

THE FIDI REPORT

2016 YEAR-END REPORT

A SURVEY OF
APARTMENT TRENDS
IN NEW YORK'S
FINANCIAL DISTRICT

The logo for Statinum, featuring the word "Statinum" in a stylized, handwritten font with a small "TM" symbol to the right.

2016 SALES SUMMARY

The Financial District saw some incredible activity in 2016, spurred by the closing of several new developments in the pipeline from previous years. After reaching historic highs in the first quarter, the area softened throughout the remainder of the year, with most metrics showing a slowing or stabilization of the market. New development continued to compose a good amount of the activity, with volume of closings down as well.

Average Price Reaches Record High, Discounts Still Marginal

With discounts remaining under 2%, average prices reached record highs closing the year at \$1,232,379—an increase of nearly 5% from the previous year.

New Development Still Dominating The Market

With several new developments continuing to push closings back, the area's sales volume continued to remain below previous years, dropping 17% to 303 units sold. Developments like 50 West, 101 Wall Street and 5 Beekman will continue to drive the market as closings occur at those properties. 50 West Street began closing in 2016, selling one of the penthouses for almost \$6.7M — one of the biggest sales of the year in FiDi.

2017 Forecast

With many new developments closing throughout the first two quarters of 2017, expect prices to continue to rise. With more new development coming to the market and the majority of the units specifically targeting the lower end of the market (\$1M - \$5M), the area still offers value for those people who are priced out of other neighborhoods. Because interest rates are forecasted to rise later in the year, buyers will seek to lock in lower rates now, causing activity to rise in the first two quarters of the year.

Overview

AVERAGE PRICE AT RECORD HIGH

\$1,232,379

AN INCREASE OF 4.82%

SALES VOLUME DOWN

17.21%

COMPARED TO 2015



DISCOUNT TO LISTING PRICE
DECREASED FURTHER TO

1.89%

SALES MARKET

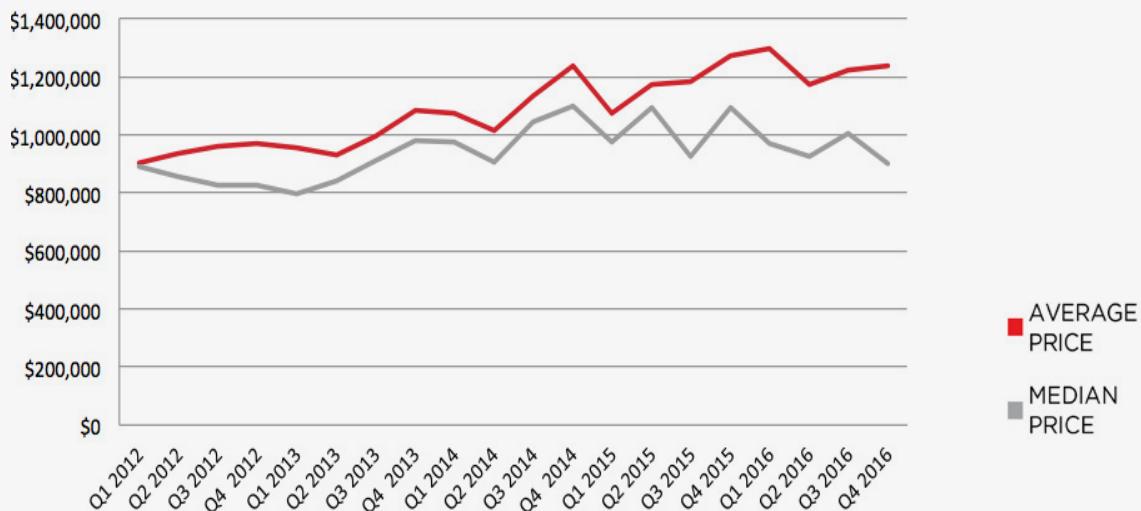
MARKET OVERVIEW: AVERAGES & MEDIAN 2010-2016

- Average price at record high \$1,232,379, an increase of 4.82%
- Volume down 17.21% from previous year
- Discount to listing price decreased further to 1.89%

