



Midyear Real Estate Report for Upper Manhattan

2024



272 Lenox Ave., New York, NY 10027
Historic Site of James VanDerZee's 1934 Studio

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About Harlem Lofts, Inc.

Harlem Lofts, Inc. is a boutique real estate firm incorporated in 2002 located at 272 Lenox Avenue in Harlem, New York. We focus on seller representation in the Townhouse and Condominium markets while maintaining a proprietary database of well-qualified buyers.

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 **achieve optimal results**. This approach allows our team to provide a consistent, seamless service to 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). As such, depending on client preference we can tailor a listing to a specific well-qualified clientele or syndicate offerings across all major platforms to reach an exceptionally large audience.

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 on our **YouTube channel** for our regular **Market Analysis videos**:

<https://www.youtube.com/c/HarlemLoftsInc>

<https://www.facebook.com/harlemrealestate/>

<https://www.linkedin.com/company/587904/admin/feed/posts/>

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



Contents

About Harlem Lofts, Inc.

From the Desk of Robb Pair

2023-4 Townhouse Market Analysis

2023-4 Condominium Market Analysis

About this Report

Page

2

3

4-9

10-13

14

From the Desk of Robb Pair



Welcome to the 2024 Midyear Real Estate Report!

- As anticipated, sales have been consistently strong from Spring through early Summer.
- We have consistently been busy at the start of summer, finalizing contracts across townhouses, condominiums, and co-ops.
- **This trend can be attributed to pent-up buyer demand, as buyers who had been waiting for a drop in rates found themselves unable to delay any longer as life progressed.**

Higher than Normal Market Activity

- This year, the market has sidestepped the usual slowdown during July and August.
- In contrast to the suburbs, Harlem's inventory remained above average in the Spring, and only began to decline towards the end of June. Market turnover is rising.
- Buyers have capitalized on seller discounts, leading to a surge in properties going under contract, while many sellers temporarily withdrew their listings. We anticipate these properties to return to the market post Labor Day.

Market Outlook

- The upcoming Fall market is expected to feature higher inventory and a return of buyers from vacation, poised to leverage the 15-20% discounts that have been crucial in sustaining the market over the past 18 months.
- The Federal Reserve is also poised to reduce interest rates, which will further fuel market activity.
- The combination of reduced prices and lower interest rates predicts a very active Fall market.

While the comprehensive data provided in the report below supports this outlook, I also draw on my three decades of experience in this market, which lends additional credence to this forecast.

Please feel free to reach out to us for assistance with your Upper Manhattan real estate needs

Hope to hear from you soon!

Robb Pair

Founder and President, Harlem Lofts Inc. and Harlem Property Management Inc.

2002 to present: Licensed NY Real Estate Broker (31PA1003506)

2013 to present: NY Property Management (10211395374)

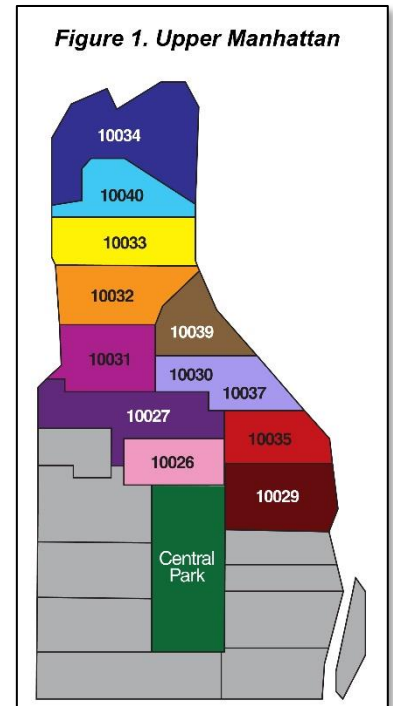
2004 to present: NY General Contractor (611126)

2012 to present: NY Part 36 Administrator as Property Manager and Real Estate Broker

