

fourth quarter 2008
the corcoran report

a comprehensive analysis
of the residential real estate
market in Manhattan.
produced in collaboration
with PropertyShark.com

presented by

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*Questions about this report or
Manhattan real estate?
I'd be happy to talk it over,
please feel free to give me a call.
Keep up with the marketplace
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Welcome to the Corcoran Report, our quarterly examination of Manhattan's residential real estate market. By now it is well established that the American economy has entered a serious recession, fueled in large part by the slowdown in housing and the ongoing credit crisis. Residential real estate sales activity in the Fourth Quarter demonstrated that Manhattan is not immune from the phenomenon that has swept the nation and much of the developed world. As the number of sales declined sharply, motivated sellers responded by dropping their asking prices, driving the median price down in almost all categories (only one-bedroom apartments managed modest gains).

In the midst of this, the most common question we get is also the most natural: "how much more are prices going to come down?" While it's impossible to know what the future holds, the full extent of the price decreases that began to be recorded this quarter are colored by their timing. The Fourth Quarter is usually not the busiest one for property closings, since its resale contracts are signed in the always-slow Third Quarter (when people are off for summer vacation or starting the new school year they don't think much about moving house). But with so few transactions in the pipeline, downward pressure on prices will continue until a sense of urgency is restored for buyers.

For this reason, it is important to consider new developments in the proper context, because most of their contracts were signed in 2006 and 2007 before the current economic slowdown was upon the market in such force. Prices of new development properties were strongly higher as several significant buildings – such as 995 Fifth Avenue and 170 East End Avenue – reached the finish line this quarter after several years of work. The Corcoran Report examines these sales separately in the shaded boxes with analysis from Corcoran Sunshine Marketing Group.

In the last few weeks, intelligent buyers have taken the opportunity to snap up fantastic real estate at a comfortable savings. Speculative activity is certainly on the wane and the beneficiaries of the resulting drop in activity are undoubtedly regular New Yorkers who need to relocate. They are getting the best deals to be had in many years.

We hope you find the Corcoran Report helpful and we welcome any questions you may have regarding it.

Sincerely,

Pamela Liebman

Pamela Liebman
Chief Executive Officer



The following members of the The Corcoran Group made significant contributions to this report:

Bill Begert | Brett Harris | Douglas LaMere | Christina Lowris | Ryan Schleis | Kirsten Spanjer



Market Trends

Overall, at least 40% fewer sales traded versus the same quarter a year ago. However, the median price still grew by 3% and average price per square foot grew by 5%, largely due to the new development market. The resale market saw median price fall 4% and average price per square foot remain the same. [Page 4](#)

West Side

Sales in ultra-luxury buildings helped the West Side achieve the highest new development median price at \$2.5 million, but resale prices fell. [Page 9](#)

Midtown West

This area was the only one to see median price increase for resale co-ops, resale condos and new developments. [Page 10](#)

Downtown

This quarter, the median price for new development reached a record high at \$1.7 million. [Page 11](#)

Uptown

While Uptown was the only area where new development average price per square foot fell, resale price per square foot actually rose this quarter. [Page 12](#)

New Developments

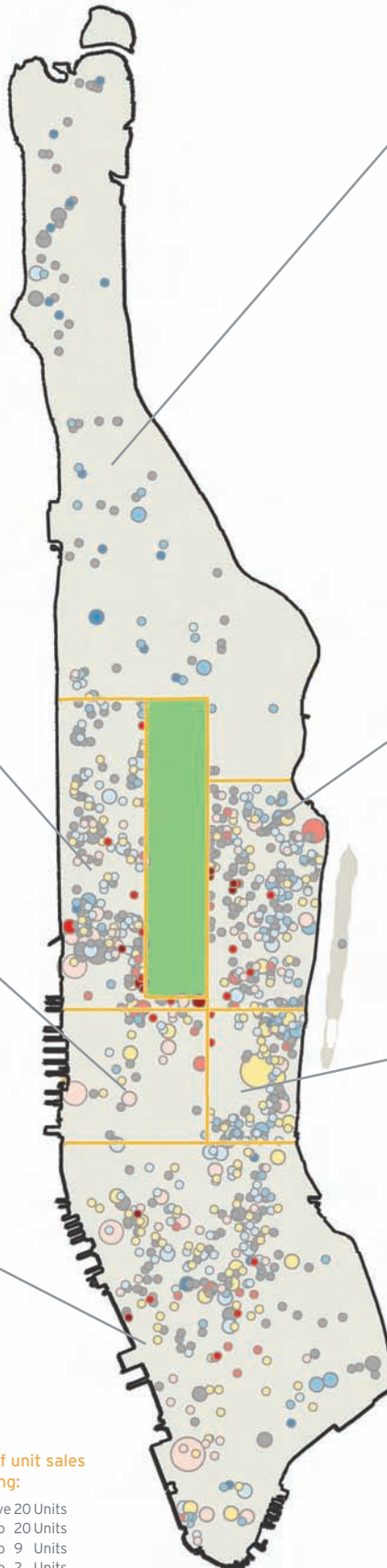
In featured commentary from Corcoran Sunshine Marketing Group, we examine the activity in Manhattan's most talked about niche market. [Page 6](#)

