



**WOHLFARTH**  
& ASSOCIATES, INC.  
REAL ESTATE

# Market Perspectives for January 2016

## 4th Quarter 2015 Statistics

The 4th quarter of 2015 continued the trend that we noticed in the previous quarter, a significant drop in activity from the early part of the year. Inventory is still at an all-time low, but there is much less competition on the part of buyers. Prices remained strong, but the bidding frenzy of last Spring is history. Here is what we observed during the quarter:

- Open house attendance dropped, particularly in the \$2,000,000 and over range, with showing requests down as well. Buyers still have unreasonable expectations and most are not under pressure to buy. As a result, the number of properties going to contract has fallen.
- In the \$1,000,000 to \$3,000,000 range, buyers are shying away from properties that need work. New or recent renovations are in demand and can still sell quickly. Developers are starting to focus more on this segment of the market than the super-luxury category, where supply is high and demand is dropping.
- The downward trend is and will be more pronounced in the higher price ranges. The market for properties priced under \$1,000,000 is still characterized by competitive bidding and strong sales.
- Even the most serious buyers are concerned about where the market will go and are hesitant to overpay, fearing another housing bubble, while many sellers are still expecting bidding wars and ever higher prices. Stock market volatility and global instability are giving people pause. Sale prices are nonetheless substantially higher than a year ago, indicating it is still a good time to consider selling.
- Setting a realistic asking price is of utmost importance.
- Sellers need to listen to the current market data and adjust pricing strategies accordingly. The market has slowed relative to the earlier 2015 peak, but the lag in real-time data means statistics do not yet reflect the downward shift in prices.
- Serious buyers have an opportunity to succeed without getting caught in a bidding war, provided their offers are not unreasonably low. There is no such thing as a desperate seller.

### 4th Quarter Statistics:

- The average price of a coop resale was \$1,245,000.
- The average price of a condo resale was \$2,070,000.
- The average price of a new development condo was \$3,260,000.
- The average price of the overall luxury market was \$6,855,000.
- The average price per square foot for a coop was \$1,215.00.
- The average price per square foot for a condominium was \$1,790.00.
- The average price per square foot for a new development (all of Manhattan) was \$2,145.00.
- The average price per square foot for the luxury market (top 10%) was \$2,650.00.





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