2024 Midyear Townhouse Market Analysis

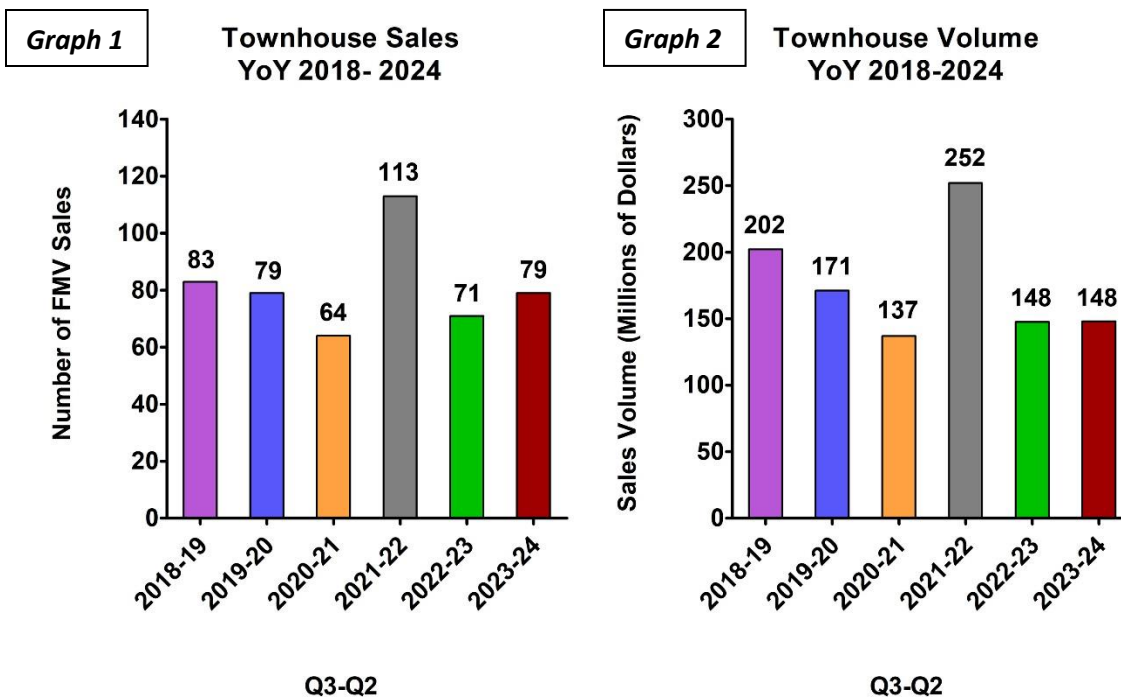
A. Introduction

- This article summarizes status of the **Upper Manhattan Townhouse Market at the end of Q2 2024 – Year-on-Year Sales, Listings, and Projections.**
- We also provide **market reports** on our website at <https://harlemlofts.com/> and **videos** on our **YouTube channel:** <https://www.youtube.com/c/HarlemLoftsInc>
- 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 (**Fig. 1, right**).
- This Report excludes data from non-representative areas, for example bordering Central Park, and west of Morningside Park.
- **The townhouse market is recovering after being significantly impacted by increased interest rates from Q2 2022 through Q4 2023 (Section B).**
- **Prices have decreased by 15-20%, inventory has normalized, and more listings are going into contract. Market recovery is ongoing (Section C).**



B. Sales by Time, Class and Location (Graphs 1-8)

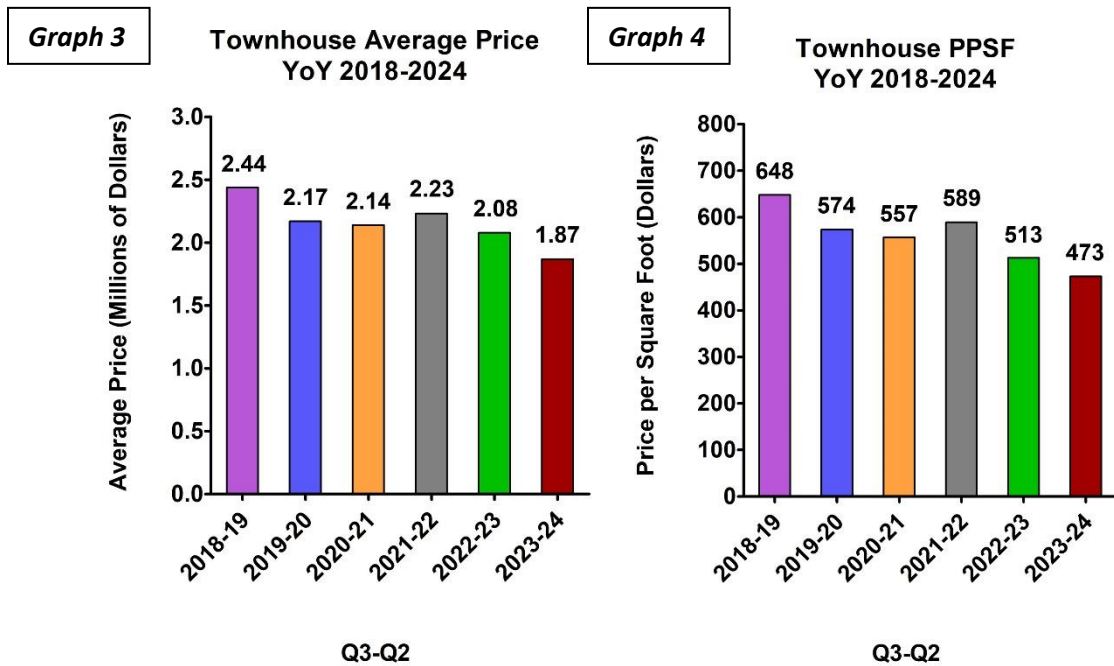
Graphs 1 and 2. Townhouse Transaction Number and Volume, Year on Year 2018 through 2024



Graphs 1 and 2 show Sales and Volume 2018-2024. There was **11% recovery** in Sales in **2023-24 (79, red)** versus **2022-23 (64, green)**, and numbers were **similar to average years such as 2019-20 (86, blue)** (**Graph 1, left**).

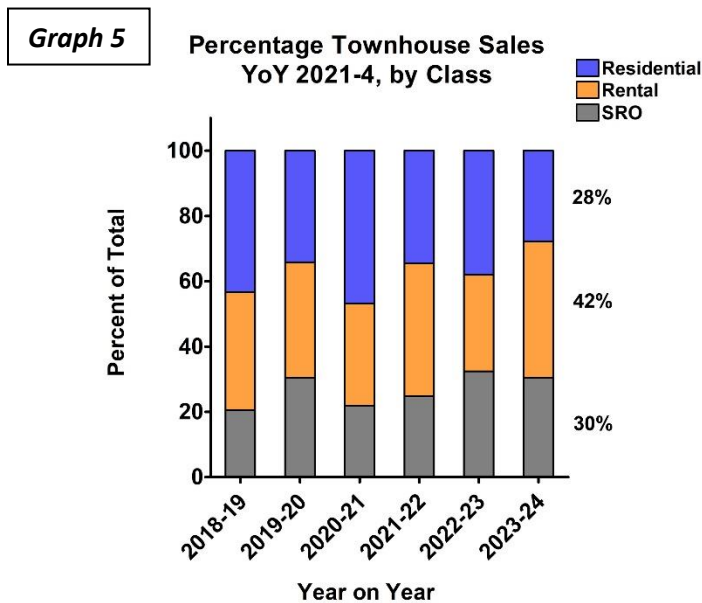
- Volume in **2023-24 (\$148 million, red)** was similar to **2022-23 (\$148 million, green)** (**Graph 2, right**).
- **Sales in 2023-24 recovered 11% vs. 2022-23, but average price decreased, thus Volume remained static.**