East Side

Co-op resales in two and three bedroom units declines significant in median price, falling 23% and 22%, respectively. [Page 7](#)

Midtown East

Midtown East saw the median price of resale co-ops, resale condos and new developments fall. [Page 8](#)



Average unit sales per square foot (SF):

- Above \$2,500 SF
- \$2,000 - \$2,500 SF
- \$1,500 - \$2,000 SF
- \$1,250 - \$1,500 SF
- \$1,000 - \$1,250 SF
- \$750 - \$1,000 SF
- \$500 - \$750 SF
- Below \$500 SF
- No SF Available

Number of unit sales per building:

- Above 20 Units
- 10 to 20 Units
- 3 to 9 Units
- 1 to 2 Units

PropertyShark.com's map of Manhattan plots sales in the Second Quarter according to their numbers and their prices per square foot.

Interactive map online at



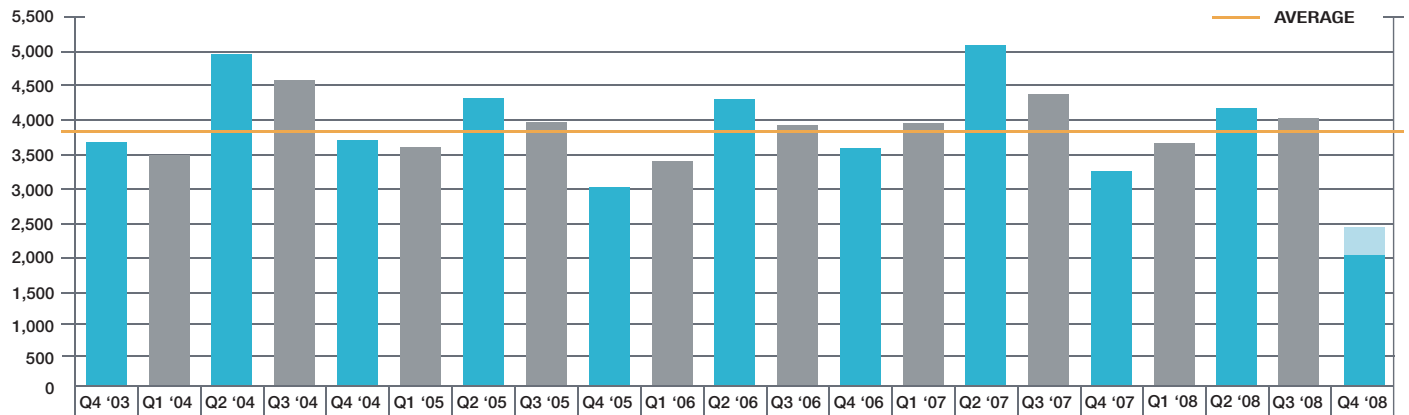
propertyshark.com/maps

Manhattan Market Trends

The number of sales fell precipitously in Manhattan during Fourth Quarter 2008. The fourth quarter typically sees fewer sales than the third quarter due to the seasonality of the market. Over the past five years, sales volume declined approximately 17% between the third and fourth quarters. This year, however, sales are down 40-50% versus Third Quarter 2008 (based on a reasonable estimate of Fourth Quarter sales accounting for the typical lag time between a closing and its reporting in the public record). Sales are also down sharply versus Fourth Quarter 2007, making this the fifth straight quarter of year-over-year sales declines.

Note: In the graph below a range of sales is shown for Fourth Quarter 2008, see page 13 for further details.

