovery post-COVID** (Graph 3, **green and red asterisks**).
- The average price and PPSF in **Q1/2 2021** (\$2,220,457, \$559/SF) were **similar** to **Q1/2 2020** (\$2,258,094, \$553/SF). These metrics have been **stable** since 2018, suggesting **underlying health of the market** (Graph 4).

Graph 3. Townhouse Transaction Number, Q1 2019 through Q2 2021

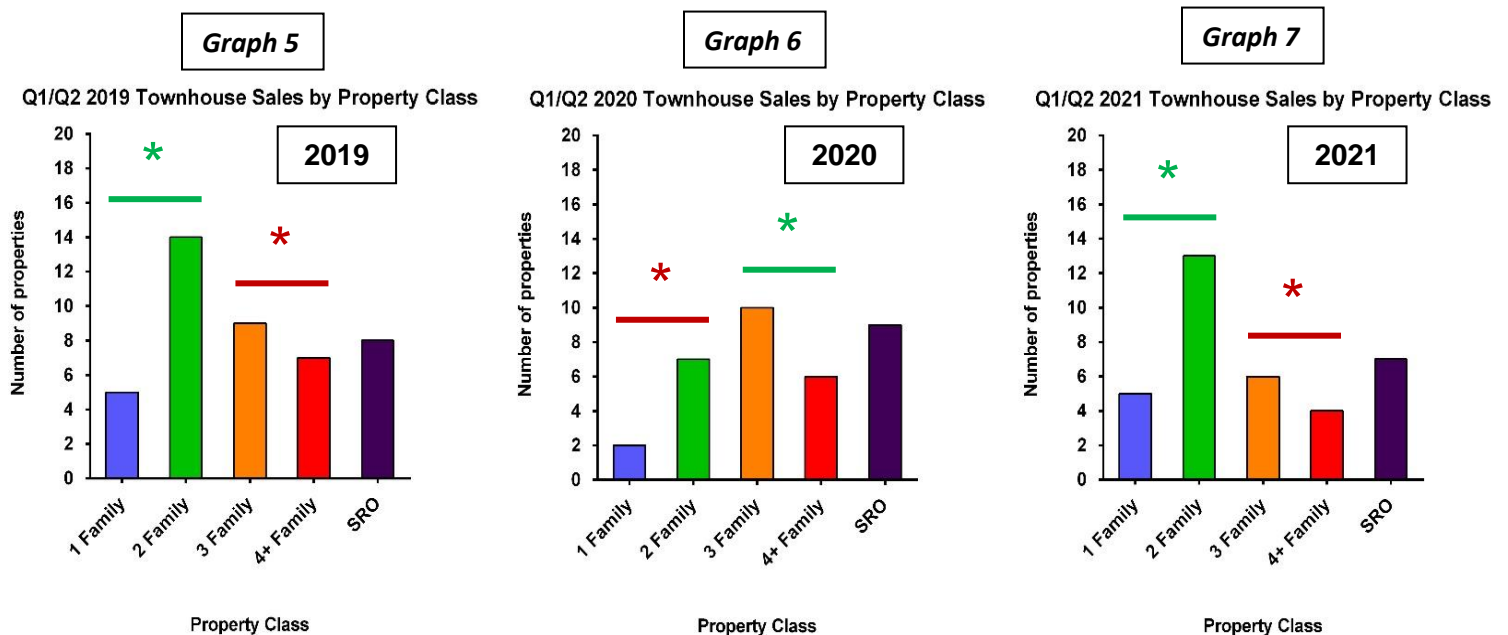


Graph 4. Townhouse Q1/2 Average Sale Price, 2018 through 2021



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

Graphs 5-7. Townhouse Q1/2 Transaction Number by Property Class, 2019 through 2021



Q1/2 2021, Comparison with Q1/2 2019 and 2020

- In Q1/2 2021, one- and two-family residential properties combined generated **highest sales** (18 transfers) (*Graph 7, right, blue/green bars, green asterisk*).
- Three- and four+ family rental investment properties were a smaller sector (10 sales) (*Graph 7, right, orange/red bars, red asterisk*).
- The trend in Q1/2 2021 is **similar to** that seen in Q1/2 2019 (*Graph 5, left*), which saw residential properties (19 transactions) edge out rental investment properties (16 transfers) (*Graph 5, left, green and red asterisks*).
- In Q1/2 2020 (*Graph 6, center*), sales of residential townhouses (9 transfers) were **overtaken by** rental investment properties (16 transactions) (*Graph 6, center, red and green asterisks*), but sales **reverted to their prior pattern** in 2021 (*Graph 7, right*).

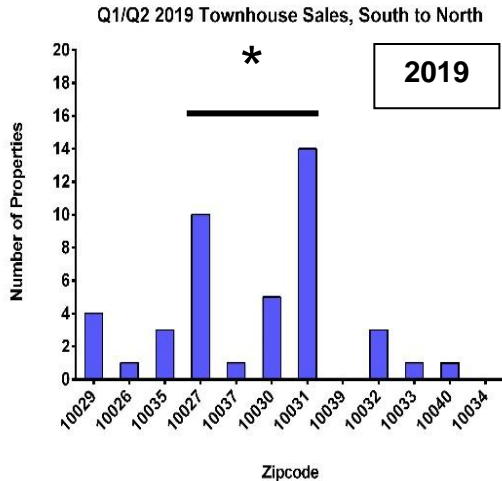
Interpretation

- **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.

