



# Third Quarter Real Estate Report for Upper Manhattan 2022

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**272 LENOX AVE., NEW YORK, NY 10027**  
**HISTORIC SITE OF JAMES VAN DER ZEE'S 1934 STUDIO**

tel: 212.280.8866

fax: 212.937.3351

[Info@HarlemLofts.com](mailto:Info@HarlemLofts.com)

[www.HarlemLofts.com](http://www.HarlemLofts.com)

# 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](http://www.rebny.com)) and the Hudson Gateway Association of Realtors® (HGAR [www.hgar.com](http://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](mailto: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 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 124<sup>th</sup> Streets**.

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## From the Desk of Robb Pair

### Welcome to the Q3 2022 Real Estate Report!

Welcome! As you will see in the pages of this Report, and in our Midyear Report, after a busy year in 2021 the Upper Manhattan market **faces economic uncertainty and higher interest rates**. **Townhouse inventory and Seller discounts have surged, and supply outstrips demand.**



### Sources of Recovery in a Challenging Market!

Interestingly, our Research suggests that this imbalance is leading to signs of an uptick, led by lower-priced listings:

- Of the 103 Listings currently on the market (high!), 68 (66%) are priced below \$3M.
- Of the 10 In-Contract Listings (low!), 9 (90%) are priced below \$3M.
- Of 95 Sales Oct 21 to Sept 22, 84 (88%) sold below \$3M.

**These graphs show that the lower end of the Townhouse Market is dominating Listings, In-Contract Listings, and Sales.** The upper end of the Market (>\$3M) has not yet followed suit. This suggests that in the light of increased inventory and discounts, investors are starting to seek quality properties at discount prices amenable to cash purchases – **a pattern that also drove the early recovery from COVID. Needless to say, we are following this trend closely.**

I predict that higher interest rates will become the new norm, but **that Buyers are beginning to find ways to navigate this new market. The market is showing early signs of adjusting to accommodate the altered landscape.**

### Buyer Program!

We at Harlem Lofts have been fielding a large number of inquiries from prospective Buyers and have therefore made a slight change for 2022 in that **we will flashback to our 2002 business plan to help a handful of well-qualified Buyers sort through boutique Townhouse and Condominium properties where we are not representing the Sellers:**

- Our data-driven Research allows us to pinpoint property values and assist Buyers
- Our Research also clarifies Due Diligence, supporting Buyer confidence during their real estate transaction

For more information, go to <https://harlemlofts.com/tiered-buyer-program/> to schedule a meeting with me & our team!

### Final Thoughts!

**We hope you enjoy this report!** Our Research and understanding of the Market put us in a unique position to help our clients. Please feel free to reach out to us at [info@harlemlofts.com](mailto:info@harlemlofts.com) with your real estate needs. This report contains a lot of information! If you prefer a video summary, join us on our YouTube channel, at: <https://tinyurl.com/HLIYouTube>

### *Robb Pair*

Founder and President, Harlem Lofts Inc.

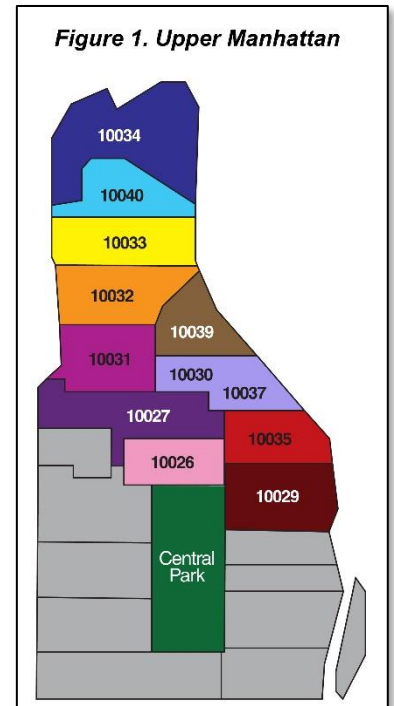
Founder and President, Harlem Property Management Inc.



# 2022 Q3 Townhouse Market Analysis

## A. Introduction

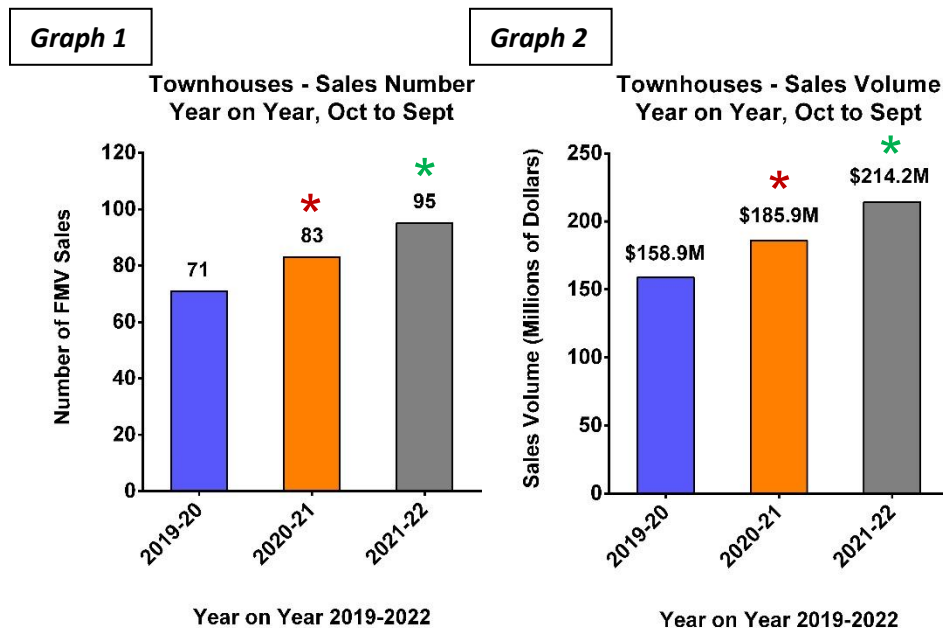
- This article summarizes 1-8 family and Single Room Occupancy (SRO) townhouse transactions in Upper Manhattan between **October 1st 2021 and September 30th 2022**, and compares these **year on year data with prior years from 2019-2021**.
- We also provide **market reports** on our website at <https://harlemlofts.com/> and **market analysis videos** on our **YouTube channel**: <https://tinyurl.com/HLIYouTube>
- Upper Manhattan includes **12 zipcodes** extending north from East 96<sup>th</sup> St, Central Park North and W 110<sup>th</sup> 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 recovered** following COVID-19, but is **now facing fresh challenges** in the light of economic uncertainty and recent increases in mortgage rates.