Five Year Trend of Sales Activity (Number of Sales)



Manhattan price metrics continued to rise in Fourth Quarter 2008 despite the economic turmoil and drastic decline in sales activity. Median price is up 3% and average price per square foot is up 5%. Price increases were limited to larger residences, however, as studio and one bedroom units dropped in median price while two bedroom and larger units increased. When new development is eliminated from the data set, the trouble in the current market becomes evident in some of the statistics. The median price of a resale dropped 4%, though average price per square foot remained essentially unchanged. By unit type, price changes ranged from a small increase in the median price of a one bedroom to a 22% drop in the median price of three bedroom or larger residence.

Market Wide

All Sales	Average Sale Price	Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008	1.649M	937K	1,211	449K	745K	1.480M	3.048M
Change	+10%	+3%	+5%	-4%	-1%	+6%	+7%
2007	1.493M	910K	1,156	470K	749K	1.400M	2.841M

Market Wide Resale

All Resale	Average Sale Price	Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008	1.275M	759K	1,073	412K	685K	1.175M	2.425M
Change	-6%	-4%	0%	-3%	+4%	-10%	-22%
2007	1.350M	790K	1,078	425K	659K	1.300M	3.095M

Co-ops	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	650K	940	375K	622K	999K	2.150M
Change	-3%	0%	-4%	+4%	-17%	-14%
2007	670K	939	390K	600K	1.200M	2.500M

Condos	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	995K	1,261	585K	827K	1.555M	2.740M
Change	-5%	0%	+16%	+5%	+1%	-26%
2007	1.050M	1,259	502K	790K	1.545M	3.705M

Townhouses

Townhouses felt the market downturn strongly in the Fourth Quarter as relatively few properties changed hands. The median price of those sold on the East Side was 38% higher than a year ago. On the West Side, median price was up a moderate 3%, but with no ultra-luxury townhouses trading this quarter average price fell sharply. Downtown townhouse prices held steady with a slight 3% increase to the average and median sale price. Uptown did not have enough sales to evaluate the price change.

All Sales	East Side		West Side		Downtown		Uptown	
	Average Price	Median	Average Price	Median	Average Price	Median	Average Price	Median
2008	15.925M	15.000M	4.944M	4.800M	6.191M	4.400M	1.050M	N/A
Change	+0%	+38%	-31%	+3%	+3%	+3%	-26%	N/A
2007	15.935M	10.900M	7.179M	4.650M	6.036M	4.275M	1.422M	1.275M

Lofts

The loft market experienced increases of 4% in median price and 5% in average price per square foot. Lofts over 2,000 square feet fared better than smaller lofts. Median price was flat for 1,000 to 1,500 square foot lofts and fell 2% for 1,500 to 2,000 square foot lofts. Small lofts also had a larger sales volume decline than lofts over 2,000 square feet. Versus last year, the median price of lofts from 2,000 to 2,500 square feet increased 25% and lofts over 2,500 square foot increased 19%.

All Sales	Average Sale Price	Median Price	Avg Price per sf	1,000-1,500 sf		1,500-2,000 sf		2,000-2,500 sf		2,500+ sf	
				Average Price	Median Price	Average Price	Median Price	Average Price	Median Price	Average Price	Median Price
2008	2.581M	1.880M	1,255	1.373M	1.380M	2.013M	1.935M	3.071M	3.125M	6.361M	5.313M
Change	+11%	+4%	+5%	-2%	0%	-4%	-2%	+17%	+25%	+27%	+19%
2007	2.328M	1.801M	1,191	1.408M	1.375M	2.092M	1.975M	2.630M	2.500M	5.009M	4.450M

Luxury Market

Manhattan's luxury market, defined as the top 10% of all co-op and condominium sales, is experiencing similar price declines to the overall market due to the sharp drop in sales volume. The median price of luxury resales dropped 7% versus a year ago. The average price per square foot went unchanged as luxury condominium price per square foot dropped slightly but co-op price per square foot increased 5%. The luxury new development market continues to see prices skyrocket with median price up 26% to \$6.5 million.

