

*Investors buoyed by  
rental recovery*

*Sales strengthening*

*International demand  
rises as borders reopen*



# New York Market Insight

Q4 2021

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# NEW YORK MARKET INSIGHT

*Any doubts about New York's resilience seem entirely unwarranted as it continues to emerge from the pandemic.*

The urban exodus experienced at the start of the Covid-19 crisis is clearly in reverse in New York, with key real estate market indicators suggesting a recovery is underway.

The number of Manhattan properties which saw contracts signed in October 2021 has risen by more than 43% to 1,203 compared to the same month in 2020, and the number of listings at 1,777, sit significantly below their five-year average.

Prices at the prime end of the market have been falling for nearly four years, but a return to growth is being witnessed, with expectations that annual prime price growth will reach 5% in 2022, this would represent Manhattan's highest rate of growth for seven years.

Recent sales volumes provide evidence of the uptick in demand, with the number of completed sales in the year to September 2021 up 47% compared to the whole of 2020, while prices in the borough have held steady, as the chart (above right) shows.

The relaxation of international travel restrictions should support the market too, with vaccinated overseas buyers once again able to explore the city and

view properties in person for the first time in 20 months.

Although the US dollar is strong in overall terms, several currencies have recovered strongly since the start of the pandemic, with Chinese yuan, Swiss franc, euro and sterling-denominated buyers among the most likely to benefit when taking price shifts and currency movements into account.



GEORGINA ATKINSON, ASSOCIATE PARTNER, US RESIDENTIAL SALES

"The New York market continues to make a phenomenal recovery post pandemic - as travel restrictions have now eased, we are witnessing a direct uptick in enquiries from international buyers across multiple markets, looking to purchase prime real estate in Manhattan."

Coupled with the city's low purchase costs and lack of restrictions for foreign buyers, New York presents an attractive opportunity.

There's also good news for investors as prime rents and new leases are accelerating rapidly. According to our partners Douglas Elliman and Miller Samuel, apartment rents increased the most on record in October, driven in part by the return of international students as well as corporate tenants, as companies increasingly call their workers back to the office.

The rollout of Covid-19 boosters to all US adults should benefit the city's economy at a time when nationwide growth looks set to outstrip international peers.

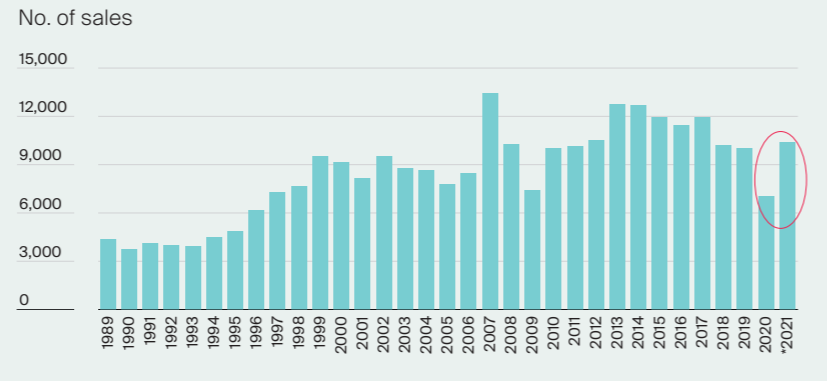
The International Monetary Fund is predicting 5.9% GDP growth in the US for 2022, higher than all other world regions apart from Asia. This scale of growth is only likely to be boosted by the newly signed \$1 trillion infrastructure bill which should help finance the Second Avenue subway and a new rail tunnel linking New York and New Jersey.

