

Manhattan's Luxury Real Estate Increases 15.5% - Hong Kong Investors Take Note

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According to the report released by Prudential Douglas Elliman Real Estate, the luxury apartments in New York City which are priced from US\$3,060,000 with an average price of US\$5,636,600 increased 15.5% compared to the same quarter in 2009 and up 9% compared to the last quarter. While prices continued to increase, luxury listing inventory in Manhattan continued to shrink down 31.2% from the same period last year and down nearly 15% from the second quarter. The number of luxury sales was up over 19% compared to last year's third quarter to a total of 266 units.

The overall Manhattan condominium market posted an average price of US\$1,719,296 an increase of 8.9% compared to the same period last year and up 2.3% from last quarter. The average price per square foot was up 5.7% from last quarter to US\$1,199. The real estate report which is prepared by Miller Samuel Inc attributed some of the price gains to a change in the mix of inventory sold.

The number of condominiums sold was 1,341 up 8.6% compared to last year and down 13.7% compared to last quarter. Listing inventory was down 10.8% compared to last year's period to 4,058 pushing the absorption rate to 9.1 months below the ten year average of 9.4 months according to the report.

According to Patrick O'Neill of the ONEILL Group Hong Kong www.ogrouphk.com a firm that helps Hong Kong and Chinese buyers purchase in the United States "New York City prices have been steadily increasing over the past three quarters. Clearly the bottom-bottom of the market was mid 2009 but very few of our Hong Kong investors had the courage to buy US properties then. The increase in overall confidence of Asian real estate investors can be seen in the increase of the purchase volume," he says.

Recent reports indicate that Chinese, Hong Kong and Asian real estate investors are increasing the property acquisitions in the United States property markets. "New York, Los Angeles and a few other US cities are the big targets for our Chinese property buyers. They want the best and have the ability to purchase it. With the increasing evidence of price appreciation in the capital cities, buyers that were on the fence are now making a move," says ONEILL.

The Standard and Poors Case Shiller Home Price Index www.standardandpoors.com which tracks US housing prices has been reflecting increased values in New York City since the third quarter of 2009. The third quarter report is due out this week and will be closely watched by Asian investors.