## B. Sales (Graphs 1-6)

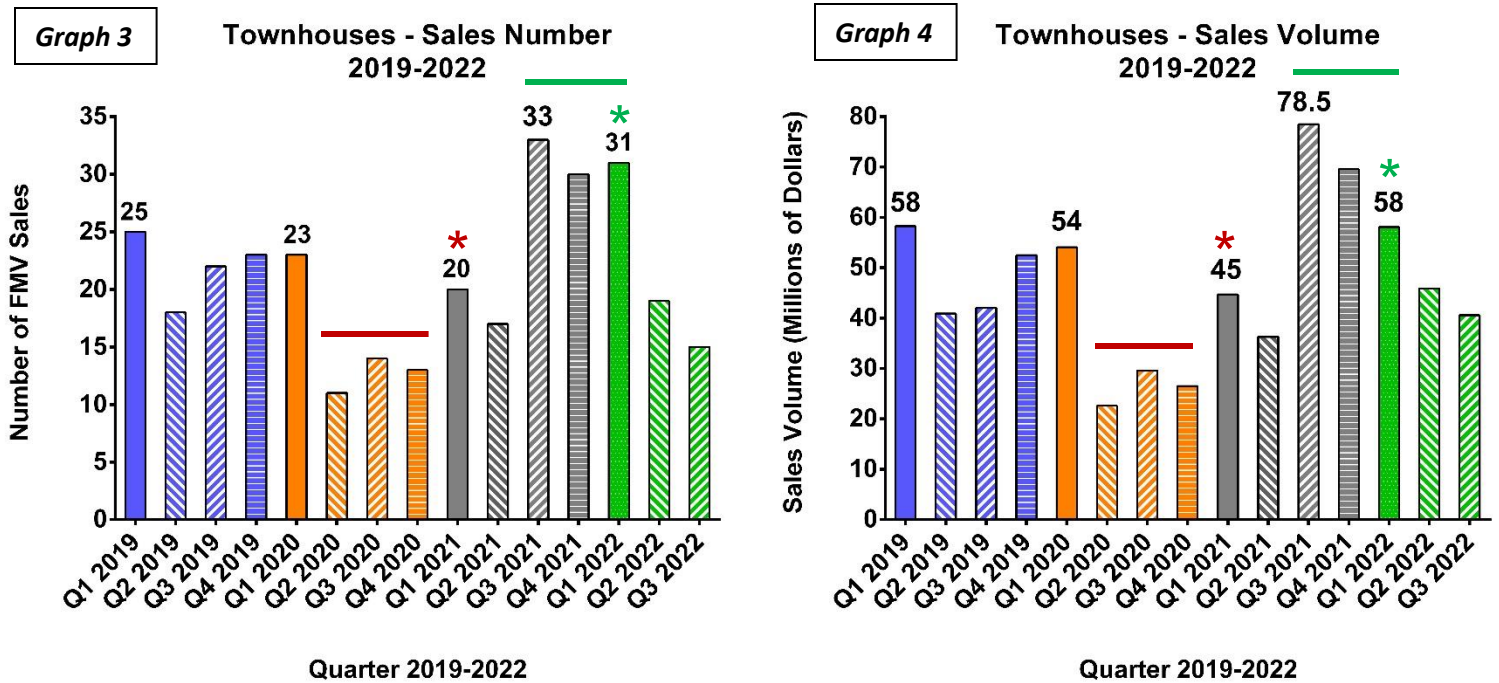
### Oct 1<sup>st</sup> 2021 to Sept 30<sup>th</sup> 2022, Comparison with Year on Year Data 2019-21 (Graphs 1-6)

#### Graphs 1 and 2. Townhouse Closed Sales - Number and Volume, Year on Year 2019-2022



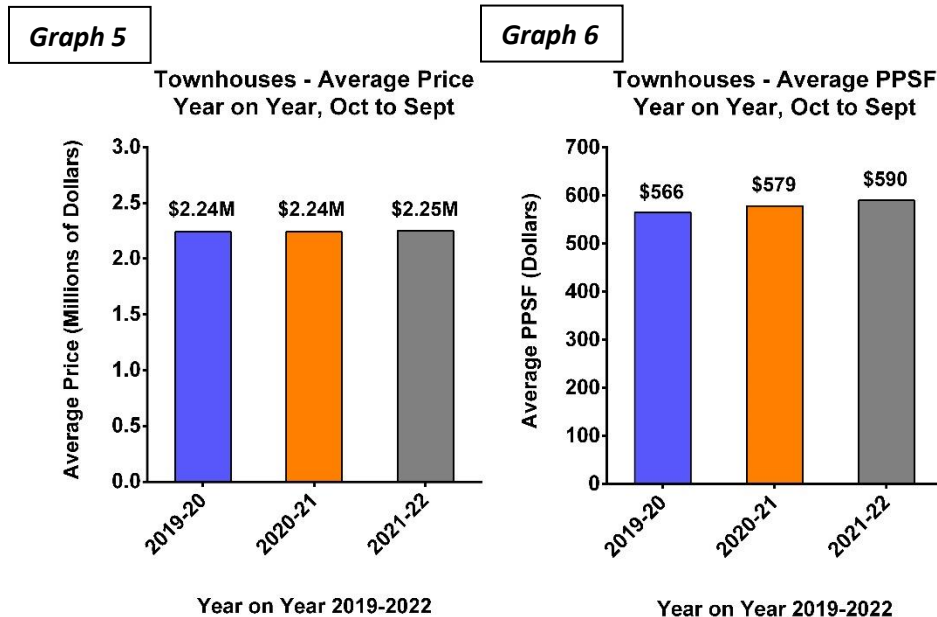
- FMV sales from **Oct 2021-Sept 22 (95)** were **14.4% higher** than 2020-21 (**83**) (*Graph 1, green vs. red asterisks*).
- Sales volume in **2021-22 (\$214.2 million)** was also **15.2% higher** than 2020-21 (**\$185.9 million**) (*Graph 2*).
- Number of sales and volume in 2021-22 were both 33-35% higher** than in 2019-20 (**71, \$158.9M**) (*Graphs 1,2*).