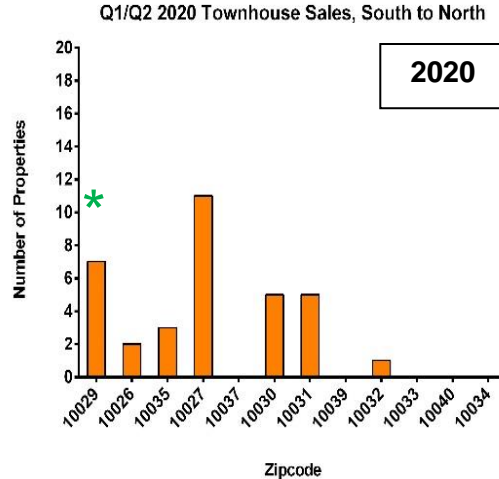
D. Transactions by Zipcode (*Graphs 8-10*)

Graphs 8-10 – Townhouse Q1/2 Transaction Number by Zipcode, 2019 through 2021

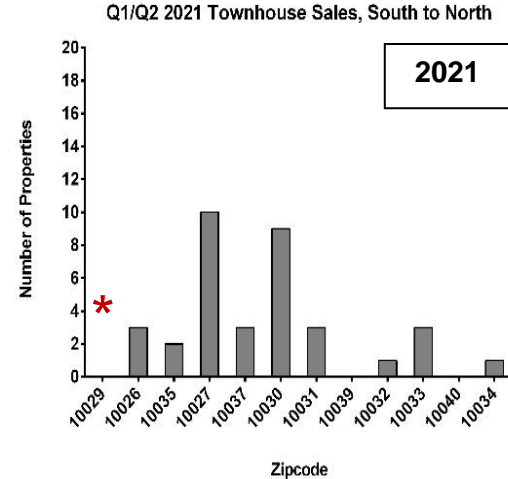
Graph 8



Graph 9



Graph 10



Q1/2 2021, Comparison with Q1/2 2019 and Q1/2 2020

- **Graphs 8-10** compare number of **Q1/2** townhouse sales in Upper Manhattan in **2019** (**Graph 8**), **2020** (**Graph 9**) and **2021** (**Graph 10**), by zipcode south to north (*left to right on each graph and see Figure 1*).
- In general, townhouse sales are usually focused in the center of Upper Manhattan, from Central Harlem (**10027**) through the St. Nicholas Historic District (**10030**) and Hamilton Heights Historic Districts (**10031**) (**Graph 8, black asterisk**). In **Q1/2 2019** these three zipcodes accounted for **29** out of a total of **43** sales.
- In **Q1/2 2020**, the market showed a shift towards more southern zipcodes, with 10029 (East Harlem) accounting for **7** of **34** sales (**Graph 9, green asterisk**).
- This shift was not maintained in **Q1/2 2021**, which saw a **reversion to favoring sales in mid-Upper Manhattan zipcodes**, with **no sales in 10029** (**Graph 10, red asterisk**).

Interpretation

- In times of economic stress, the **real estate market becomes risk averse**, such that in Upper Manhattan properties in more southern zipcodes become more attractive. This **underlaid the popularity of 10029** in **Q1/2 2020**.
- The market returned to the norm in **Q1/2 2021**, as the market recovered from the **COVID-induced downturn**.

