



## Market Perspectives for April 2018

### 1st Quarter 2018 Statistics



The most noticeable change in the first quarter of 2018 was the sudden surge in buyer confidence and demand. Following a slow start in January, we saw a major increase in activity by mid-February, which continued through March.

This is what we observed during the quarter:

- Many properties that had been lingering on the market were suddenly receiving offers, often at or above the asking price. Sellers who became more realistic about pricing found themselves in a good position.
- Despite a volatile stock market and the changes to the tax law, buyers who had been waiting to see how the real estate market would react realized that prices were not going to drop.
- A severe drop in closed sales, to the lowest level in six years, was a result of the slowing of the market in the previous quarter. With the new surge in activity, we expect closed sales to be robust in the second quarter.
- Open house attendance was very brisk, and many properties received multiple bids at or immediately after the first open house.
- Buyers were still resisting properties in need of renovation, though even these, if priced correctly, received offers, in some cases with competitive bidding.
- Properties priced over \$2,000,000 saw increased interest, and inventory is still very low, creating more competition among buyers.
- Interest rates rose but are still at a historic low.
- Wall St. bonuses also made more capital available to many buyers.
- Though the outer boroughs continued to show strength, a glut of new construction, particularly in downtown Brooklyn, made prices more negotiable. New development pricing as a whole remained weak.
- The rental market continued to soften.
- Condo prices were very strong in relation to coops. As a result more buyers began to see the value in buying a coop as opposed to a condo.

#### 1st Quarter Statistics:

- The average price of a coop resale was \$1,350,000.
- The average price of a condo resale was \$2,231,000.
- The average price of a new development condo was \$3,885,000.
- The average price of the overall luxury market was \$7,800,000.
- The average price per square foot for a coop was \$1,260.00.
- The average price per square foot for a condominium was \$1,770.00.
- The average price per square foot for a new development (all of Manhattan) was \$2,345.00.
- The average price per square foot for the luxury market (top 10%) was \$2,640.00.