**Graphs 3 and 4. Townhouse Closed Sales - Number and Volume by Quarter, 2019 through 2022**



- Sales in **Q1 2022 (31, \$58M)** were **significantly higher** than **Q1 2021 (20, \$45M)** (*Graphs 3,4, asterisks*).
- Sales from **Q3 2021-Q1 2022 (94)** were **twice the number** from **Q3 2020-Q1 2021 (47)**, showing **market recovery** following COVID-19 (*Graph 3, green and red bars*). There were 33 sales in Q3 2021 and 33 in Q1 2022!
- Sales **Q3 2021-Q1 2022 (94)** were also **38.2% higher** than **2019-2020 (68)**, showing **activity beyond pre-COVID**.
- The market is cooling in the second half of 2022.** The impact of higher interest rates on sales will not be apparent until year's end, but **listings & market turnover are already affected** – see our **Market Status** article (pp 11-14).

**Graphs 5 and 6. Townhouse Average Sale Price and Price per Square Foot (PPSF), Year on Year 2019-2022**

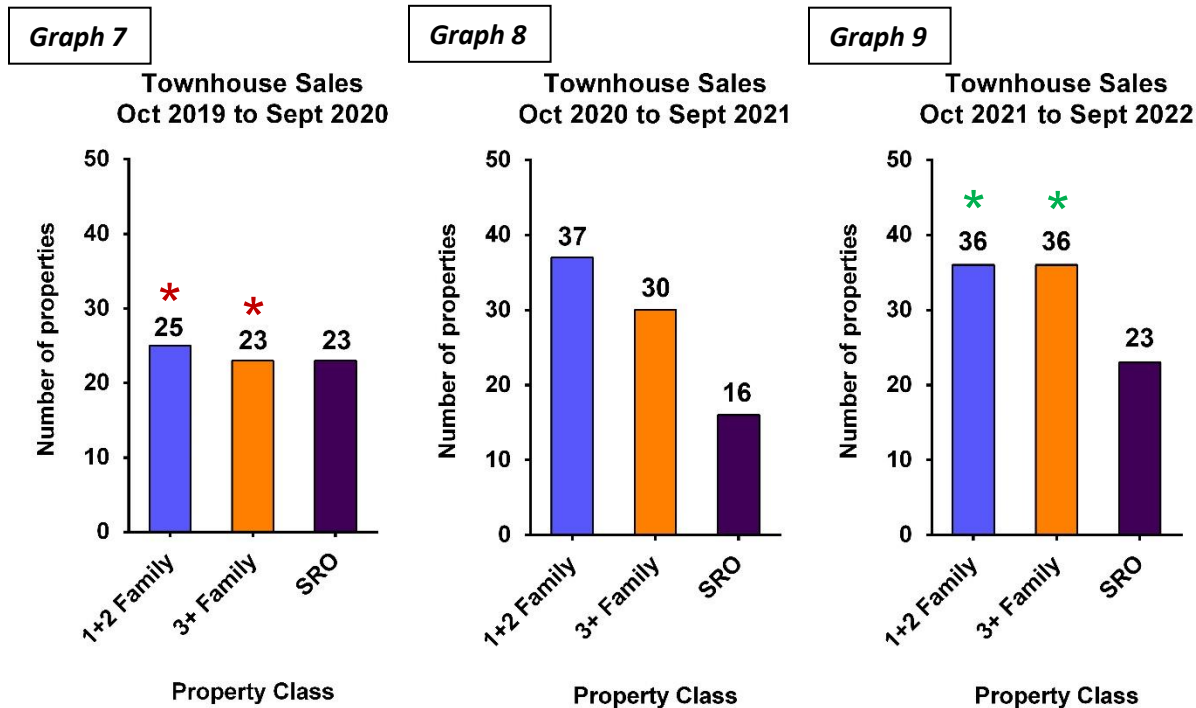


The average price and PPSF from **Oct 2021-Sept 2022 (\$2,25M, \$590/SF)** were **similar** to **2020-21 (\$2.24M, \$579/SF)**. These metrics have been **stable** since **2019-20, suggesting underlying health of the market** (*Graphs 5,6*).

## C. Transactions by Property Class (Graphs 7-9)

Oct 1st 2021 to Sept 30th 2022, Comparison with Year on Year Data 2019-21 (Graphs 7-9)

Graphs 7-9. Townhouse Transaction Number by Property Class, Year on Year 2019-2022



- **Graphs 7-9** compare sales of **one/two-family residential properties** (blue bars) with **three or more family rental investment** (orange) and **single room occupancy properties** (purple), year on year from 2019 through 2021.
- From **Oct 2019 to Sept 20** (**Graph 7**), sales of **residential and rental investment properties** were **both depressed** during the COVID-related downturn (**25 and 23, red asterisks**). In **2020-21** and **2021-22**, sales **rebounded**, such that there were **36 sales of each class in 2021-22** (**Graph 9, green asterisks**).
- **The market is cooling.** As mentioned above, the impact of higher interest rates on sales will not be apparent until year's end, but **listings & market turnover are already affected** – see our **Market Status** article (pp 11-14).

## D. Summary – 2022 Q3 Townhouse Market Analysis

- The townhouse market **recovered** following the 2020 COVID downturn and showed signs of **increasing activity beyond pre-COVID levels**. **However, the market is now cooling** - see our **Market Status** article (pp 11-14).
- Average prices **have remained stable** from 2019 through 2022, indicating **underlying health of the market**. We are monitoring carefully to determine **how the market will respond to the recent increases in mortgage rates**.
- For more information, please follow our market analysis videos on our YouTube channel at <https://tinyurl.com/HLIYouTube>, and feel free to reach out to us at [info@harlemlofts.com](mailto:info@harlemlofts.com) for a full evaluation of your townhouse assets.