	2010	2011	%	2012	%	2013	%	2014	%	2015	%	2016	%
Average Price	\$869,013	\$890,231	2.44%	\$943,203	6.12%	\$989,297	4.89%	\$1,102,894	11.48%	\$1,175,706	6.60%	\$1,232,379	4.82%
Average PPSF	\$883	\$940	6.42%	\$1,015	8.40%	\$1,079	5.78%	\$1,192	11.03%	\$1,257	5.45%	\$1,341	6.67%
Average Discount	13.23%	10.50%	-20.63%	7.63%	-27.68%	5.23%	-31.45%	3.56%	-31.93%	1.95%	-45.37%	1.89%	-3.08%
Median Price	\$763,687	\$751,207	-1.63%	\$839,645	11.77%	\$880,000	4.81%	\$989,400	12.43%	\$1,021,875	3.28%	\$951,250	-6.91%
Median PPSF	\$845	\$872	3.20%	\$944	8.49%	\$1,014	6.77%	\$1,131	12.28%	\$1,213	7.25%	\$1,323	9.08%
Units Sold	462	410	-11.26%	481	17.32%	541	12.47%	499	-7.76%	366	-26.65%	\$303	-17.21%

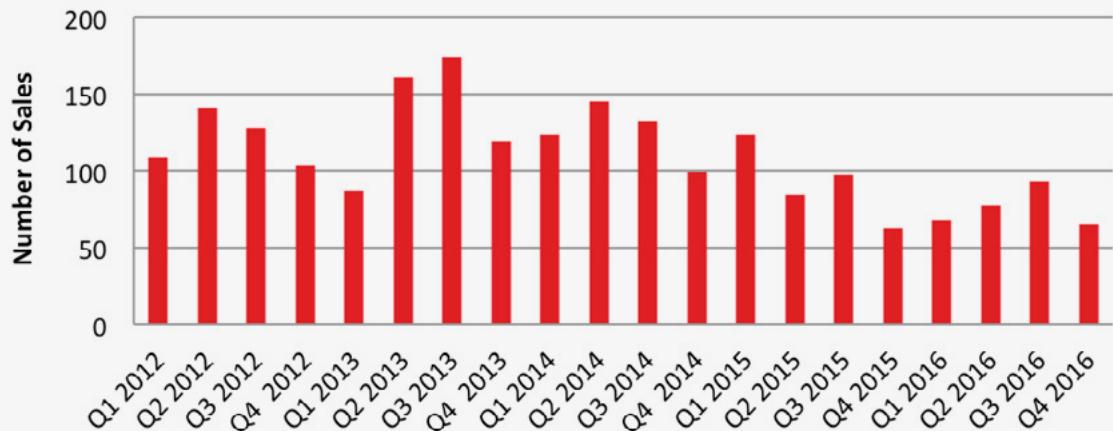
QUARTERLY APARTMENT SALE PRICE

- Average price hit an all-time high Q1 at \$1,297,857
- The gap between average price and median price continues to widen due to a smaller number of high-end sales in new developments



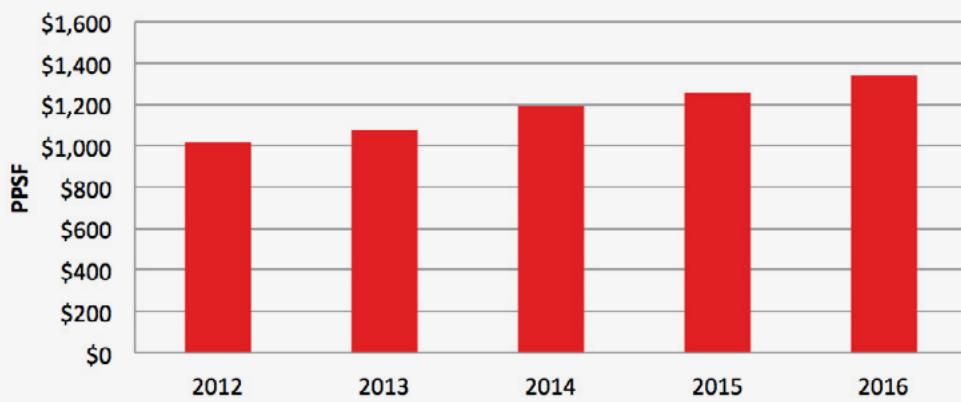
SALES VOLUME

- Sales volume reached lowest levels in the past 6 years, with only 303 units sold
- Q3 showed the most activity with 93 units sold