All Resale	Average Sale Price	Median Price	Avg Price per sf
	2008	5.156M	3.650M
Change	-5%	-7%	0%
2007	5.420M	3.925M	1,909

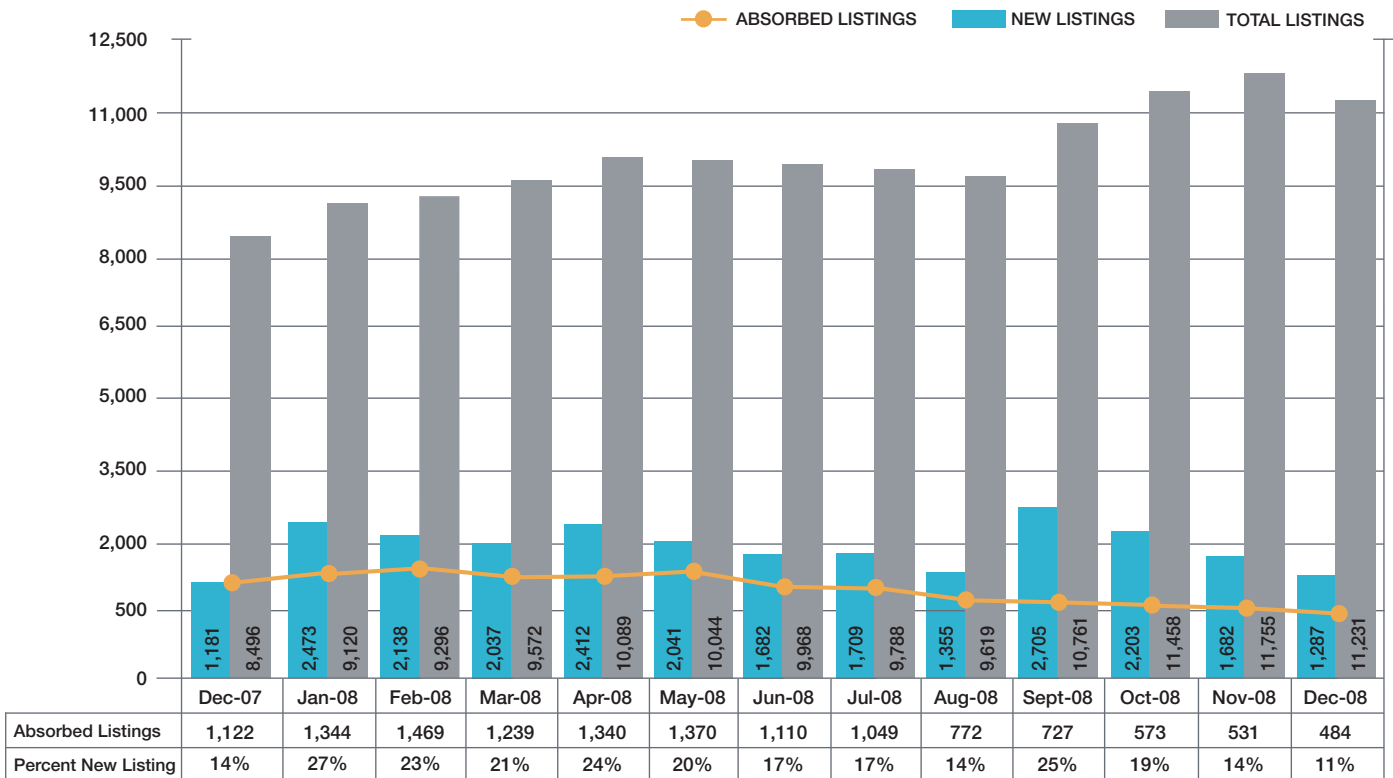
Co-ops	Average Sale Price	Median Price	Avg Price per sf
	2008	5.521M	3.600M
Change	-6%	-8%	+5%
2007	5.848M	3.925M	1,783

New Developments	Average Sale Price	Median Price	Avg Price per sf
	2008	8.066M	6.500M
Change	+25%	+26%	+11%
2007	6.469M	5.172M	2,410

Condos	Average Sale Price	Median Price	Avg Price per sf
	2008	4.819M	3.700M
Change	-6%	-6%	-1%
2007	5.137M	3.950M	1,959

Manhattan Absorption vs. New & Total Listings

As sales activity significantly dropped off this quarter, inventory climbed to its highest level in many years during the Fourth Quarter. In just a year, inventory has increased by nearly one-third. In December, inventory experienced a marginal decline as some for-sale units were pulled off the market by sellers. In response to the increased inventory, sellers were compelled to readjust their price expectations.