# 2022 Q3 Condominium Market Analysis

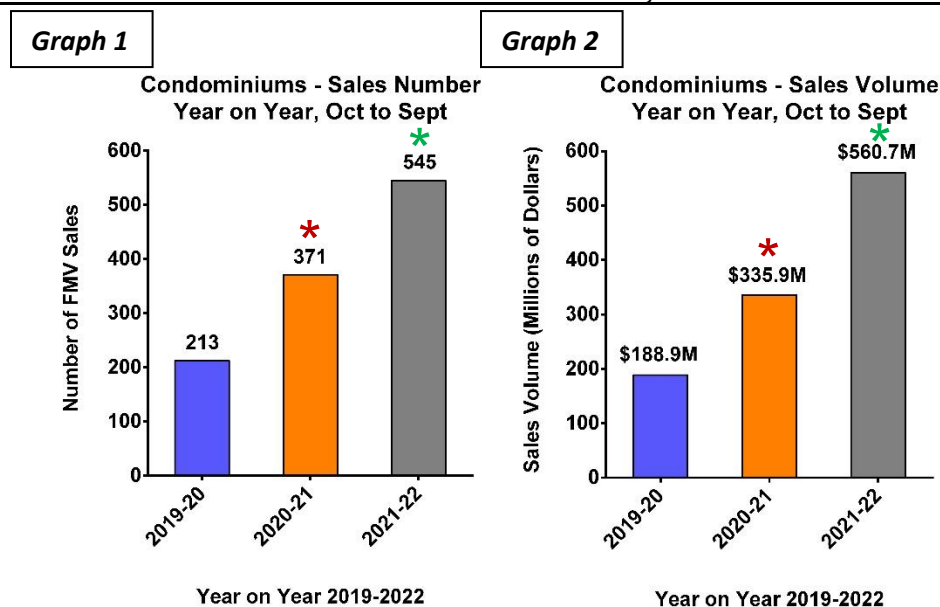
## A. Introduction

- This article analyzes Upper Manhattan condominium transactions between **October 1<sup>st</sup> 2021 and September 30<sup>th</sup> 2022**, and compares these year on year data with prior years from 2019-2021. This work complements our Townhouse Analysis article on **pages 4-6** and our Market Status and Trajectory article on **pages 11-14**.
- 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 96<sup>th</sup> St, Central Park North and W 110<sup>th</sup> 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 Condominium Market activity now exceeds pre-COVID levels** and has not been impacted by interest rate increases to the same degree as the Townhouse market (see pages 4-6). In addition, the Upper Manhattan market has been further boosted by a large condominium development sellout – **please see below**.

## B. Sales (Graphs 1-5)

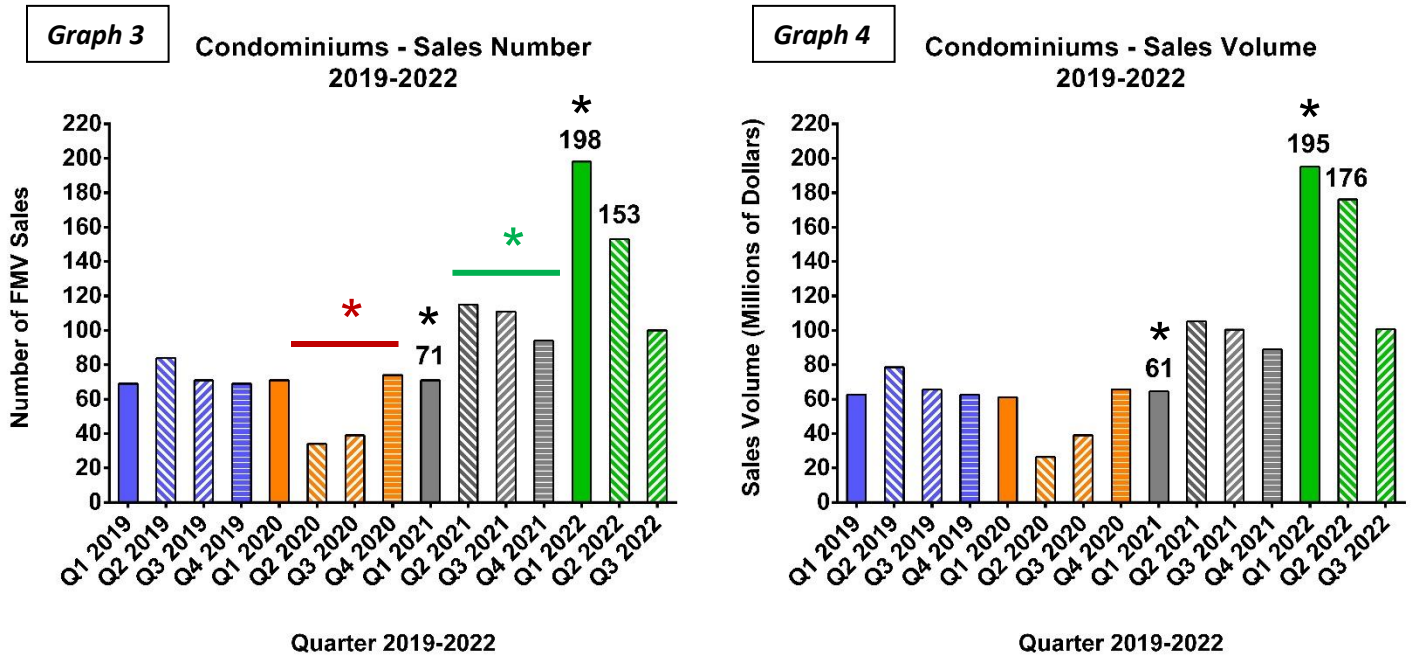
### Oct 1<sup>st</sup> 2021 to Sept 30<sup>th</sup> 2022, Comparison with Year on Year Data 2019-21 (Graphs 1-5)

#### Graphs 1 and 2. Condominium Transaction Number and Volume, Year on Year 2019-2022



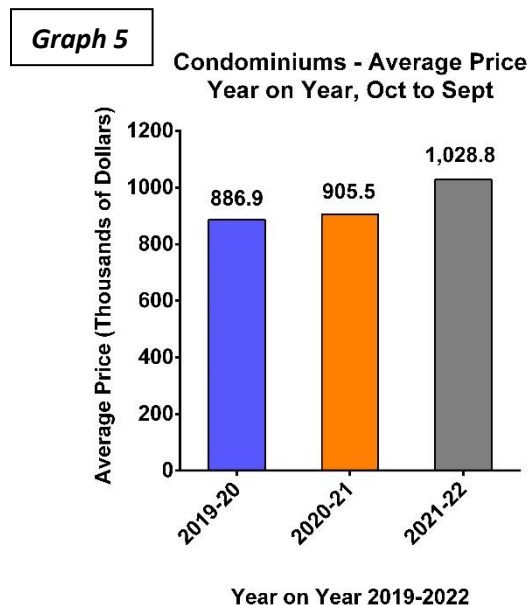
- FMV sales from **Oct 2021-Sept 22 (545)** were **46.9% higher than 2020-21 (371)** (Graph 1, **green** vs. **red asterisks**). Transaction number in 2021-22 was also **155.9% higher than 2019-20 (213)**.
- Sales volume in 2021-22 (**\$560.7 million**) was **66.9% higher than 2020 (\$335.9 million)** (Graph 2, **green** vs. **red asterisks**). Volume in 2021-22 was also **196.8% higher than 2019-20 (\$188.9M)**.
- Sales in 2021-2022 were **boosted by a large condominium development sellout** in 2022 at 300 W 122<sup>nd</sup> St. (**146 sales, \$159.5 million**).