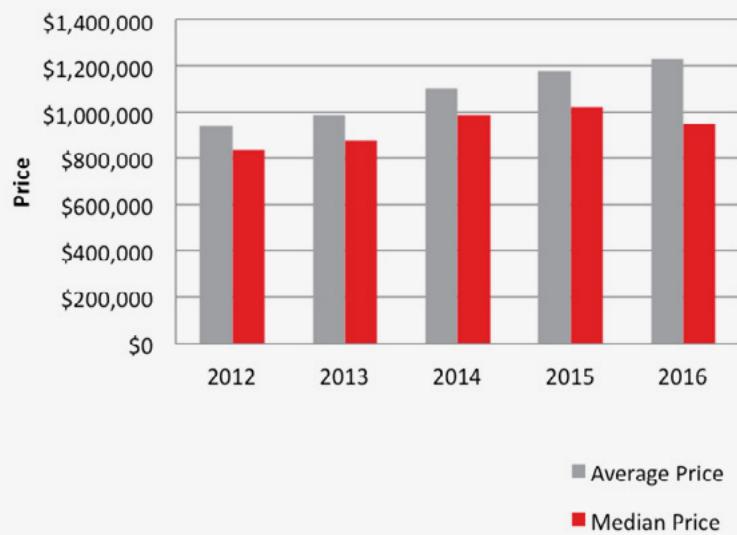
AVERAGE PRICE PER SQUARE FOOT

- Average PPSF continues to reach record highs at \$1,341
- Developers continue to build smaller units with lower sales prices, but higher PPSF



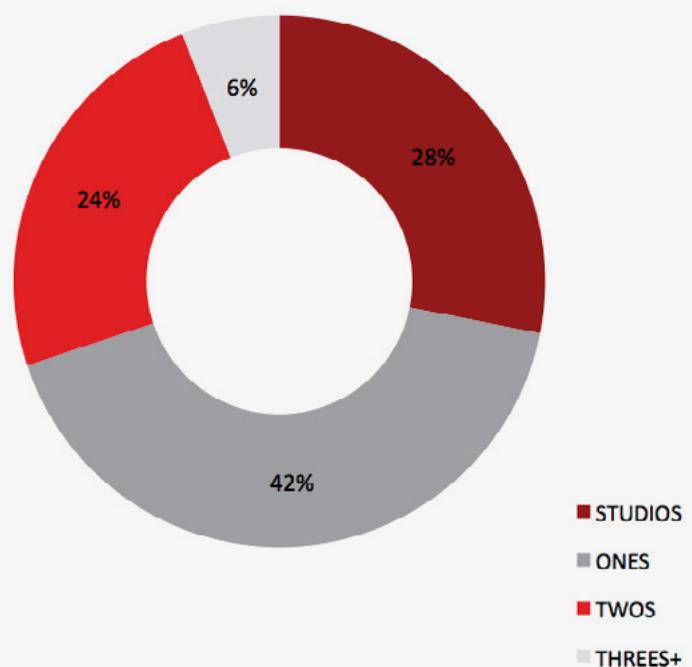
AVERAGE SALES PRICE

- Average sales price continued to increase year over year to record highs
- Median prices declined to \$951,250



2016 UNIT SIZE

- One-bedrooms still in highest demand, accounting for 42% of all sales
- Sales of three+ bedrooms increased almost 50% year over year, with 13 units closing



2016 RENTAL SUMMARY

The rental market citywide saw a softening in 2016 compared to previous years. An unusually slow summer season marked the beginning of a remarkable shift in the market. In the Financial District, increasing sales of condominium investor units coupled with new rental products, lead to a rise in inventory. While the statistics show an increase in metrics, it's important to note that the averages do not factor in concessions — they only reflect face rents.