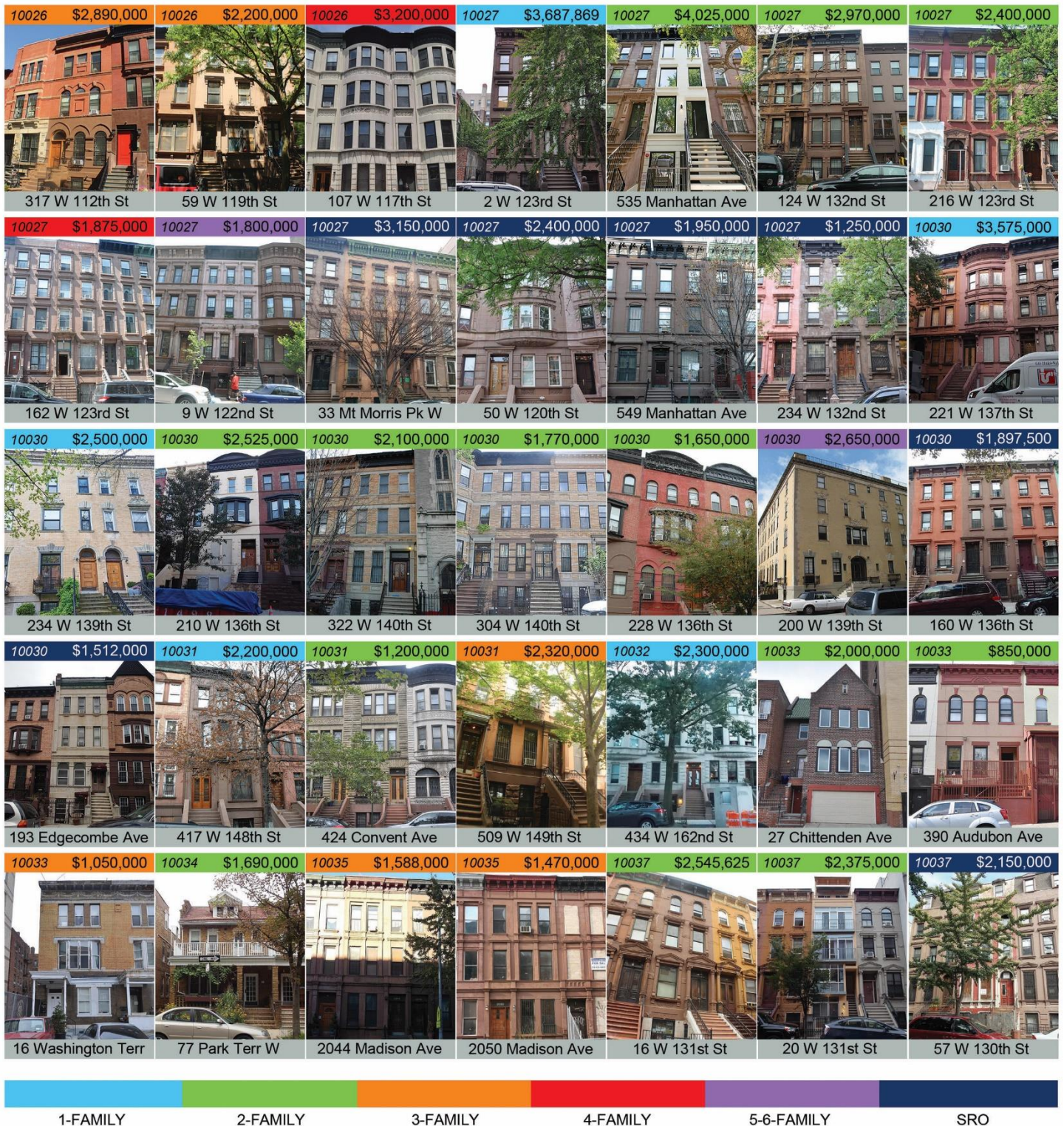
E. Summary – 2021 Midyear Townhouse Market Analysis

- Following COVID-19, the townhouse market in Q1/2 2021 **shows a trend towards recovery** but sales and volume are **still down by approximately 20%** compared with Q1/2 2019. Please see also our **Market Analysis** article on **pages 10-14**.
- Average prices **have remained stable** from 2018 through Q1/2 2021, indicating **underlying health of the market**.
- In Q1/2 2021, **residential properties** generated **highest sales**, re-establishing their pre-eminence in the market.
- Q1/2 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.



Market Value Townhouses Sold Q1/Q2 2021

Arranged by Zipcode



The above illustration shows all Q1/2 2021 Market Value Upper Manhattan Townhouse sales, not just those by Harlem Lofts, Inc.

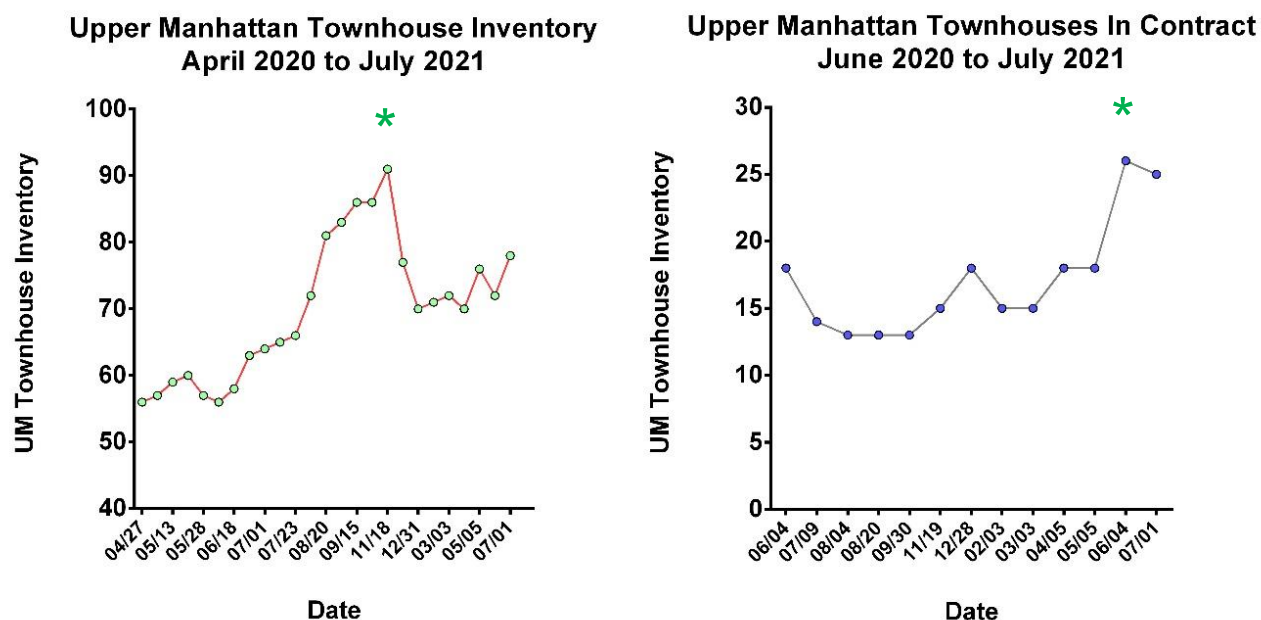
2021 Midyear Upper Manhattan Market Status and Trajectory