NEW DEVELOPMENTS



New development continued to exhibit strong price growth in the Fourth Quarter. However, as many of these sales were for contracts signed several months or even years ago, price changes are not necessarily indicative of the current market. The average price per square foot increased 9% over a year ago to nearly \$1,400 per square foot. Median and average price experienced even greater increases of 33% and 29%, respectively. This large increase in absolute price was due to a shift in the proportion of units sold towards larger and more expensive residences. One bedroom residences in new developments actually saw a slight decline in median price, while all other unit types experienced double-digit increases. However, the new development market experienced a decline of almost 50% in the number of sales.

Market Wide	Average Sale Price	Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008	2.259M	1.541M	1,396	661K	885K	1.940M	3.163M
Change	+29%	+33%	+9%	+13%	-2%	+23%	+20%
2007	1.757M	1.155M	1,279	585K	900K	1.575M	2.625M

Resale

East Side

Co-op resales on the East Side experienced a 5% decrease in median price but a 5% increase in average price per square foot. While the median price of studio co-ops was flat and one bedroom co-ops increased, larger co-ops experienced an over 20% decrease in median price. In the condominium resale market, price per square foot saw a marginal 1% decline but median price increased 21%.

Co-ops		Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008		805K	1,022	350K	658K	1.073M	2.940M
Change		-5%	+5%	0%	+10%	-23%	-22%
2007		849K	975	350K	600K	1.400M	3.775M

Condos		Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008		1.483M	1,384	475K	763K	2.068M	2.700M
Change		+21%	-1%	0%	-3%	+26%	-31%
2007		1.225M	1,404	475K	783K	1.635M	3.900M

Average unit sales per square foot (SF):

- Above \$2,500 SF
- \$2,000 - \$2,500 SF
- \$1,500 - \$2,000 SF
- \$1,250 - \$1,500 SF
- \$1,000 - \$1,250 SF
- \$750 - \$1,000 SF
- \$500 - \$750 SF
- Below \$500 SF
- No SF Available

Number of unit sales per building:

- Above 20 Units
- 10 to 20 Units
- 3 to 9 Units
- 1 to 2 Units



Interactive map online at PropertyShark.com/maps



NEW DEVELOPMENTS

EAST SIDE

The East Side experienced a huge median price increase of 80% and average price per square foot increase of 38% versus a year ago. The East Side had the largest price increase of any Manhattan neighborhood. Large residences sold at 995 Fifth, 40 East 66th and 170 East End Avenue fueled this increase. The price increase in smaller residences was much more moderate.

East Side		Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008		1.980M	1,601	480K	809K	1.940M	6.200M
Change		+80%	+38%	+6%	+8%	+50%	+176%
2007		1.100M	1,164	453K	749K	1.295M	2.250M

Resale

Midtown East

Midtown East co-ops experienced a 5% decrease in average price per square foot as fewer large, luxury apartments were traded as compared to last year. The median price for a three-plus bedroom co-op decreased 30% compared to a year ago. Condos experienced an even larger decline in prices with median price falling 12%, average price per square foot decreasing 15%, and prices falling most in larger residences.

Co-ops		Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008		560K	806	358K	605K	1.143M	1.750M
Change		-7%	-5%	0%	+2%	-4%	-30%
2007		600K	850	360K	590K	1.188M	2.500M

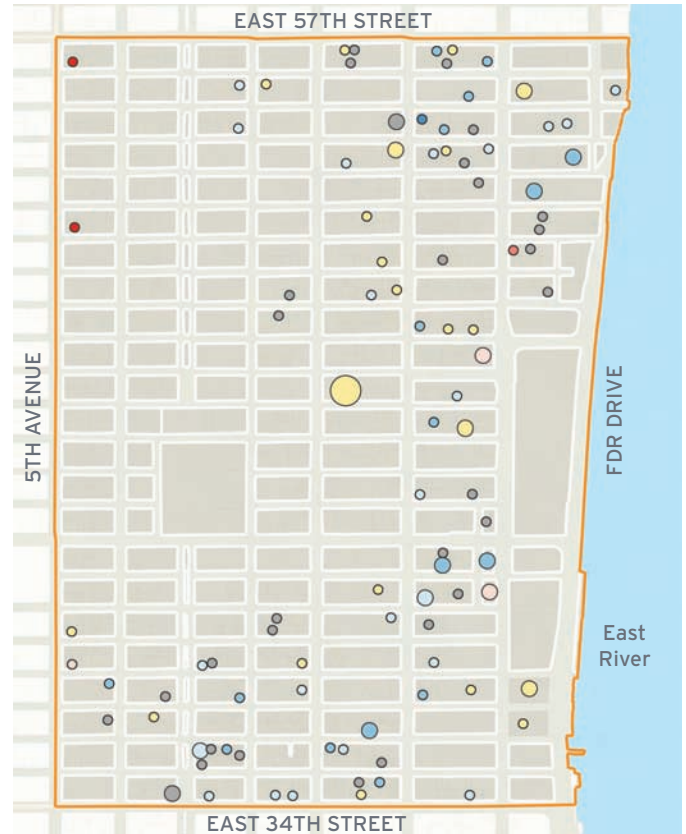
Condos		Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008		925K	1,152	484K	822K	1.368M	3.150M
Change		-12%	-15%	-5%	-4%	-12%	-28%
2007		1.050M	1,349	508K	860K	1.549M	4.350M