CONCESSIONS, CONCESSIONS, CONCESSIONS

Concessions are back in a big way in the Financial District. Closing out the year, nearly two-thirds of all units on the market showed some sort of concession, whether an owner-paid commission, free rent or both. Landlords continue to try to entice renters into longer-term leases to fill rising vacancies. With more inventory projected to come on the market in the next year, we anticipate this will continue.

INVESTOR UNITS IMPACT THE MARKET

Aside from new developments on the rental side, a considerable variable in the rental market is the volume of investor units in condominiums. With 70% of units sold in the year being studios and one-bedroom layouts, the concentration of investor units in the Financial District is higher than most other neighborhoods. These investor units come on the market and compete with existing rental buildings as well.

2017 FORECAST

While face rents may continue to stay strong into the New Year, expect concessions to potentially increase. With 180 Water Street — arguably one of the area's most anticipated rental properties — coming to the market, there should be a surge in competition on the high end. One thing remains certain: It looks like this renter's market will hold on for at least the first two quarters of the year.

Overview

AVERAGE RENT INCREASED 2.8% TO

\$3,986

INVENTORY SURGED 10% TO 5,558 UNITS

MARKET STABILIZED IN Q3 AND Q4 COMPARED TO PREVIOUS YEAR DIPS

Q1 | Q2 | Q3 | Q4

CONCESSIONS RETURNED DESPITE FACE RENT REMAINING STAGNANT

SMALLER UNITS CONTINUED TO DOMINATE THE MARKET



OVER 80% OF UNITS RENTED WERE STUDIOS AND ONE-BEDROOMS

RENTAL MARKET

MARKET OVERVIEW:

