



WOHLFARTH
& ASSOCIATES, INC.
REAL ESTATE

Market Perspectives for October 2018

3rd Quarter 2018 Statistics

What occurred in the third quarter of 2018 was more than a normal Summer slowdown. It is now a widely accepted fact that the real estate market in New York has shifted in favor of buyers.

Here are our observations for the quarter:

- Inventory continued to grow, reaching a level not seen since 2009.
- Open house attendance was very weak in July and August.
- The market dropped far below the last peak in 2015, as much as 20 to 25 percent in some segments, particularly coops above \$2,000,000, and especially those in need of updating or total renovation.
- While there were still serious and ready buyers in the market, they recognized the shift and negotiated accordingly. However, many sellers were, and still remain, in denial, unwilling to adjust to the reality of the market.
- Interest rates rose, though not dramatically, but enough to cause buyers to reconsider their monthly outlay.
- The loss of tax benefits for real estate taxes and reduction of the mortgage interest deduction also caused some buyers to question the value of ownership.
- A slight uptick in signed contracts in September is somewhat encouraging but was often the result of price reductions.
- Apprehension due to the uncertain political situation, trade wars and an anticipated correction in the financial markets gave pause to both buyers and sellers about what lies ahead and how it may affect the real estate market.
- Brooklyn continued to buck the trend, with multiple offers and sales above asking for desirable properties.

3rd Quarter Statistics:

- The average price of a coop resale was \$1,350,000.
- The average price of a condo resale was \$2,305,000.
- The average price of a new development condo was \$4,195,000.
- The average price of the overall luxury market was \$7,830,000.
- The average price per square foot for a coop resale was \$1,116.00.
- The average price per square foot for a condominium was \$1,725.00.
- The average price per square foot for a new development (all of Manhattan) was \$2,585.00.
- The average price per square foot for the luxury market (top 10%) was \$2,530.00.



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