Average unit sales per square foot (SF):

- Above \$2,500 SF
- \$2,000 - \$2,500 SF
- \$1,500 - \$2,000 SF
- \$1,250 - \$1,500 SF
- \$1,000 - \$1,250 SF
- \$750 - \$1,000 SF
- \$500 - \$750 SF
- Below \$500 SF
- No SF Available

Number of unit sales per building:

- Above 20 Units
- 10 to 20 Units
- 3 to 9 Units
- 1 to 2 Units



Interactive map online at PropertyShark.com/maps



NEW DEVELOPMENTS

MIDTOWN EAST

Median price fell in Midtown East by 18%, however average price per square foot increased 7%. Similar to last quarter, median prices fell as the majority of sales in the neighborhood were at the rental-to-condominium conversion 212 East 47th Street, whereas a year ago there were several new construction condominiums closing units. Midtown East had the largest decline in sales of any neighborhood in the report as there are very few new developments in the area.

Midtown East		Median Price	Avg Price per sf	Studio	Median Price		
					1 BR	2 BR	3+ BR
2008		950K	1,280	N/A	771K	1.231M	1.621M
Change		-18%	+7%	N/A	-31%	-37%	-51%
2007		1.158M	1,200	498K	1.115M	1.945M	3.300M

Resale

West Side

Co-ops on the West Side experienced a loss of 17% in median price and a 1% decline in price per square foot. Comparatively, condos saw a 14% decline in median price to \$860,000, but experienced a 3% increase in price per square foot. While most unit types declined in price, three bedroom plus co-ops and studio condos actually increased.



Co-ops	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	625K	957	339K	600K	999K	2.773M
Change	-17%	-1%	-12%	-4%	-12%	+11%
2007	749K	971	385K	624K	1.140M	2.500M

Condos	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	860K	1,361	610K	741K	1.500M	3.731M
Change	-14%	+3%	+10%	-8%	0%	-12%
2007	998K	1,327	555K	809K	1.505M	4.260M

Average unit sales per square foot (SF):

- Above \$2,500 SF
- \$2,000 - \$2,500 SF
- \$1,500 - \$2,000 SF
- \$1,250 - \$1,500 SF
- \$1,000 - \$1,250 SF
- \$750 - \$1,000 SF
- \$500 - \$750 SF
- Below \$500 SF
- No SF Available

Number of unit sales per building:

- Above 20 Units
- 10 to 20 Units
- 3 to 9 Units
- 1 to 2 Units

Interactive map online at PropertyShark.com/maps



NEW DEVELOPMENTS

WEST SIDE

The West Side, including Central Park South, had the highest median new development price at \$2.5 million and the highest price per square foot at \$2,266. Closings at The Plaza were the major reason that prices reached record heights on the West Side this quarter. One bedroom prices actually fell by 13%.

West Side	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	2.500M	2,266	1.008M	953K	2.240M	4.020M
Change	+37%	+26%	+37%	-13%	+23%	-4%
2007	1.825M	1,804	737K	1.091M	1.825M	4.193M

Resale

Midtown West

Resales in recently-built condominiums are causing prices in Midtown West to continue to increase. The median condo price is up 13% and the average price per square foot is up 7%. Co-op price per square foot fell 2% while the median increased 9%. The area is heavy with condo and rental properties, and had the lowest number of co-op resales in the report.