**Graphs 3 and 4. Condominium Transaction Number and Volume by Quarter, 2019 through 2022**



- Sales in **Q1 2022 (198, \$195.1M)** were more than double those in **Q1 2021 (71, \$61.0M)** (*Graphs 3,4, asterisks*). **Q2 2022** shows a similar trend (**153, \$176.1M**). Some closings in Q3 2022 may not yet have been recorded.
- **Numbers in 2022** have been boosted by closings that were part of the condominium sellout at 300 W 122<sup>nd</sup> St (**146 sales, \$159.5 million**).
- Even before this sellout, sales in **Q2-4 2021 (320)** were **117.7% higher** than in **2020 (147)**, showing **market recovery** following the COVID-related downturn (*Graph 3, green and red asterisks and bars*).
- It is **not yet clear how much the condominium market will be affected by the recent rises in interest rates** – please see our Market Status and Trajectory article on **pages 11-14**.

**Graph 5. Condominium Average Sale Price, Year on Year 2019-2022**



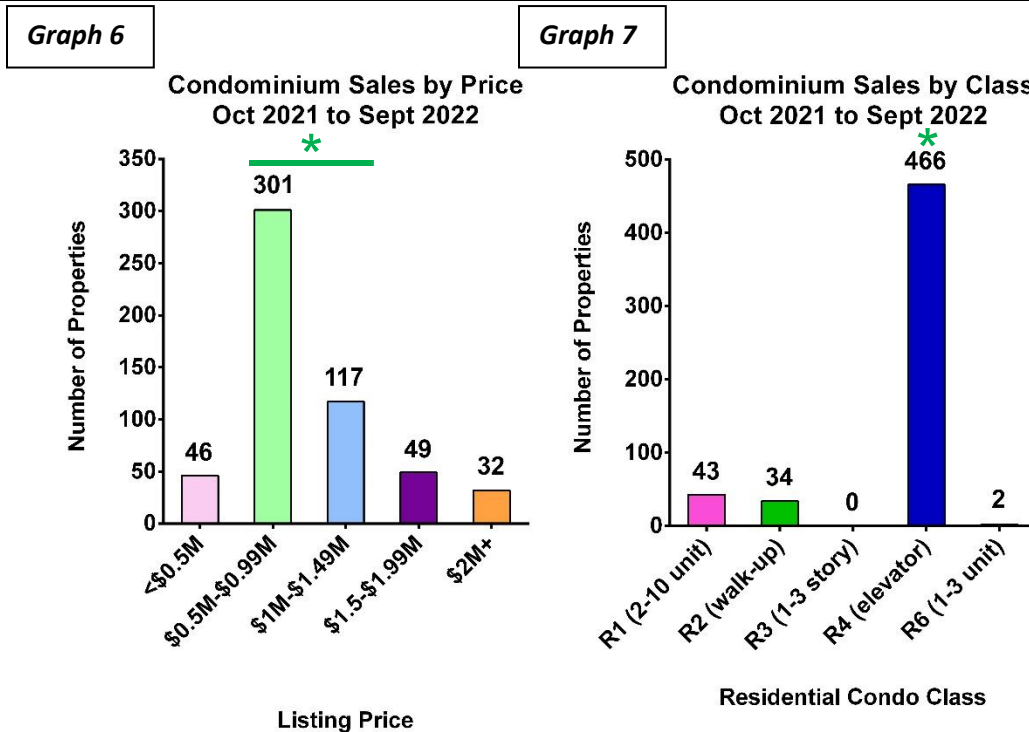


- Average sale price from Jul 2021-Jun 2022 (\$1,028,790) was 13.6 higher than 2020-21 (\$905,465). The 2021-22 data were inflated by closings at 300 W 122<sup>nd</sup> St, which averaged \$1,092,603.

## C. Transactions by Price and Class (Graphs 6,7)

### 1. Analysis of Condominium Sales by Price and Class (Graphs 6,7)

**Graphs 6,7. Upper Manhattan Condominium Sales and Volume by Price, Oct 2021-Sept 2022**



- **Graphs 6 and 7** show Condominium Sales year on year from Oct 2021 - Sept 2022, by price bracket (**Graph 6, left**) and residential condominium class (**Graph 7, right**).
- Of the 545 Sales year on year 2021-22, **418 (82.8%) sold at \$0.5-\$1.49M (Graph 6, green asterisk/bar)**. The single highest-selling sector of the market by price was **\$0.5-\$0.99M (301 sales)**.
- Of the 545 Sales in 2021-22, **466 (85.5%) were in the R4 classification (Residential Unit in Elevator Building) (Graph 7, green asterisk)**. There were 43 sales in buildings with 2-10 units (R1 classification).

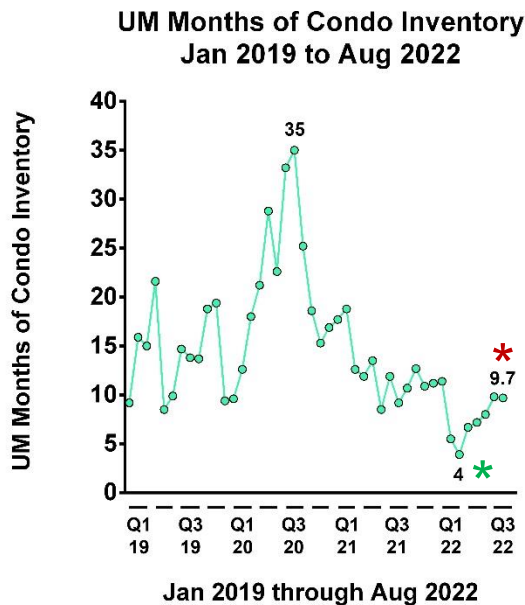
#### Interpretation

- These data show that sales closing for \$0.5-1.49 million in larger elevator (R4) buildings currently dominate the Upper Manhattan condominium market, although there are also smaller market sectors catering to