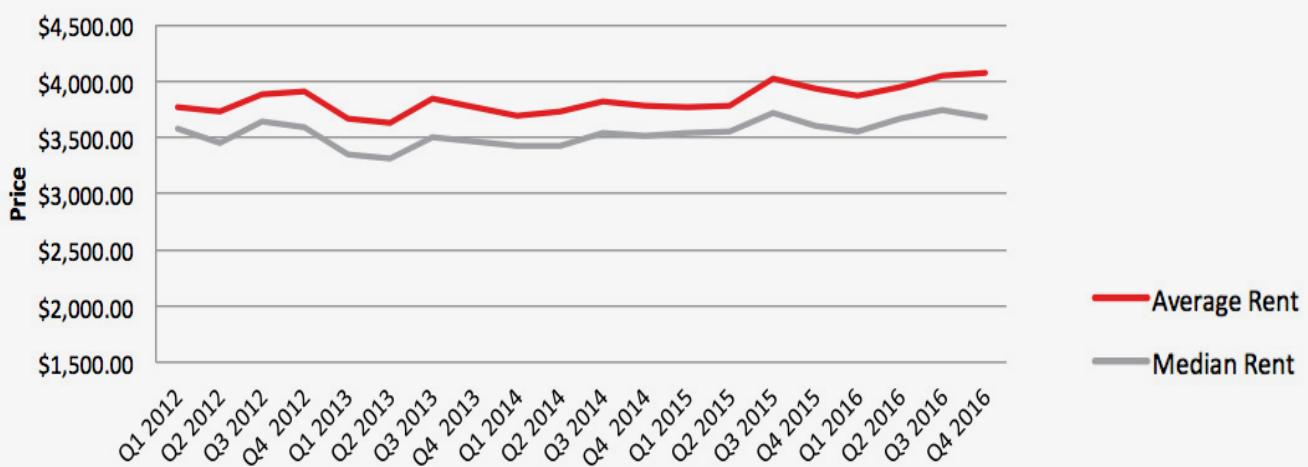
AVERAGES & MEDIANs 2010-2016

- Average rent increased 2.8% to \$3,986
- Inventory surged 10% to 5,558 units

	2010	2011	%	2012	%	2013	%	2014	%	2015	%	2016	%
Average Rent	\$3,317	\$3,703	11.63%	\$3,824	3.29%	\$3,728	-2.53%	\$3,761	0.90%	\$3,878	3.11%	\$3,986.75	2.80%
Average RPSF	\$45	\$49	9.55%	\$50	3.08%	\$51	1.99%	\$54	5.37%	\$54	-0.93%	\$54.75	2.34%
Price Drops	323	401	24.09%	432	7.93%	626	44.77%	619	-1.08%	862	39.26%	839	-2.67%
Median Rent	\$3,101	\$3,435	10.76%	\$3,568	3.89%	\$3,408	-4.50%	\$3,476	2.00%	\$3,604	3.68%	\$3,660.00	1.56%
Total Inventory	4637	4709	1.55%	4775	1.40%	6079	27.31%	5215	-14.21%	5017	-3.80%	5558	10.78%
Units Rented	3057	2997	-1.96%	2843	-5.14%	3912	37.60%	3309	-15.41%	2985	-9.79%	3312	10.95%

QUARTERLY APARTMENT RENTAL PRICE

- Market stabilized in Q3 and Q4 compared to previous year dips
- Concessions returned despite face rent remaining stagnant



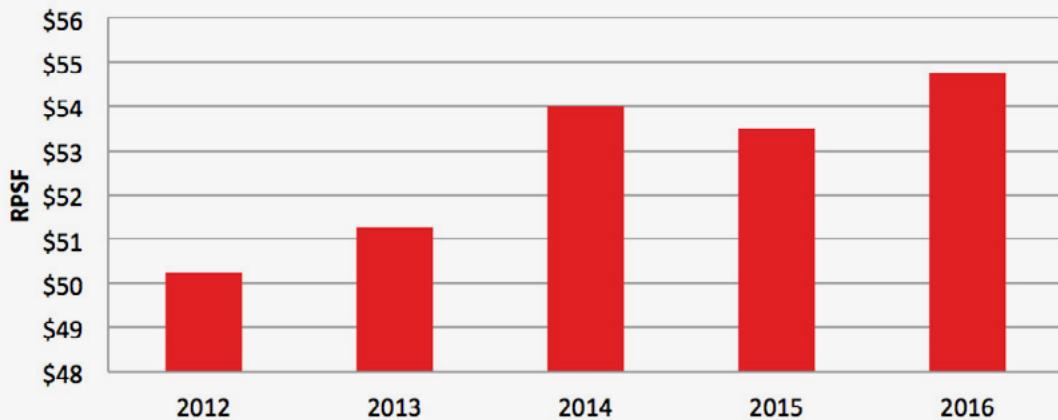
RENTAL VOLUME

- Number of units rented in 2016 consistent with previous years
- Seasonality of volume remained the same, with Q2 and Q3 the most active



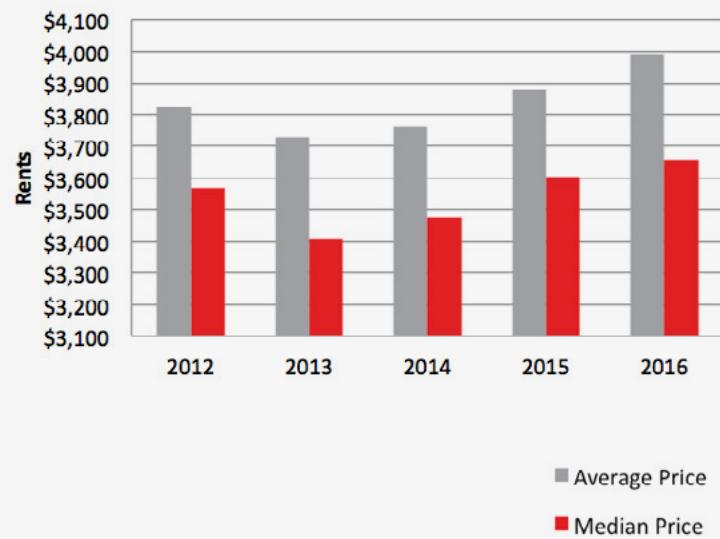
AVERAGE RENT PER SQUARE FOOT

- Average RPSF increased to new records following a dip in 2015



AVERAGE RENTAL PRICE

- Average and median rental prices continued to increase
- Average gross rent inches close to the \$4,000 mark



2016 UNIT SIZE

- Smaller units continued to dominate the market
- Over 80% of units rented were studios and one-bedrooms