Co-ops	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	599K	756	339K	565K	859K	N/A
Change	+9%	-2%	0%	-5%	+5%	N/A
2007	549K	774	338K	595K	818K	1.359M

Condos	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	980K	1,290	638K	970K	1.718M	1.943M
Change	+13%	+7%	+29%	+19%	+15%	-61%
2007	868K	1,208	495K	817K	1.500M	5.000M

Average unit sales per square foot (SF):

- Above \$2,500 SF
- \$2,000 - \$2,500 SF
- \$1,500 - \$2,000 SF
- \$1,250 - \$1,500 SF
- \$1,000 - \$1,250 SF
- \$750 - \$1,000 SF
- \$500 - \$750 SF
- Below \$500 SF
- No SF Available

Number of unit sales per building:

- Above 20 Units
- 10 to 20 Units
- 3 to 9 Units
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Interactive map online at PropertyShark.com/maps



NEW DEVELOPMENTS

MIDTOWN WEST

New development median price jumped 41% and average price per square foot jumped 15% in Midtown West. There was a big decline in sales in the neighborhood, including zero sales of studio residences. A year ago sales were divided between several building types, whereas this past quarter almost all sales were in one new construction condominium property.

Midtown West	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	1.310M	1,411	N/A	1.092M	1.792M	2.050M
Change	+41%	+15%	N/A	+38%	+36%	N/A
2007	930K	1,232	740K	793K	1.315M	N/A

Resale

Neighborhoods south of 34th street experienced mixed results with regards to pricing. Co-op median price declined 2% and price per square foot declined 1%. The number of co-op three-plus bedroom resales actually increased slightly from the previous year, and recorded a significant 46% increase in median price to \$2.25 million. Although condo sales saw a 2% increase in price per square foot, the median price fell 17%. Resales of two bedroom and larger condos decreased by more than 50%.

Co-ops	Median Price	Avg Price per sf	Studio	Median Price		
	2008	2008	2008	1 BR	2 BR	3+ BR
	650K	987	445K	658K	1.105M	2.250M
Change	-2%	-1%	-3%	+1%	-9%	+46%
2007	660K	992	458K	651K	1.213M	1.545M

Condos	Median Price	Avg Price per sf	Studio	Median Price		
	2008	2008	2008	1 BR	2 BR	3+ BR
	1.115M	1,237	606K	983K	1.670M	3.100M
Change	-17%	+2%	+21%	+20%	-6%	-7%
2007	1.350M	1,210	500K	820K	1.775M	3.350M

Average unit sales per square foot (SF):

- Above \$2,500 SF
- \$2,000 - \$2,500 SF
- \$1,500 - \$2,000 SF
- \$1,250 - \$1,500 SF
- \$1,000 - \$1,250 SF
- \$750 - \$1,000 SF
- \$500 - \$750 SF
- Below \$500 SF
- No SF Available

Number of unit sales per building:

- Above 20 Units
- 10 to 20 Units
- 3 to 9 Units
- 1 to 2 Units

Interactive map online at PropertyShark.com/maps

Downtown



NEW DEVELOPMENTS

DOWNTOWN

Downtown new development price per square foot jumped 8% to \$1,317. Median price reached a new high at \$1.7 million, a 57% increase over Fourth Quarter 2007. The mix of units sold Downtown skewed towards large apartments this quarter due to closings at buildings such as 101 Warren, Riverhouse and 15 Madison Square North. In fact, the three-plus bedroom residence category was one of the few in Manhattan to actually see an increase in sales volume.

Downtown	Median Price	Avg Price per sf	Studio	Median Price		
	2008	2008	2008	1 BR	2 BR	3+ BR
	1.700M	1,317	661K	930K	2.090M	3.125M
Change	+57%	+8%	+13%	+4%	+27%	+21%
2007	1.080M	1,222	585K	897K	1.650M	2.578M



Resale Uptown

Uptown had the largest decrease in resale volume of any submarket. Nevertheless, Uptown co-op median price was unchanged and price per square foot increased 13%. The median price and average price per square foot of resale condos increased 44% and 4%, respectively, but there were very few closed sales in this category.