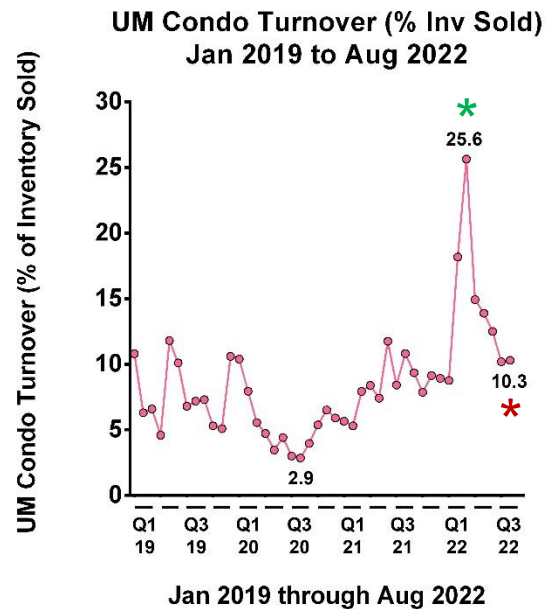
## D. Market Activity (Graphs 8,9)

### 1. Analysis of Inventory Turnover (Graphs 8,9)

Graph 8



Graph 9



- **Graphs 8 and 9** show markers of Upper Manhattan Condominium Market activity, by quarter. **Graph 8** (left) shows months of Condominium Inventory, which decreases when the market is active. Conversely, **Graph 9** (right) shows Percentage of Inventory sold per month, which increases with market activity.
- Between **Aug 20** and **Mar 22**, Months of Townhouse Inventory progressively **declined to 4.0 months**, while Percentage of Inventory sold/mo **rose to 25.6% (green asterisks)**. Both indicate strong market activity.
- Market activity has since declined, coinciding with Federal interest rate increases in 2022 but also with a decrease in the rate of closings at 300 W 122<sup>nd</sup> St. **Most recent data (Aug 2022) show 9.7 Months of Inventory, and a monthly Percentage of Inventory sold of 10.3% (red asterisks)**.
- 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>

## D. Summary – Q3 Condominium Market Analysis

- FMV Sales and Volume from **Apr 2021-Mar 22** **recovered fully following the 2020-21 COVID situation, and surpassed pre-COVID levels**. We are tracking the impact of **recent interest rate increases** on the market.
- Sales in 2021-2022 were **boosted by a large condominium development sellout in 2022 at 300 W 122<sup>nd</sup> St.**
- **Average sale price** has been stable from 2019 through 2022, indicating **underlying health of the market**. Unlike the Townhouse Market, **Condominium sales in 2021-22 were highest in the middle of the market.**
- For more information, please contact us at [info@harlemlofts.com](mailto:info@harlemlofts.com), follow our market analysis reports at <https://harlemlofts.com/>, and analysis videos on our YouTube channel at <https://tinyurl.com/HLIYouTube>

# 2022 Q3 Upper Manhattan Market Status and Trajectory

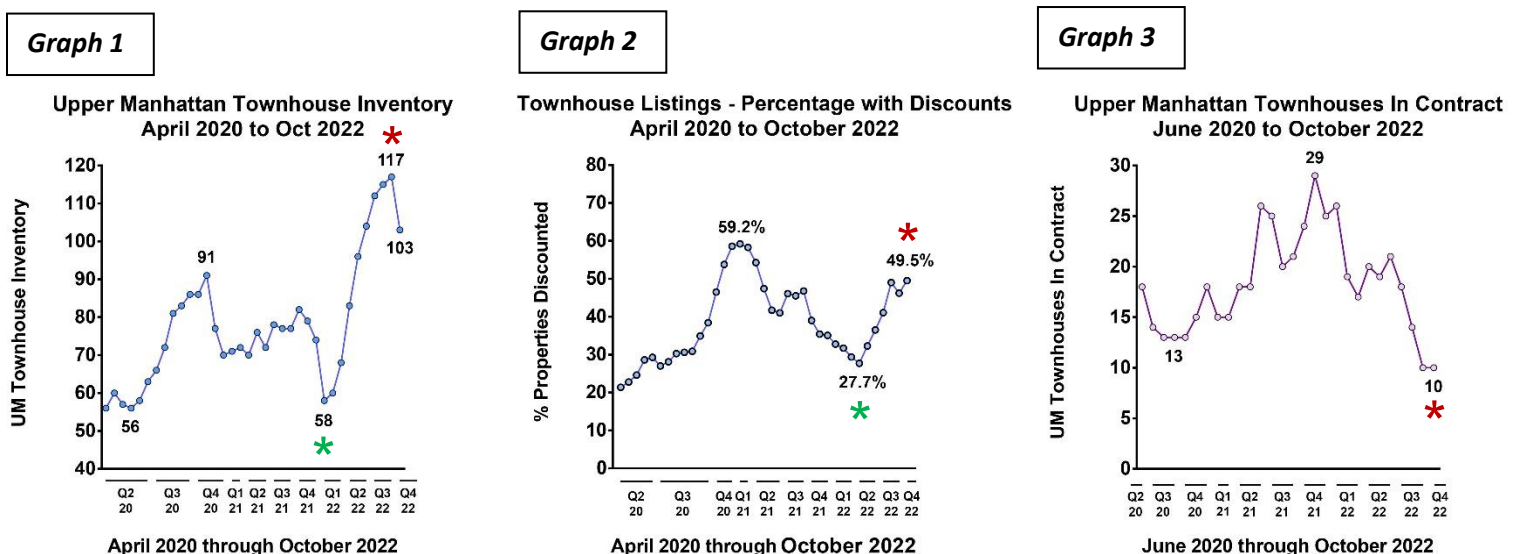
## A. Introduction

- 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 townhouse and condominium markets **recovered from the COVID-19 downturn, but face challenges from recent interest rate increases**. Any predictions represent a **good faith estimate**.

