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New Year reports confirm sales slump

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Apartment prices were up, but sales were way down during the fourth quarter 2008, according to reports released by the major New York City brokerage houses last week.

Brown Harris Stevens and Halstead said that the average price an apartment was \$1,449,621, up slightly from a year ago, and down two percent from the previous quarter. The median price of an apartment was \$895,000, up eight percent from fourth quarter 2007.

Most worrisome — but not unexpected — is the sharp decline in actual sales. Prudential Prudential Douglas Elliman said sales were off by more than 24 percent, compared to fourth quarter 2007.

Streteasy.com said the number of sales was down 34 percent from the previous quarter, from 4,300 closings last quarter to 2,900 fourth quarter 2008. And Corcoran Group said that sales were down at least 40 percent over fourth quarter 2007. Corcoran group said that the median price for an apartment is up three percent.

Pamela Lieberman, president of Corcoran, said it is important to remember that the fourth quarter is typically not very busy, and that most contracts for new development were signed before the economic crisis.

Prices on resale apartments fell 3.6 percent, though, to \$732,500 from \$7,600,000 the year prior.

Gregory Heym, chief economist for Brown Harris Stevens and Halstead, said that while closings at 15 Central

Park West and at The Plaza had inflated prices over the past few quarters, that wasn't the case this quarter. Without those buildings in the equation, the average price for an apartment was brought down \$240,230.

Platinum Properties, which manages rental buildings in the Financial Districts, says that rental prices for a studio there rose 6.69 percent, to \$2,453 in

fourth quarter 2008 from \$2,299 during the same time last year.

"This was a year in which many landlords were willing to negotiate with tenants and offer them between one and three month's free rent," said Daniel Hedaya, Platinum Property's director of leasing and management. "It's a renter's market. They are having a field day out there."