A. Introduction

- This article summarizes the **current status** of the Upper Manhattan townhouse and condominium markets and **suggests their future trajectory**.
- We also present **monthly market updates** on our YouTube channel: <https://tinyurl.com/HLIYouTube>
- Our analysis includes **monthly 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 1-6)

Graphs 1 and 2. Upper Manhattan Townhouse Inventory and In-Contract Listings, Q2 2020 through Q2 2021



1. Townhouse Inventory and In-Contract Listings over Time, Q2 2020 through Q2 2021

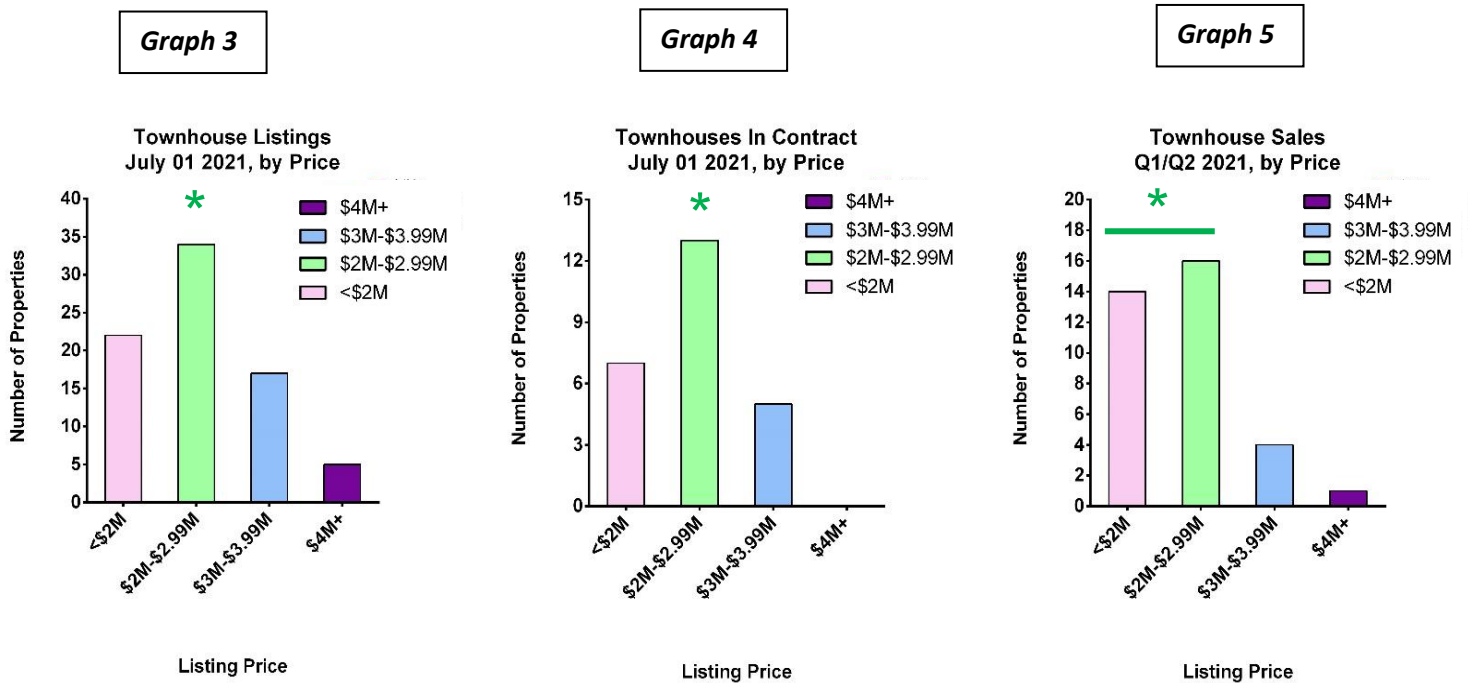
- **Graphs 1 and 2** show Upper Manhattan **Townhouse Inventory** (**Graph 1, left**) and **In-Contract Listings** (**Graph 2, right**) from **Q2 2020** through the end of **Q2 2021**.
- Classically, following a market downturn, **Inventory is the first marker of recovery, followed by Sales**.
- Following COVID-19, **Townhouse Inventory peaked at 91 FMV listings** as of 11/18/2020 (**Graph 1, left, green asterisk**), then decreased (currently at **78 listings** as of 6/30/2021).
- **In-Contract Listings** have followed, **peaking at 26** on 6/4/2021 (**Graph 2, right, green asterisk**) – **demand has followed supply**.

