

Manhattan Forecast

Home sales in Manhattan should be flat in 2010 but rise by 3.3 percent in 2011.

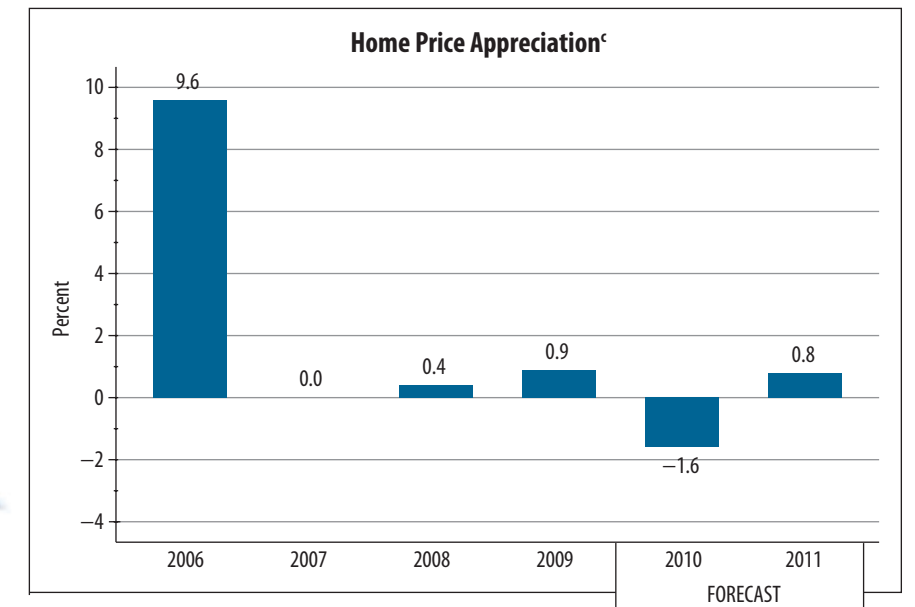
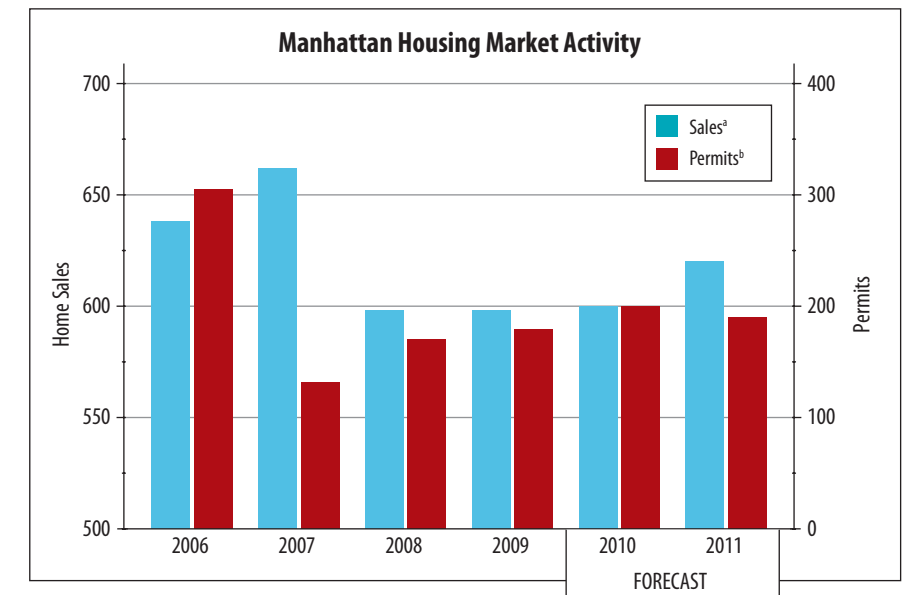
The Manhattan housing market has held up better than most across the state during the most recent downturn. After falling by 9.7 percent in 2008, home sales in the city have remained stable over the past two years. This year sales should be up just slightly and then rise by 3.3 percent in 2011.

The tax credit appears to have helped spur building activity, with permits set to rise by 11.7 percent this year. New construction should slow in 2011, falling 5 percent.

Manhattan area home prices will fall by 1.6 percent in 2010 and then rebound slightly in 2011.

The home buyer tax credit also appears to have spurred an increase in new home construction, with permits set to rise by 11.7 percent this year. Construction activity in Manhattan should fall off next year, however, dropping by 5 percent.

Manhattan area home prices rose at an average annual rate of 6.8 percent during the first seven years of the last decade. Since then prices have remained essentially flat, defying the boom-bust trend of other hot markets across the country.



Sources: Manhattan Association of REALTORS®; City of Manhattan; Federal Housing Finance Agency; WSU Center for Real Estate
 Notes: a) Total home sales in Manhattan (zip codes 66502 and 66503) as reported by the Manhattan Association of REALTORS®.
 b) Total single-family building permits issued in Manhattan as reported by the City of Manhattan.
 c) Year-over-year percentage change in the Federal Housing Finance Agency all-transactions housing price index for the Manhattan metropolitan area, as measured using 4th quarter values.