Co-ops	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	445K	622	256K	330K	455K	790K
Change	0%	+13%	+15%	-17%	-25%	+42%
2007	444K	552	222K	33200K	610K	558K

Condos	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	690K	624	N/A	331K	523K	950K
Change	+44%	+4%	N/A	-26%	+7%	+6%
2007	479K	598	N/A	445K	489K	897K

Average unit sales per square foot (SF):

- Above \$2,500 SF
- \$2,000 - \$2,500 SF
- \$1,500 - \$2,000 SF
- \$1,250 - \$1,500 SF
- \$1,000 - \$1,250 SF
- \$750 - \$1,000 SF
- \$500 - \$750 SF
- Below \$500 SF
- No SF Available

Number of unit sales per building:

- Above 20 Units
- 10 to 20 Units
- 3 to 9 Units
- 1 to 2 Units

Interactive map online at PropertyShark.com/maps



NEW DEVELOPMENTS

UPTOWN

Uptown was the only submarket to experience a decline in median sale price and average price per square foot versus a year ago. Median price fell 16% and average price per square foot fell 3%. The median price for one, two and three-plus bedroom residences all declined. Sales volume of one bedroom residences held steady, but the number of two and three-plus bedroom residences sold fell sharply, exacerbating Uptown's price drop.

Uptown	Median Price	Avg Price per sf	Studio	Median Price		
				1 BR	2 BR	3+ BR
2008	569K	633	N/A	421K	680K	822K
Change	-16%	-3%	N/A	-12%	-8%	-11%
2007	675K	654	N/A	480K	738K	927K

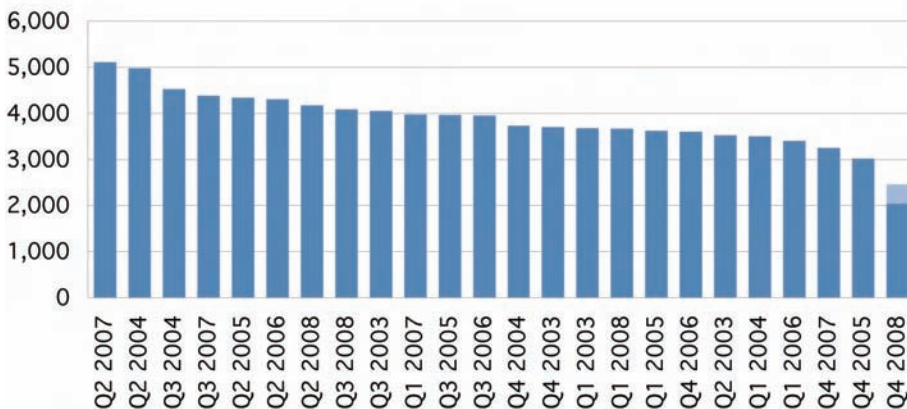
The conclusions of this report are clear: median Manhattan sales prices have faltered and transaction counts have plunged. Given the economic climate – the worst recession in living memory and double-digit drops in housing markets around the country – the 4% retreat in median prices seems relatively modest. But low or dropping transaction counts are usually considered to be a precursor to a drop in sale prices. Thus the conventional thinking would be that this quarter’s drastic drop in transactions indicates a further drop in sale prices in 2009.



Unfortunately, the methodology of this report exaggerates the magnitude of the drop. In making this report we work strictly from sale transactions that we have in hand. We draw from two sources: reports of closed sales from real estate brokerages and public record filings of deeds. For a variety of reasons not all transactions appear in the closed sale reports, and public record filings have a lag. Our analysis of the lag indicates that only after three full months have passed can the public record be relied upon to be at least 98% complete.

We estimate that in the typical quarter about 20% of the transactions that occurred are not yet known to us when we make this report. Thus, the 53% drop in transactions from Q4 2007 to Q4 2008 might prove to only be a 30% drop when all of the data is available. We’ll know for sure by April 1st, 2009, or right around when we issue this report for Q1 2009. The effect of Christmas and Hanukkah is unknown. Both fell right at the end of the year, and the best guess is that few closings took place after December 22nd. Thus the drop would be closer to 53% than 30%.

It must also be recognized that there is significant variability in transaction counts from quarter to quarter. A small drop isn’t necessarily meaningful. And fall and winter (Q4 and Q1) are always significantly lower than spring and summer (Q2 and Q3). Nevertheless, Q4 2008 remains the lowest quarter in the past five years.



The graph above shows the past twenty quarters of transaction counts, sorted from the highest to lowest. For Q4 2008 we’ve indicated the probable range of transaction counts once all of the data is recorded. In compiling this report we do not attempt to editorialize or make predictions. We leave it to the reader to determine the significance of the drop in transaction counts and what, if anything, it portends for 2009.

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