## 1 | Macroeconomic indicators

	OCT 2021	OCT 2020
US GDP	6.0%	-3.4%
Annual prime price growth (Q3)	-1.8%	-4.4%
Signed contracts	1,203	840
New listings	1,777	1,628
GBP/USD	1.37	1.29
EUR/USD	1.16	1.16

Sources: IMF October 2021, Streeteasy, Miller Samuel/ Douglas Elliman  
Exchange rates as at 1 Nov 2020 and 2021

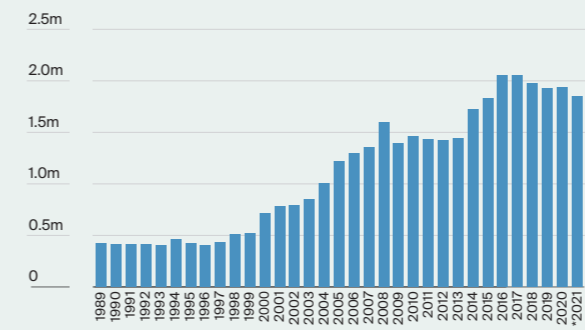
## 2 | Manhattan sees strong sales recovery in 2021



Source: Miller Samuel/Douglas Elliman  
\*YTD Q1, Q2, Q3

## 3 | Manhattan sees prices hold steady

Average sales price (US\$)



Source: Miller Samuel/Douglas Elliman  
\*YTD Q1, Q2, Q3

## ONE TO WATCH: MIDTOWN

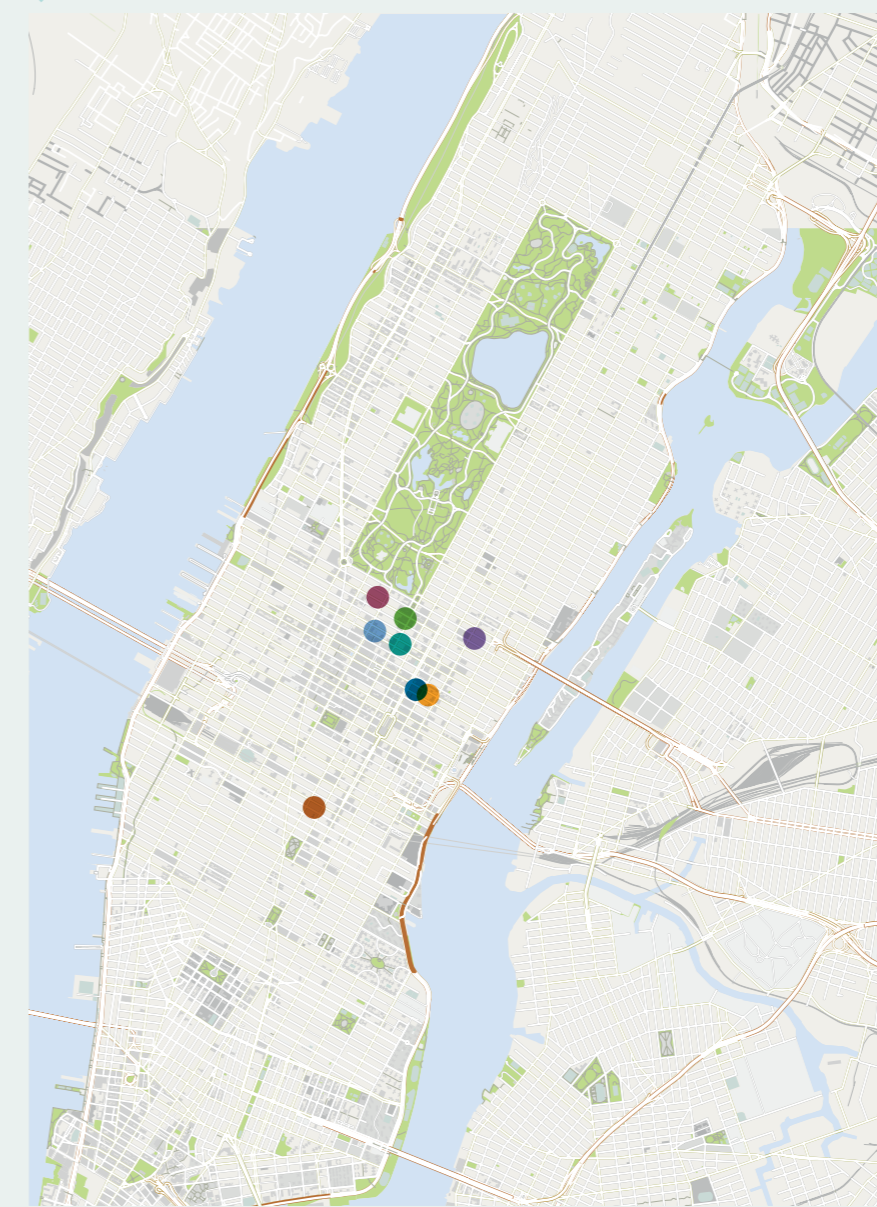
Midtown is home to the iconic sites that are conjured up in the mind when the world thinks of New York, but it is a thriving and desirable residential area too.

