

NYC co-ops selling several times faster than in '09: Miller Samuel

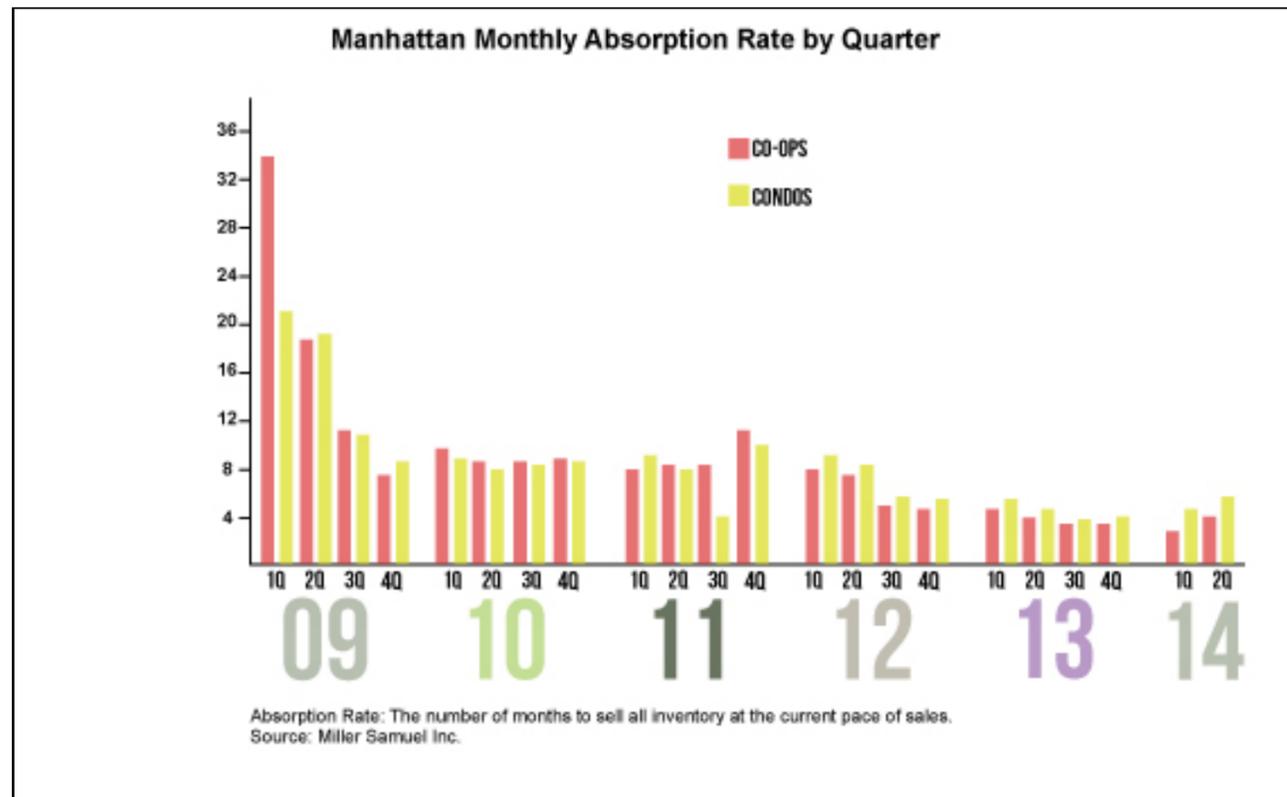
High condo prices, low inventory fueling demand

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By E.B. Solomont

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Buyers who sniffed at co-ops five years ago, it seems,

have decidedly changed their tune.

The absorption rate for co-ops in Manhattan has plummeted to 4.1 months in the second quarter, compared with 34.8 months during the same period in 2009, according to data obtained by *The Real Deal* from the appraisal firm Miller Samuel. As for condos, the drop's been slower, to 6.5 months during the second quarter, from 21.7 months.

Sources said the accelerated pace of co-op absorption reflects high condo prices, and a lack of inventory.

"Buyers are seeking out affordability, and I think you're seeing more price growth in the condo market so that slows it down relatively to the co-op market," said Jonathan Miller, president of Miller Samuel. "Condos are expensive (and) they're getting more expensive."

In fact, the median co-op price grew 9 percent to \$725,000 in the second quarter of 2014, according to a [Douglas Elliman report](#) written by Miller. In the condo market, median sales increased just 0.8 percent to \$1.26 million. The number of co-op sales jumped 8.8 percent to 1,900 in the second quarter, while condo sales increased 2.8 percent to 1,352.

"For the domestic customer looking for a home, they are shifting into the co-op scene because they realize how competitive it is with bidding wars and cash offers," said agent Julia Cole of RP Miller Realty. "In a challenging landscape, a lot of people are losing out."

While buyers prefer to own their apartment and not have to deal with a co-op board, Cole added, "condos are so much more pricey up front with the competition."

A byproduct of co-ops' faster absorption rate is a drop in the number of days on market, which measures the length of a listing.

Co-ops spent 71 days on the market in the second quarter, down from 160 days during the second quarter of 2012. Condos spent 133 days on the market in the second quarter, down from 172 days in 2012.

"Condo markets are testing the market at a more frequent pace," said Noah Rosenblatt, founder of the analytics and consulting firm UrbanDigs.

"They're taking a little longer to sell because of the asking price; there are a lot of high-priced condos."

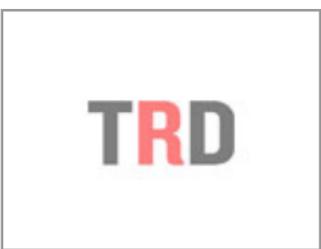
(Additional reporting by Maya Kaufman)

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