2. Analysis of Townhouse Inventory Turnover

- Currently, 14%-18% of Upper Manhattan townhouse listings are turning over every month.
- For example, in June 2021, 8 townhouses left the market (5 went into contract and 3 were delisted), while 14 joined the market (12 new listings and 2 re-listed properties).
- There are currently 25 In-Contract Listings, and this number has shown a progressive increase in 2021.
- Our analysis suggests a trend towards recovery and assists Harlem Lofts to better help our clients.
- 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, In-Contract Listings and Sales by Price (Graphs 3-5)

Graphs 3-5. Upper Manhattan Townhouse Inventory, In-Contract Listings and Sales by Price



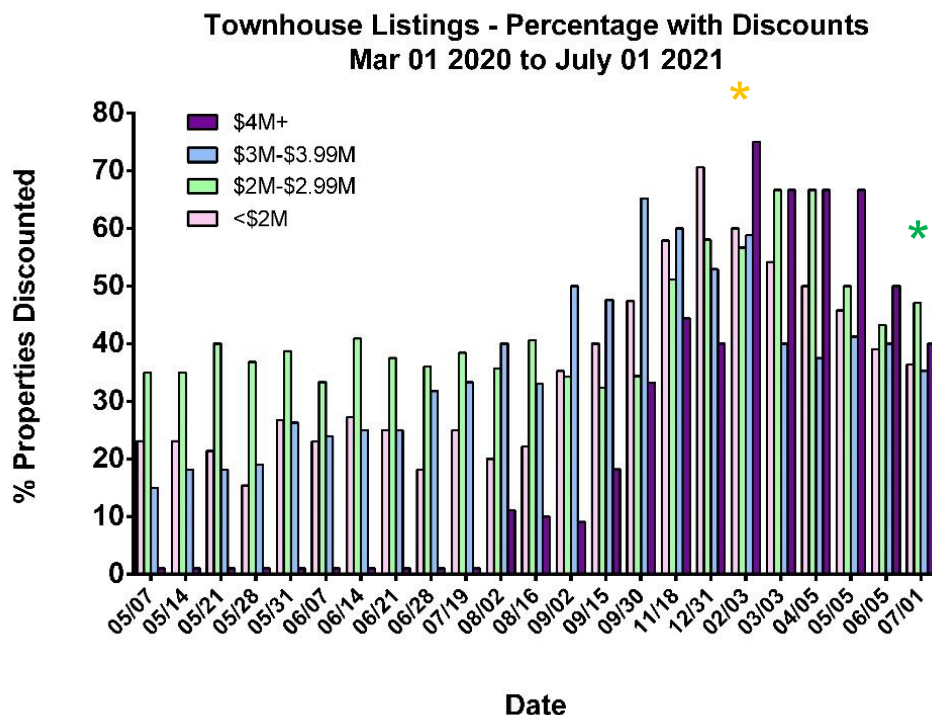
- Graphs 3-5 show Inventory, In-Contract Listings and Sales by price bracket as of the end of Q2 2021.
- Of the 78 Townhouse Listings, 34 (43.6%) are priced at \$2-\$2.99 million (Graph 3, left, green asterisk).
- Of the 25 In-Contract Listings, 13 (52.0%) are priced at \$2-\$2.99 million (Graph 4, center, green asterisk).
- Of the 35 Sales in Q1/2 2021, 30 (85.7%) sold below \$3 million (Graph 5, right, green asterisk and bar).

Interpretation

- In Q1/2 2021 the lower end of the Townhouse Market is dominating Listings, In-Contract Listings, and Sales.

4. Townhouse Discounts (*Graph 6*)

Graph 6. Upper Manhattan Townhouse Listings, Percentage Offering Discounts



- **Graph 6** displays the percentage of Townhouse Listings offering price discounts from **Q2 2020 through Q2 2021**, by price bracket.
- Following the onset of the COVID-19-related market downturn in March 2020, **listings have offered discounts to encourage sales.**
- Initially seen in listings under \$3 million, discounts spread throughout the market during **Q3 2020** and peaked in **February 2020, when 59.2% of listings** offered discounts **averaging 11.0% of price** (*Graph 6, gold asterisk*).
- The rate at which discounts are being offered has since decreased, to **41% of listings**, averaging **11.2% of price**.

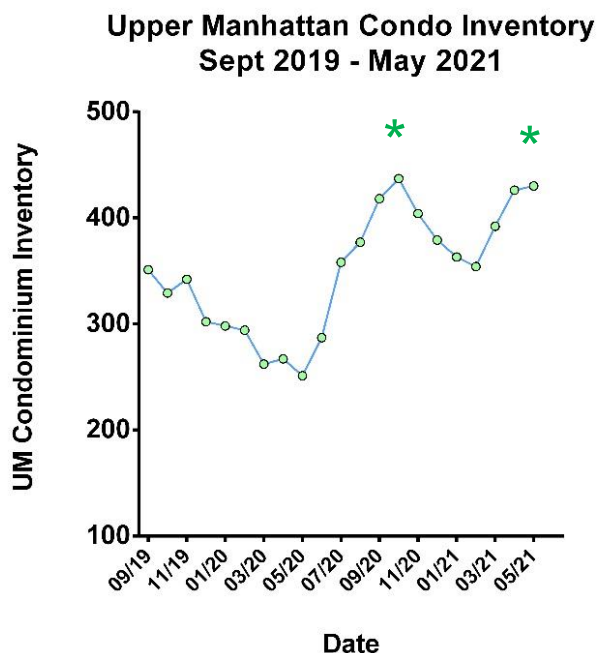
Interpretation

- **The Townhouse market has undergone a correction and is now settling into the new normal.**
- We will be following these trends via **market updates on our YouTube channel:** <https://tinyurl.com/HLIYouTube>