Graphs 3 and 4. Townhouse Average Price and Price per Square Foot (PPSF), YoY 2018 through 2024



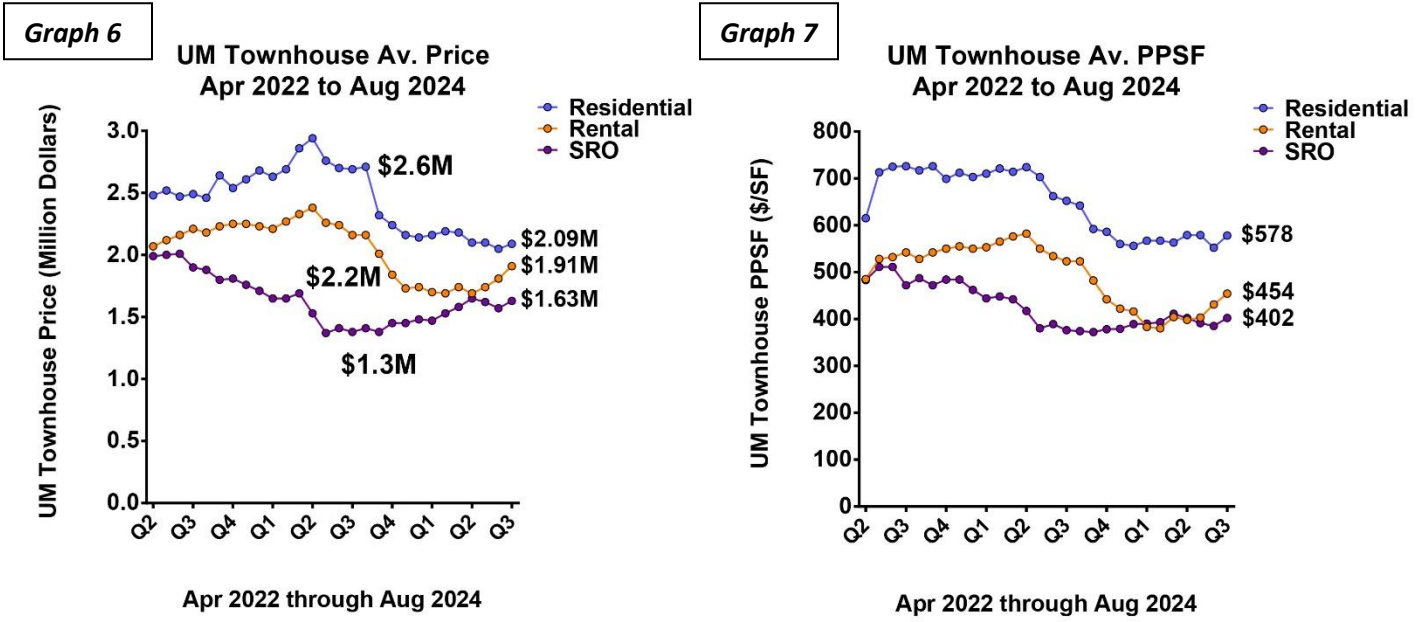
- **Graphs 3 and 4** show Average Sale Price (**Graph 3**) and PPSF (**Graph 4**) from 2018 through 2024.
- Sale prices were **stable 2018-21** but **decreased by 16%** from 2021-24 in response to weak sales (**Graph 6**).
- PPSF was slightly **less stable 2018-2022**, but also **decreased by 20%** from 2021-24.
- In 2023, increased interest rates impacted both prices and PPSF, driving subsequent recovery in 2024.

Graph 5. Townhouse Transaction Number by Class, 2021 through 2023



- **Graph 5** shows Sales by Townhouse Classification from 2018 (**left**) through 2024 (**right**). Residential (1-2 family) properties are in blue, Rental properties (3+ family) in orange, and SROs in grey.
- Interest rates impacted Residential property Sales (down to 28%), but SRO Sales stayed stable – see below.

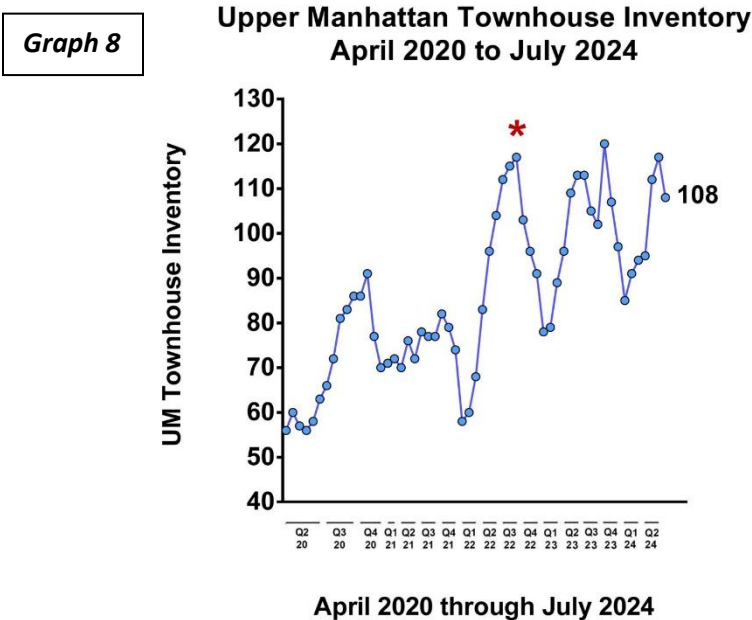
Graphs 6 and 7 - Townhouse Price and PPSF by Property Class and month, 2022-2024