## B. Townhouse Inventory, Discounts and In-Contract Listings (Graphs 1-8)

### 1. Townhouse Inventory, Discounts and In-Contract Listings over Time

**Graphs 1-3. Upper Manhattan Townhouse Inventory, Discounts and In-Contract Listings, 2020 to 2022**



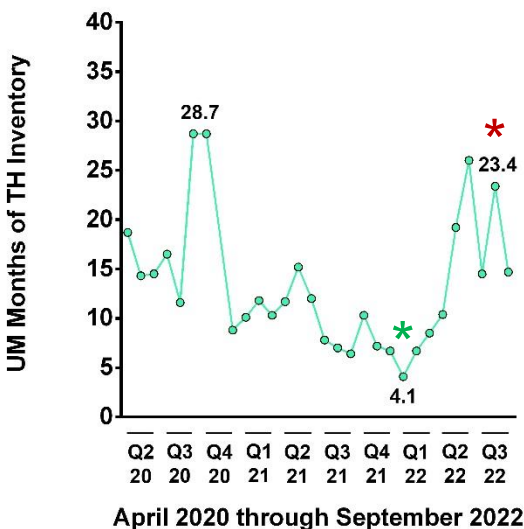
- **Graphs 1-3** show Upper Manhattan Townhouse Inventory (**Graph 1, left**), Discounts (**Graph 2, Center**) and In-Contract Listings (**Graph 3, right**) from Q2 2020 through the end of Q3 2022.
- Classically, following a market downturn, **Inventory is the first marker of recovery, followed by Sales**.
- Following COVID-19, inventory peaked at **91 listings** as of Nov. 2020 (**Graph 1, left**), then decreased in Jan. 2022 to **58 listings** (**green asterisk**) following a surge in sales in Q3-4 2021. However, coincident with interest rate increases in 2022, inventory rebounded to **117 listings!** (**red asterisk**) – supply outstripped demand.
- Seeing competition during the 2020 downturn, Sellers offered discounts (**Graph 2, center**). By Feb. 2021, **59% of listings were discounted**. As sales recovered, prices stabilized (**green asterisk**). However, with the current surge in inventory they are rising again and currently **49.5% of listings are discounted** (**red asterisk**).

- **In-Contract Listings** followed inventory and discounts, **peaking at 29** in **Nov 2021** (*Graph 3, right*). In-Contract listings then decreased in Winter and **continued to fall to 10 in Q3 2022**, likely due to increased interest rates.
- The current trajectory suggests that what could have been a strong 2022 market has been **impacted by economic factors**, notably interest rates which are giving potential Buyers pause in the second half of 2022.

## 2. Analysis of Townhouse Inventory Turnover (Graphs 4,5)

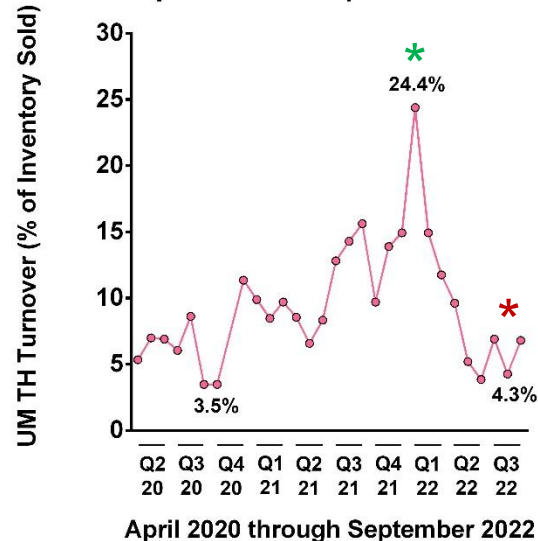
**Graph 4**

**UM Months of Townhouse Inventory**  
April 2020 to September 2022



**Graph 5**

**UM TH Turnover (% Inv Sold)**  
April 2020 to September 2022



- **Graphs 4 and 5** show markers of **Upper Manhattan Townhouse Market** activity, by month. **Graph 4** (left) shows months of Townhouse Inventory, which decreases when the market is active. Conversely, **Graph 5** (right) shows Percentage of Inventory sold per month, which increases with market activity.
- Between Jan. 21 and Jan. 22, Months of Townhouse Inventory progressively **declined to 4.1 months**, while Percentage of Inventory sold/mo **rose to 24.4%** (*green asterisks*). Both indicate strong market activity.
- Market activity has since declined, coinciding with multiple Federal interest rate increases in 2022. **Months of Inventory in Aug was 26.0 and Percentage of Inventory sold 4.3%** (*red asterisks*) – levels reminiscent of the depths of the COVID crisis in Q3/Q4 2020.
- 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>

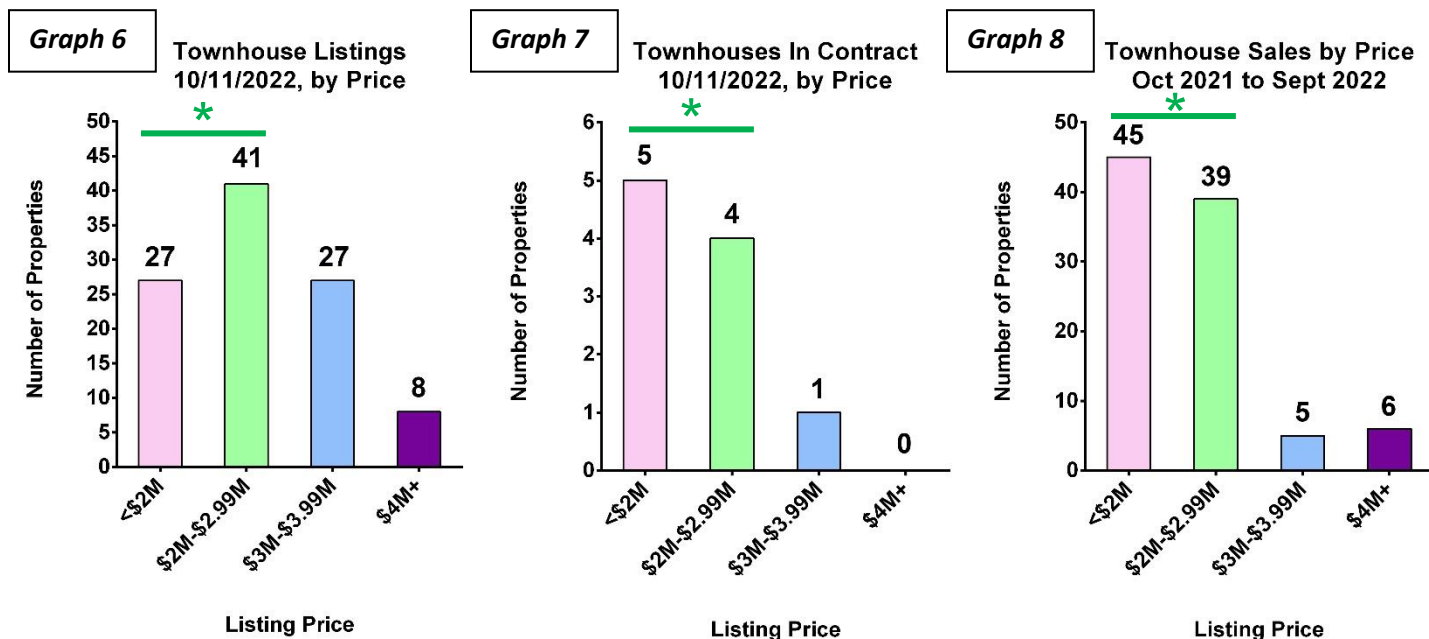
## 3. Analysis of Townhouse Inventory, In-Contract Listings and Sales by Price (Graphs 6-8)