With Park Avenue at its heart, the neighbourhood is home to some of the city's most appealing properties, including the Towers of the Waldorf Astoria, 53 West 53rd and Residences at the Aman.

The third quarter saw the most sales recorded at all price points in Manhattan in more than 32 years, with Midtown contributing towards this.

Pent-up demand, rising investor confidence and persistently low interest rates are likely to continue to fuel the market here, with luxury properties expected to be most sought-after.

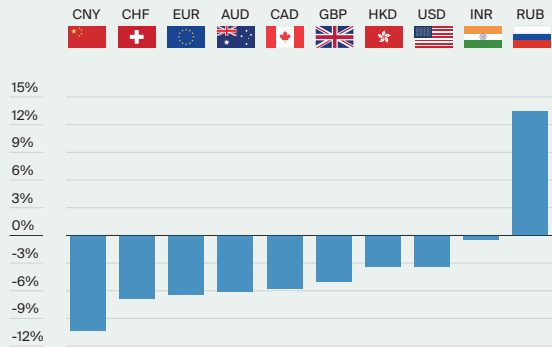
## MAPPING MANHATTAN'S PRIME NEW DEVELOPMENTS



- THE TOWERS OF THE WALDORF ASTORIA**  
 Address 303 Park Avenue  
 No. of units 375  
 Price from \$1.8 million
- MANDARIN ORIENTAL RESIDENCES**  
 Address 685 Fifth Ave  
 No. of units 69  
 Price from POA
- 53 WEST 53RD STREET**  
 Address 53 West 53rd Street  
 No. of units 145  
 Price from \$3.85 million
- 200 EAST 59TH STREET**  
 Address 200 East 59th Street  
 No. of units 68  
 Price \$1.95 million
- 111 WEST 57TH STREET**  
 Address 111 West 57th Street  
 No. of units 46  
 Price from \$18 million
- AMAN RESIDENCES**  
 Address 730 Fifth Ave  
 No. of units 22  
 Price from \$13.5 million
- THE CENTRALE**  
 Address 138 East 50th Street  
 No. of units 124  
 Price from \$1.69 million
- MADISON HOUSE**  
 Address 15th East 30th Street  
 No. of units 199  
 Price from \$1.49 million

For more information on any of the developments shown please get in touch

**4 | Currency discounts persist** % change since Jan 2020 (pre-Covid-19), currency and prices combined



Source: Knight Frank Research, Macrobond  
Exchange rates calculated at 1 Jan 2020 vs 30 Sept 2021

**WHY BUY IN NEW YORK?**

**LOW PURCHASE COSTS**

**STRONG RENTAL DEMAND**

**GLOBAL FINANCIAL CENTRE**

**NO RESTRICTIONS ON FOREIGN OWNERSHIP**

**EASILY ACCESSIBLE**

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*New York's finest addresses*



**The Towers of the Waldorf Astoria, New York**



- 375 branded residences
- Interiors by renowned French designer Jean-Louis Deniot
- Wellness amenities, including sky-lit pool

**Prices start from US\$1.8m**



**53 West 53rd Street, Above MoMA, New York**



- 162 residences rising 82 storeys to 1,050 ft
- Designed by Pritzker Prize-winning architect Jean Nouvel
- Over 30,000 square feet of extraordinary amenities

**Prices start from US\$3.85m**

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