- **Graphs 6 and 7 show Townhouse Sale Price and PPSF by Class and month 2022-2024.** These data correlate market changes with interest rate increases, which began in **Apr 2022** and **peaked in Oct 2023 at 7.79%**.
- Reduced **Residential and Rental Investment** sales due to increased interest rates led to **increased competition in 2023 and discounts**, such that **Prices and PPSF dropped by 20% and 13% from Q2 2023 to Q2 2024.**
- Conversely, SRO prices stabilized, in part since **they can legally be used for high-return short-term rentals.**

C. Inventory and In-Contract Listings (Graphs 8-15)

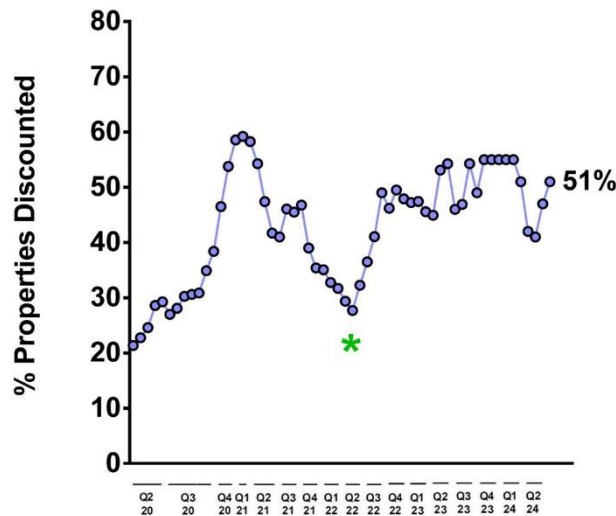
Graphs 8-10. Upper Manhattan Townhouse Inventory, Discounts and In-Contract Listings, 2020 to 2024



- Sellers **flooded the market** in **Q1 22** after record sales post-COVID in 2021, **but demand stalled** due to rising interest rates, resulting in a spike in inventory (*Graph 8, red asterisk*).

Graph 9

**Townhouse Listings - Percentage with Discounts
Apr 2020 to July 2024**

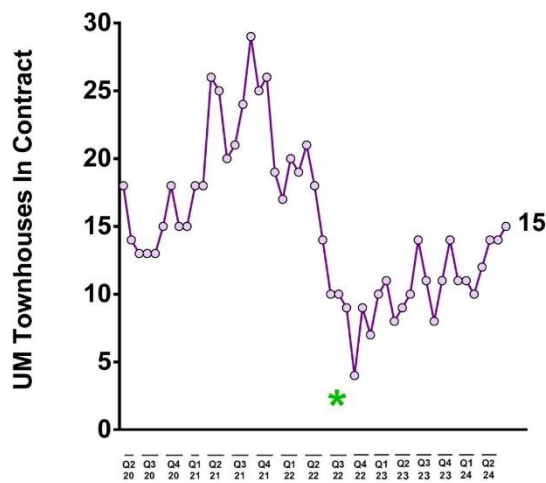


Apr 2020 through July 2024

- Increased competition in 2022 led to increased discounts, starting in late 2022 (*Graph 9, green asterisk*).