C. Condominium Inventory (Graph 7)

1. Condominium Inventory over Time, Q3 2020 through Q2 2021

Graph 7. Upper Manhattan Condominium Inventory, Q3 2020 through Q2 2021



- **Graph 7** shows Upper Manhattan **Condominium Inventory** from **Q3 2020** through **Q2 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 **437 FMV listings** in **October 2020 (Graph 7)**.
- Inventory **decreased to 354** in **February** but was **back up to 430** by **May 2021 (Graph 7)**.

Interpretation

- The increase in both **Condominium Inventory** (shown here) and **Sales** (see **page 15**) **suggests pent-up supply and demand in the market**, which is potentially compatible with a very active market in **Q3/Q4 2021**.

D. Summary

- Townhouse and Condominium Inventory have **recovered post-COVID, and demand is following supply.**
- **Townhouse In-Contract Listings are increasing, and the Condominium Market has recovered.**
- In the **Townhouse Market**, **14%-18% of listings are currently turning over every month.**
- In **Q1/2 2021**, the **lower end of the Townhouse Market is dominating Listings, In-Contract Listings and Sales.**
- 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 monthly video market updates on our YouTube channel:**

<https://harlemlofts.com/>

<https://tinyurl.com/HLIYouTube>



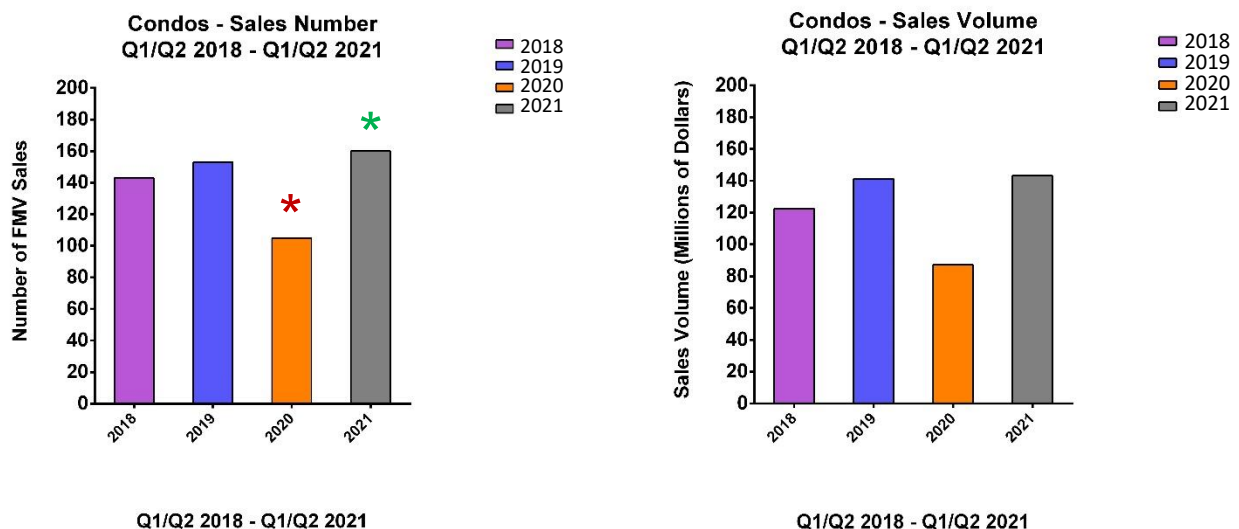
2021 Midyear Condominium Market Analysis

A. Introduction

- This article analyzes Upper Manhattan condominium transactions between **Jan 1st and June 30th, 2021** and compares these data with prior years. These data complement our Townhouse Analysis article on **pages 4-8**.
- 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.
- Our data suggest that the condominium market **has recovered following COVID-19**.