- **Graphs 6-8** show Inventory (left) and In-Contract Listings (center) at end of Q3 2022, and Sales (right) from Oct 21 – Sept 22, by price - <\$2million (M, pink), \$2-2.99M (green), \$3-3.99M (blue), \$4M+ (purple).
- Of the 103 Listings on the market, **68 (66%) are priced under \$3 million** (*Graph 6, left, green asterisk/bar*).



- Of the 10 In-Contract Listings, 9 (90%) are priced below \$3 million (Graph 7, center, green asterisk/bar).
- Of the 95 Sales year on year 2021-22, 84 (88%) sold at less than \$3 million! (Graph 8, green asterisk/bar).

**Graphs 6-8. Upper Manhattan Townhouse Inventory, In-Contract Listings and Sales by Price, Q2 2022**



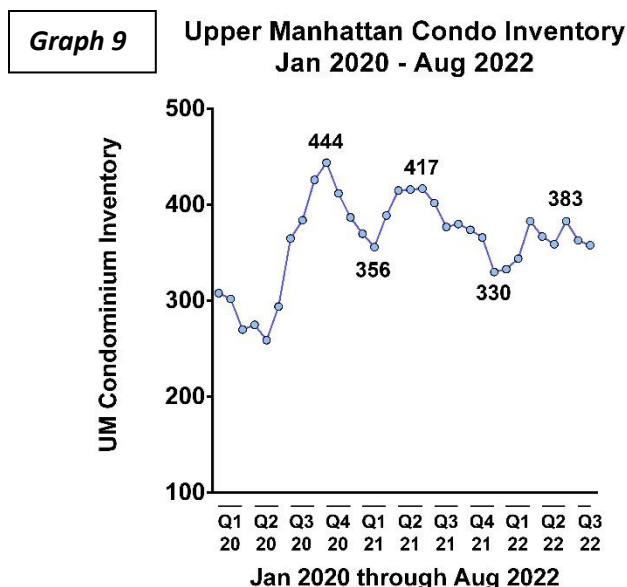
### Interpretation

- The lower end of the Townhouse Market continues to dominate Listings, In-Contract Listings, and Sales. Potential increased activity at the upper end of the market (>\$3M) has not yet materialized.

## C. Condominium Inventory (Graph 9)

### 1. Condominium Inventory over Time, 2020 through 2022

**Graph 7. Upper Manhattan Condominium Inventory, 2020 through 2022**



- **Graph 9** shows **Condominium Inventory** from Jan 2020 through May 2022 (most recent available data).
- As mentioned above, following a market downturn **inventory is the first marker of recovery**. Following COVID-19, **condominium Inventory rebounded, peaking at 444 listings** in Oct. 2020 (**Graph 9**).
- Inventory **decreased to 356** in Feb. 2021 but was **back up to 417** by June 2021, associated with high **condominium sales** as shown in our **Condominium Market Analysis** on pages 7-10.
- Inventory **has followed a similar pattern in 2022, increasing from 330 (Dec 21) to 383 in June**. There has not been a surge similar to that seen in the Townhouse sector – rather, inventory has been persistently high.

### **Interpretation**

- For more data on the condominium market, see our **Condominium Market Analysis** article on pages 8-11.

## **D. Summary**

- Sequential increases in Inventory, Discounted Listings and In-Contract Listings predicted the **strong post-COVID activity** in the Townhouse Sector in late 2021.
- However, recent trajectory suggests that what was tracking towards a strong 2022 market has been **impacted by economic factors**, notably the interest rate increases in 2022, which are giving Buyers pause.
- In the **Townhouse Market**, **inventory in 2022 surged to 117 listings**, but properties going into contract has not yet followed. **Months of Inventory and Percentage of Inventory sold have rebounded to** levels close to the COVID crisis in Q3/Q4 2020. This decline in activity coincides with the interest rate increases in 2022.
- **The lower end of the Townhouse Market** continues to dominate Listings, In-Contract Listings, and Sales. Potential increased activity at the upper end of the market (>\$3M) has not yet materialized.
- Similar to the Townhouse Sector, increasing **Condominium Inventory post-COVID predicted the strong Sales in 2021** (see our **Market Analysis**, pp 7-10). Inventory remains persistently high but has not surged in 2022.
- We follow these trends via our market reports which can be downloaded from our website, and via monthly video **Market Analysis** updates on our YouTube channel:

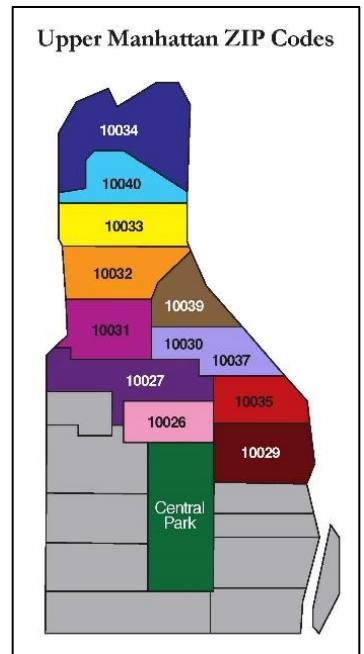
<https://harlemlofts.com/>

<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 96<sup>th</sup> Street, Central Park North and West 110<sup>th</sup> Street, and encompassing **12 zipcodes**, as shown:
- **This Report is based on 2018-2022 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](mailto: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



HPreD.com  
272 Lenox Ave., New York, NY 10027  
212-864-4376 | [info@hpredd.com](mailto:info@hpredd.com)

**HPre+D**  
HARLEM PROPERTY Re+DEVELOPMENT, INC.

# HARLEM

L O F T S

272 LENOX AVE., NEW YORK, NY 10027