Graph 10

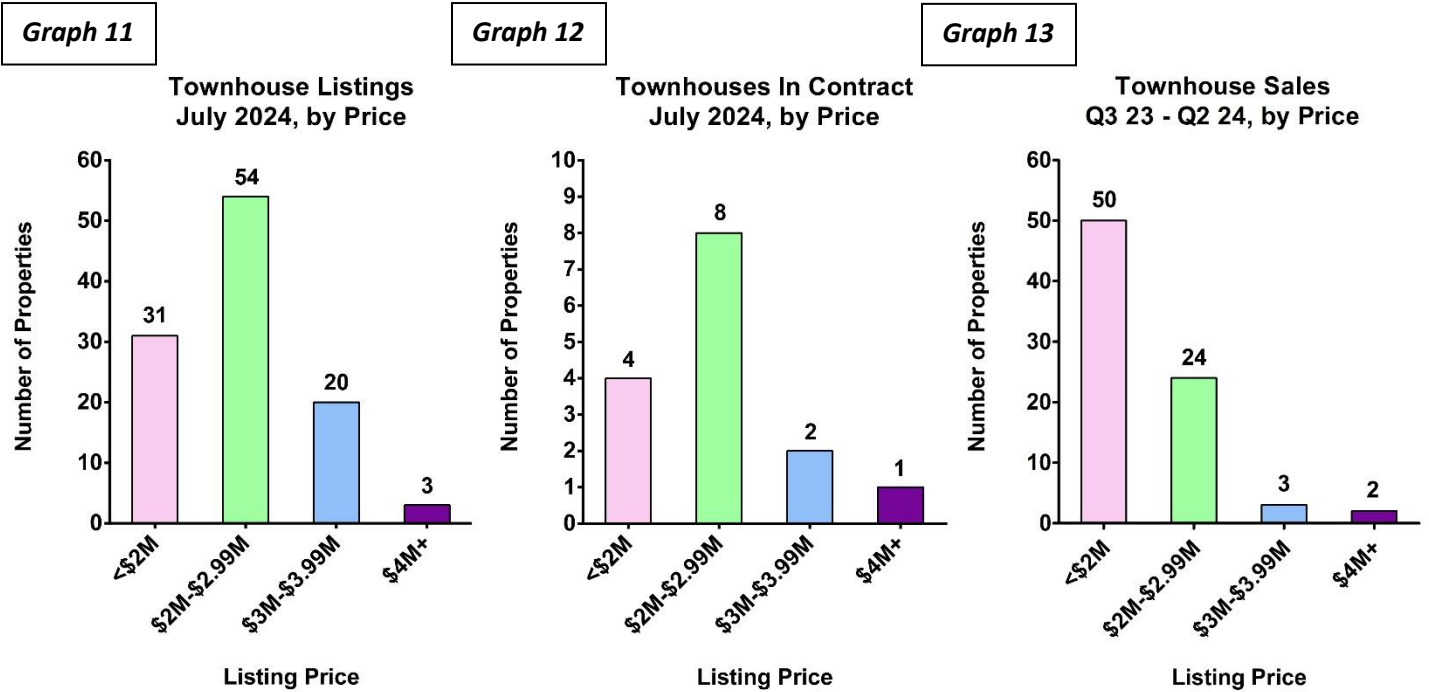
**Upper Manhattan Townhouses In Contract
June 2020 to July 2024**



June 2020 through July 2024

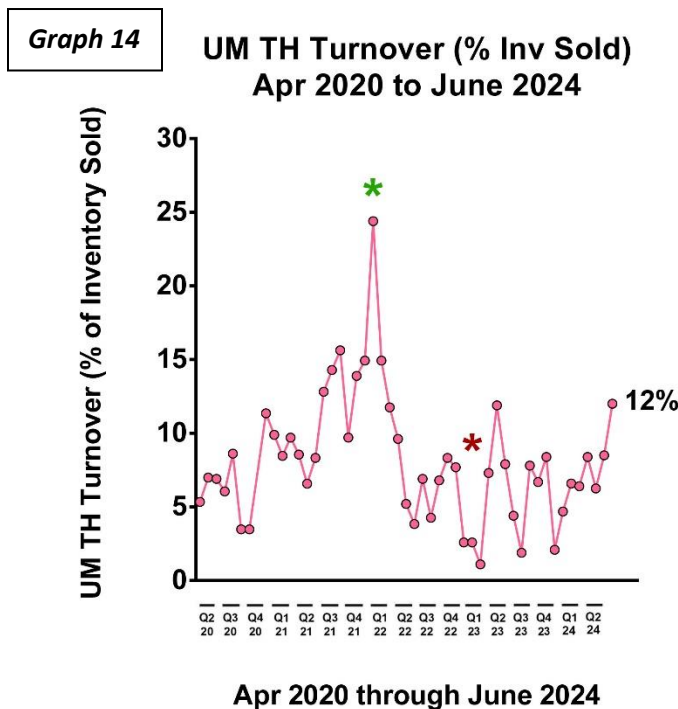
- Increased discounts led to recovery in In Contract properties from late 2022 (*Graph 10, green asterisk*)
- Sellers have adjusted to attract Buyers, and more listings are entering contract (currently 15).

Graphs 11-13. Upper Manhattan Townhouse Inventory, In-Contract Listings and Sales by Price



- **Graphs 11-13** show Inventory (left), In-Contract (center) and Sales (right) in July 24 by price bracket.
- Of the **108 Listings** on the market, **85 (79%)** are priced below \$3M (*Graph 11, left*).
- Of the **15 In-Contract Listings**, **12 (80%)** are priced below \$3 million (*Graph 12, middle*).
- Of the **79 Sales** in 2023-24, **74 (94%)** sold below \$3 million (*Graph 13*) - especially properties below \$2M

Graph 14. Townhouse Days on Market and Turnover (Percentage of Inventory Sold), 2020-2023



- **Graph 14** shows **Inventory Turnover 2021-24** (number of sales as a percentage of inventory).
- High sales in late **21** - **early 22** are reflected in **high Turnover** (**Graph 14, green asterisk**).
- Increasing interest rates in **2022-23** stagnated the market, **lowering Turnover** (**red asterisk**).
- Price reductions are driving recovery – **Turnover is steadily increasing** (currently 12%).

D. Summary – 2023 Year-End Townhouse Market Analysis

- **Increased interest rates significantly cooled the Townhouse Market** from Q2 2022 through Q3 2023.
- **Residential and Rental market stagnation resulted in 20% and 13% price reductions** in these sectors.
- Conversely, SRO sales and prices were stable - **SROs can legally be used for high-return short-term rentals**.
- **By Q3 2024, prices have adjusted to attract Buyers, more listings are entering contract, and Turnover is steadily increasing. The Townhouse market is recovering.**
- **We follow these trends via Market Reports on website, and monthly video updates on our YouTube channel:**

<https://harlemlofts.com/>

<https://www.youtube.com/c/HarlemLoftsInc>

For a direct link to the Harlem Lofts website, scan the adjacent QR code:



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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.

