



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

MARKET PERSPECTIVES FOR JULY 2018

2ND QUARTER 2018 STATISTICS

The surge in buyer interest that characterized the first quarter of 2018 may have been short-lived. Whether the slowdown will continue in the next quarter remains to be seen.

This is what we observed during the second quarter:

- Properties that were priced to sell moved quickly, especially in the \$3,000,000 and under range. The luxury market was still slow, but improved over previous quarters and year-over-year.
- The surge in activity in the second quarter continued through May but began to drop off in early June and ground to a halt by the end of the month. This is partly due to the normal Summer slowdown, but we are concerned that the new tax law, a volatile stock market and an uncertain political situation may be giving buyers pause.
- Beginning in June, we noticed a drop in the number of serious and ready buyers, while inventory began to increase. Properties that had been on the market for a while and did not go to contract in the first quarter, along with new listings, led to the largest increase in inventory in the last seven years.
- Sellers have been slow to adapt to changing market conditions, and some buyers are waiting to see if price reductions are on the way.
- The market in the lower price range still favored sellers, with some instances of multiple bids.
- Open house attendance, strong in the early part of the quarter, dropped off significantly toward the end.
- Properties in need of renovation once again began to linger on the market.
- Interest rates rose briefly but have fallen back to historic lows.
- Brooklyn still remains a seller's market, with multiple offers on desirable properties keeping prices at historically high levels.
- The rental market remained weak, but has seen some gain as potential buyers decided to rent instead.

2nd Quarter Statistics:

- The average price of a coop resale was \$1,400,000.
- The average price of a condo resale was \$2,365,000.
- The average price of a new development condo was \$4,580,000.
- The average price of the overall luxury market was \$9,800,000.
- The average price per square foot for a coop was \$1,330.00.
- The average price per square foot for a condominium was \$1,915.00.
- The average price per square foot for a new development (all of Manhattan) was \$2,500.00.
- The average price per square foot for the luxury market (top 10%) was \$2,900.00.



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