B. Sales (Graphs 1-4)

Graphs 1 and 2. Condominium Q1/2 Transaction Number, 2018 through 2021

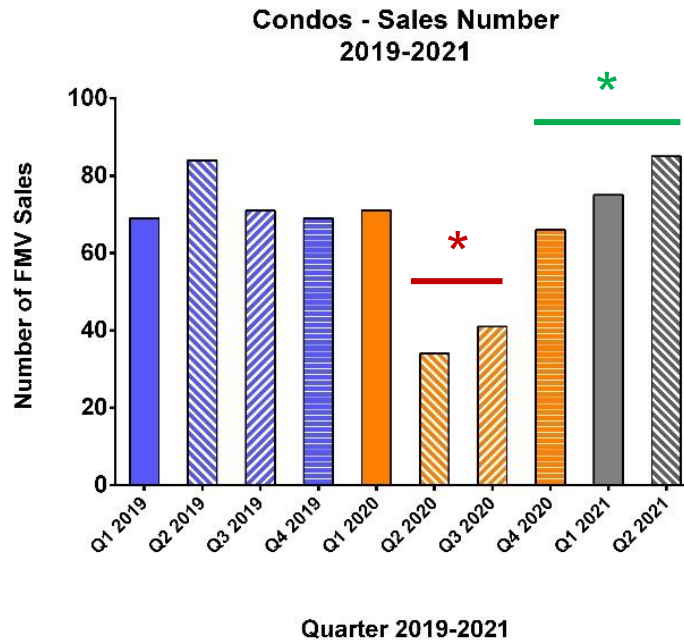


Q1/2 2021, Comparison with Q1/2 2018-2020

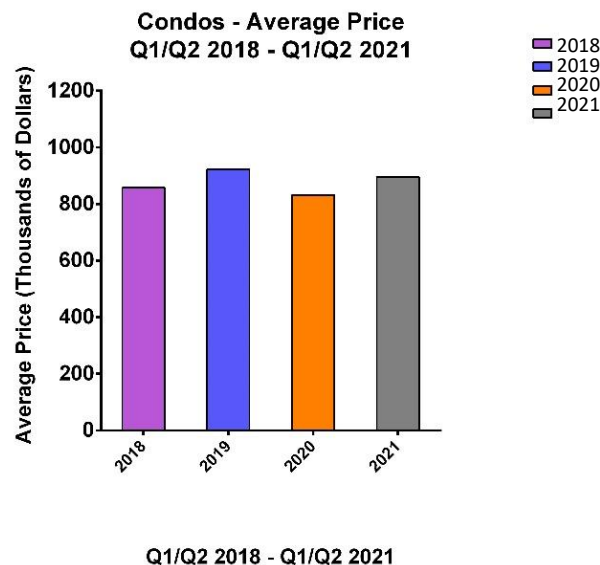
- Number of FMV transactions in **Q1/2 2021 (160)** was **52.4%** higher than **Q1/2 2020 (105)** (**Graph 1, green vs. red asterisks**). Transaction number in **Q1/2 2021 (160)** was similar to **Q1/2 2018 (143)** and **2019 (153)**.
- Sales volume in **Q1/2 2021 (\$143.3 million)** was **64.0%** higher than in **Q1/2 2020 (\$87.4 million)** (**Graph 2, green vs. red asterisks**). Transaction number in **Q1/2 2021 (160)** was similar to **Q1/2 2018 (143)** and **2019 (153)**.

- More detailed analysis shows that, sales and volume in **Q2/3 2020** (**75, \$68.4 million**) were **51.6%** and **52.5%** lower than in **Q2/3 2019** (**155, \$144.1 million**) due to COVID-19 (**Graph 3, red asterisk**).
- However, the **condominium market recovered in Q4 2020**, and this recovery has continued in **Q1/2 2021** (**Graph 3, green asterisk**).
- Interestingly (**Graph 4**), and similar to the townhouse market, **average sale price and PPSF** in **Q1/2 2021** (**\$895,382, \$863/SF**) were **similar** to **Q1/2 2020** (**\$831,572, \$881/SF**) and have remained stable since 2018.