To access the Harlem Property Management website, scan the adjacent code:



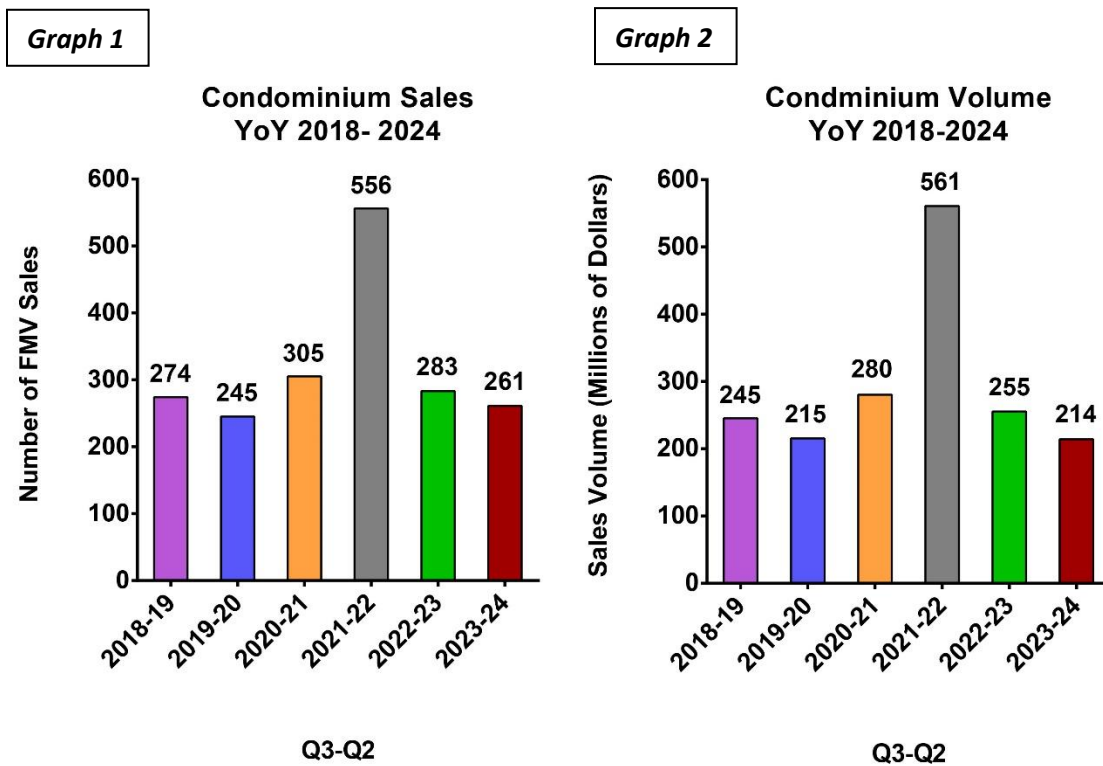
2024 Midyear Condominium Market Analysis

A. Introduction

- This article summarizes status of the **Upper Manhattan Condominium Market at the end of Q1 2024 – Year-on-Year Sales, Listings, and Projections**. This work complements our Townhouse Analysis, pages 4-9.
- As mentioned previously, we also provide **Market Reports accessible on our website at <https://harlemlofts.com/> and Market Analysis videos on our YouTube channel: <https://www.youtube.com/c/HarlemLoftsInc>**
- Our data show that following a post-COVID surge in 2021 and Q1-2 2022 driven by sales of new developments, the market has cooled pending a reduction in interest rates, although there are early signs of recovery.

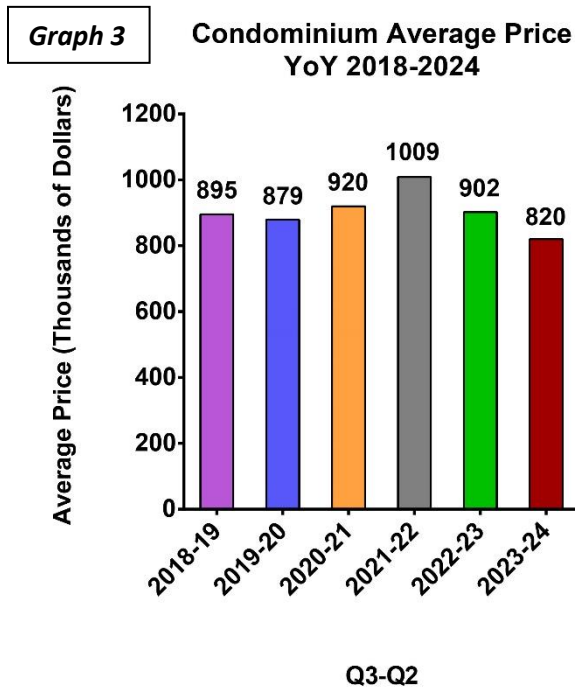
B. Sales by Time, Class and Location (Graphs 1-4)

Graphs 1 and 2. Condominium Transaction Number and Volume, 2018 through 2024



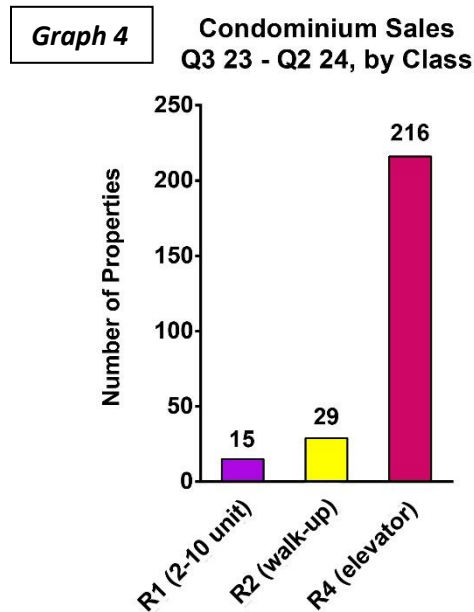
- **Graphs 1 and 2** show **Condominium Sales and Volume** from 2018-19 through 2023-24. Sales in 2023-24 (261, red) were similar to average years such as 2018-19 (274, purple) (*Graph 1*).
- Sales and volume were impacted by COVID in 2020, dropping to ten-year lows (blue and orange bars) then rebounding in 2021-22 in the face of pent-up supply and demand (grey bars).
- In 2023-24, Condo sales were impacted both by increasing interest rates and by the fact that high-profile sellouts that boosted the markets in 2021-22 concluded (red bars).
- Thus, while the number of Sales in 2023-24 was similar to 2018-19, prices were lower, such that Volume decreased by 13% – (*Graph 2* and see below).

Graph 3. Condominium Average Sale Price, 2018 through 2024



- **Graph 3** shows Average Sale Price Year on Year from 2018 through 2024.
- Prices were **stable** 2018-21 then crept up 2021-22, boosted by boutique development sellouts. However, **prices dropped in 2023-24** (red bar) after sellouts concluded and in the face of rising interest rates.
- **Similar to the Townhouse market, interest rates impacted both Condo sales/volume and Average Price.**

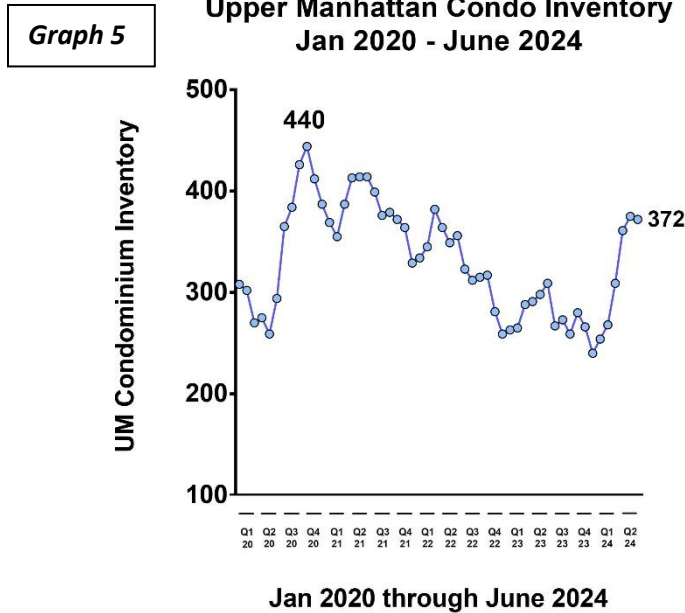
Graph 4. Condominium Transaction Number by Class, Q3 2023 – Q2 2024



- **Graph 4** shows Sales by Condominium Classification in 2023-24. R1 (2-10 unit) properties are in purple, R2 (walk-up) in yellow, and R4 (larger elevator buildings) in red.
- **Sales in large elevator (R4) buildings (Graph 4, red bar) dominated the market, accounting for 83% of sales.**

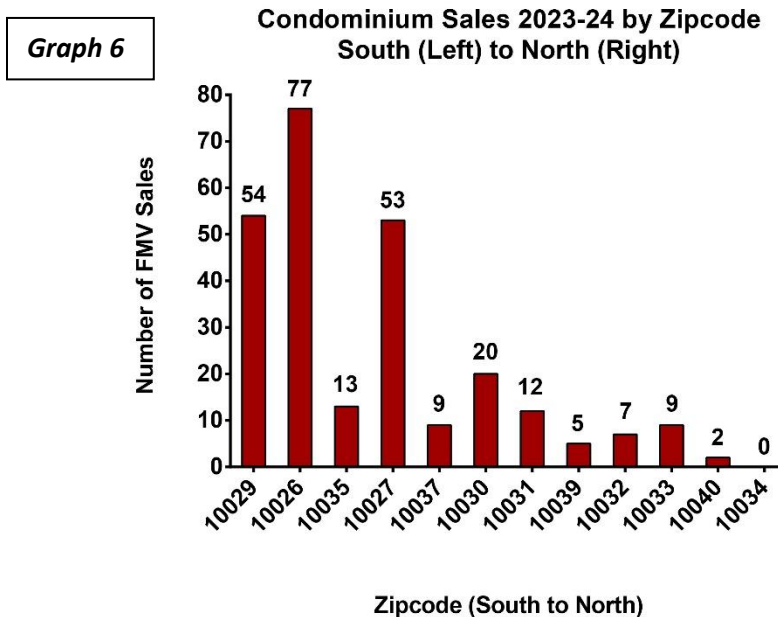
C. Inventory and Turnover (Graphs 5-8)

Graph 5. Condominium Inventory, 2020-2024



- **Graph 5** shows **Condo Inventory** from **Q1 20 – Q1 24**. Following COVID-19, **Inventory recovered and overshot, peaking at 440** in **Q4 20** and **remaining high in 2021** as sellouts **delayed in 2020** entered the market.
- Interest rates subsequently **cooled the market in Q3/Q4 2022**, a trend that **continued through 2023**. However, **inventory and turnover have started rising again in 2024 – the market may be starting to recover.**