Graph 3. Condominium transaction number, Q1 2019 through Q2 2021

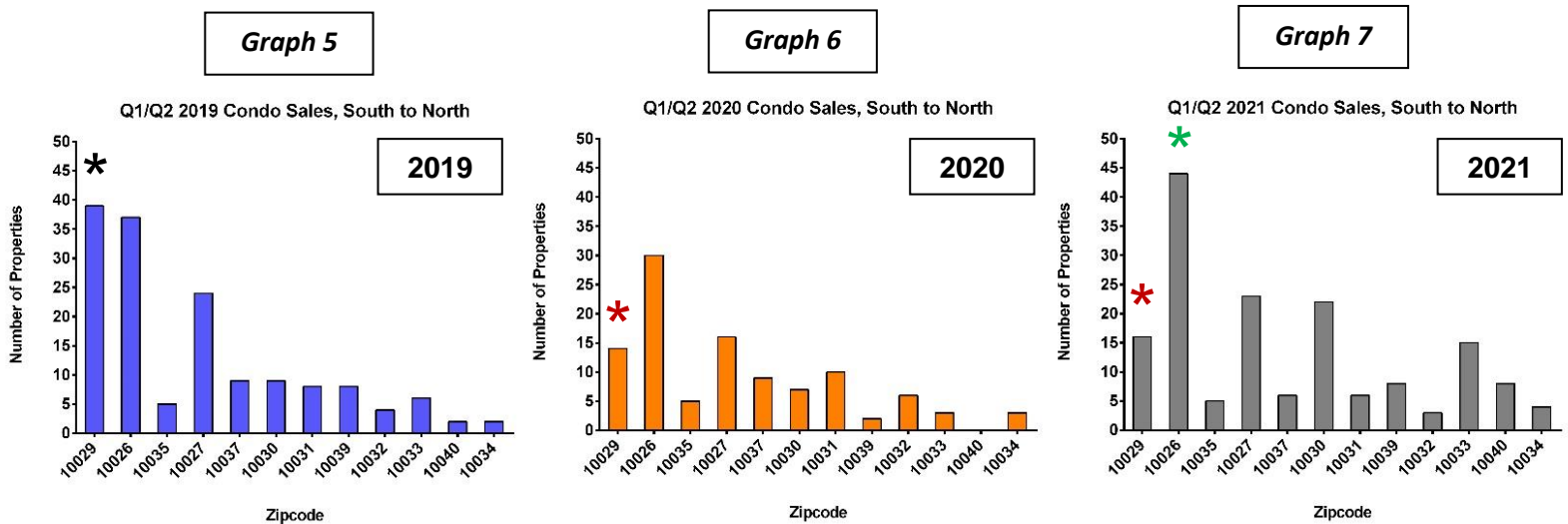


Graph 2. Condominium Q1/2 Average Sale Price, 2018 through 2021



C. Transactions by Zipcode (Graphs 5-7)

Graphs 4-6 – Condominium Q1/2 transaction number by zipcode 2019 through 2021



Q1/2 2021, Comparison with Q1/2 2019 and Q1/2 2020

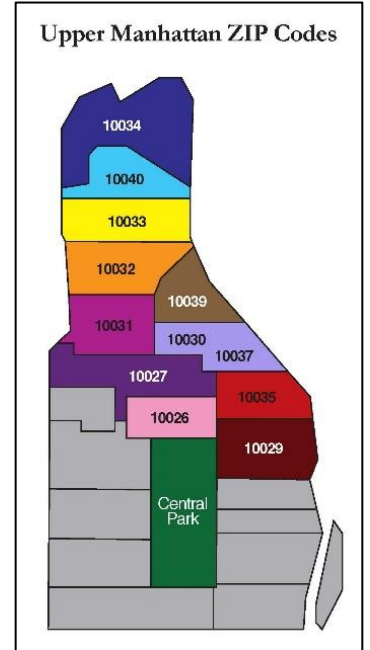
- **Graphs 5-7** compare **Q1/2** condominium sales in Upper Manhattan in **2019 (Graph 5)**, **2020 (Graph 6)** and **2021 (Graph 7)**, by zipcode south to north (left to right on each graph and see **Figure 1**).
- Unlike the townhouse market, condominium sales in Upper Manhattan are usually concentrated in southern zipcodes, from **10029 (East Harlem)** through **10027 (Central Harlem)**.
- There were **high sales (39)** in **10029** in **Q1/2 2019**, boosted by two large condominium sellouts (**Graph 5, black asterisk**). Sales in **10029** then dropped to **14** and **16** in **Q1/2 2020** and **2021** as these projects sold out (**Graphs 6 and 7, red asterisks**).
- In contrast, **condominium sales are surging in 10026 (South Harlem)** in **Q1/2 2021 (44 sales)**, due to new condominium sellouts in this neighborhood (**Graph 7, green asterisk**).

D. Summary – 2021 Midyear 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 Q1/2 2021**.
- Average sale price and PPSF have been stable from **Q1/2 2018** through **Q1/2 2021**, further indicating **the underlying health of the market**.
- Condominium sales continue to be focused largely in the **southern part of Upper Manhattan**, and migrate within this area as large condominium construction projects are completed and sell out.
- 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>

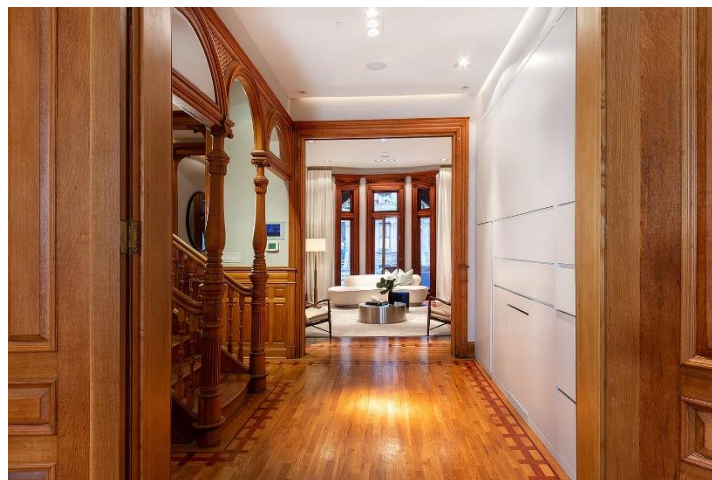
About This Report

- 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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Harlem Property Management, Inc. (HPM) is a full-service, customer-centric, sophisticated property management company that focuses on mid-size condominium and cooperative properties in Harlem and Upper Manhattan. If you have property in Upper Manhattan, you'll want to meet with us.

Please contact us at info@harlempm.com, call us at 212-280-6823, visit our website at www.harlempm.com or stop in at our office at 270 Lenox Avenue to learn how you can get more from your investment and your management company.

HARLEM

L O F T S

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