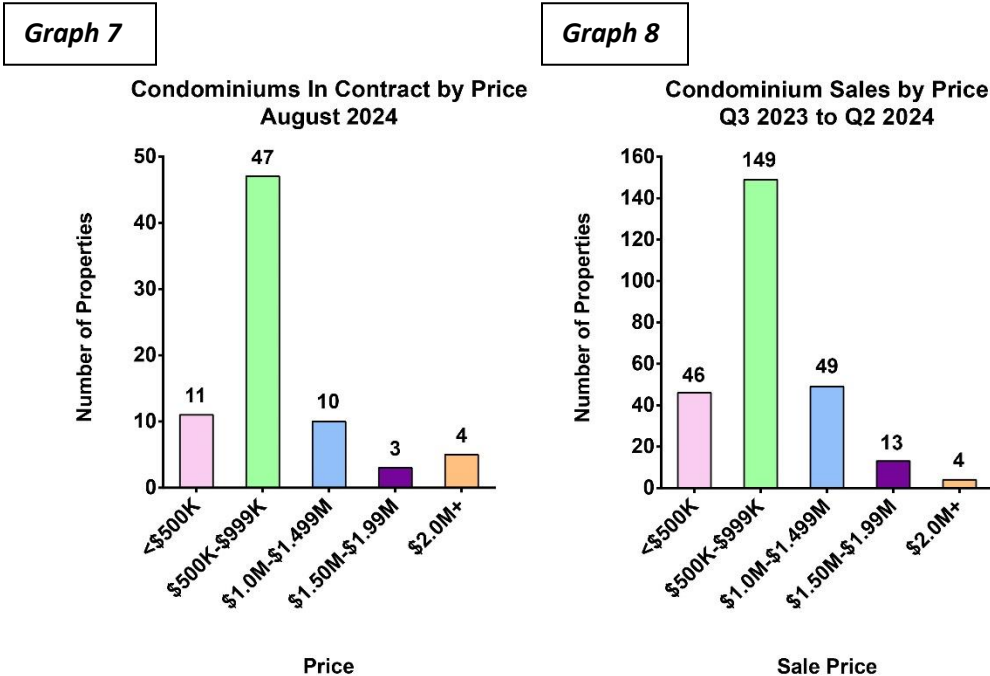
Graph 6 – Condominium Transaction Number by Zipcode, Q3 2023 – Q2 2024



- **Graph 6** shows Condominium sales in Upper Manhattan in 2023 by zipcode S-N (left to right and see Fig. 1).
- Unlike the Townhouse market, focused in the center of Upper Manhattan (zipcodes 10027/10030/10031), Condo sales are routinely focused in southern zipcodes, 10029 (East Harlem) through 10027 (Central Harlem).

- This trend continued in 2023 – Condominium and Townhouse markets overlapped geographically only partially.
- However, Harlem Lofts is aware of at least 32 condominium developments currently in progress between Central Park and 145th Street. **Unlike previous years, the majority of current developments are between 125th and 155th Streets (zipcodes 10030 and 10031). Please contact us for more information.**

Graphs 7 and 8. Upper Manhattan Condominium In-Contract Listings and Sales by Price



- **Graphs 7 and 8** show Aug 2024 Condo In-Contract Listings (left) and 2023-24 Sales (right) by price bracket.
- Of the 75 Condos currently In Contract, 47 (62%) are priced between \$500,000 and \$1 million (*Graph 7*).
- Similarly, of the 261 Sales in 2023-24, 149 (57%) sold between \$500,000 and \$1 million (*Graph 8*).
- Condominium units priced between \$500,000 and \$1 million represent over half of transactions – the ‘sweet spot’ in the market. As with Townhouses, the lower end of the market is dominant.

D. Summary – Midyear 2024 Condominium Market Analysis

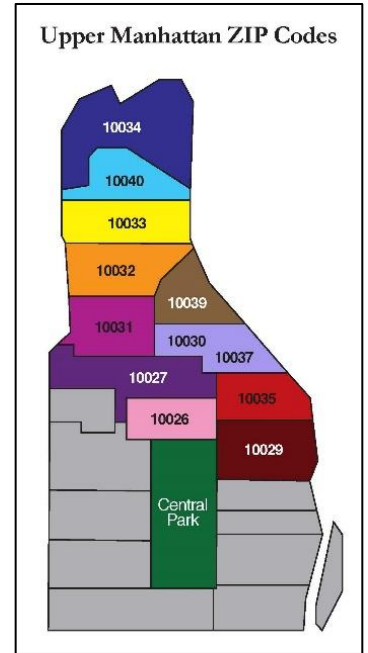
- Condominium sales in 2023-24 were impacted by interest rates and by the fact that high-profile boutique sellouts that boosted the market concluded in late 2022.
- Similar to the Townhouse market, interest rates impacted both Sales/Volume and Average Price.
- The low- to mid-range sector is dominant, with R4 (large elevator) buildings making up the majority of sales.
- Inventory and turnover have started rising again in 2024 – the market is starting to recover. Future trajectory will be determined by interest rates, and also by upcoming sellouts.
- While Sales have been focused in southern zipcodes, new construction is now occurring in more northern zipcodes
- **We follow these trends via Market Reports on our website, and monthly video YouTube updates:**

<https://harlemlofts.com/>

<https://www.youtube.com/c/HarlemLoftsInc>

About This Report

- Our **Upper Manhattan Real Estate Reports** are published quarterly and summarize Upper Manhattan townhouse and condominium real estate 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 2018-2024 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.



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L O F T S

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