



WOHLFARTH
& ASSOCIATES, INC.
REAL ESTATE

Market Perspectives

3rd Quarter 2019 Statistics

The drop in activity that we saw in the second quarter continued through the Summer. Buyers were even more hesitant to take the plunge, and the average number of days on the market continued to climb.

Our observations for the third quarter are as follows:

- A rush to close on higher-end properties in advance of the change to the mansion tax on July 1st caused a spike in the number of closed sales, skewing statistics across the board.
- Fearing uncertainty about the political and economic situation and the possible effect on prices, many potential buyers sat on the sidelines, or made low offers. This resulted in the self-fulfilling prophecy of falling prices set into motion by the fear of falling prices.
- Despite these fears, some buyers found an opportunity to get a good deal without competitive bidding. Though there was volatility in the stock market, overall it remained close to its all-time high through the period. In addition, extraordinarily low interest rates made it a great time to buy.
- Properties that were truly priced to sell at the onset, and those that had significant price reductions, to a level that made them attractive, sold quickly, while overpriced properties generated little or no interest from buyers.
- We saw a few instances of properties selling for unexpectedly high prices, above what similar ones sold for earlier in the year, because of rare and desirable features like spectacular views and top-level renovations. Even with increased inventory, there is still a lack of truly excellent properties on the market.
- Move-up buyers found an opportunity to save more on the purchase of a higher-priced property than what they would lose on the sale of their current property.
- Sales in new development condos were further weakened, and developers continued to drop prices along with offering more concessions.
- Rents continued to rise as those hesitating to buy shifted to rentals.

3rd Quarter Statistics:

- The average price of a coop resale was \$1,160,000.
- The average price of a condo resale was \$1,600,000.
- The average price of a new development condo was \$4,160,000.
- The average price of the overall luxury market was \$6,350,000.
- The average price per square foot for a coop resale was \$1,115.00.
- The average price per square foot for a condominium was \$1,520.00.
- The average price per square foot for a new development (all of Manhattan) was \$2,735.00.
- The average price per square foot for the luxury market (top 10%) was \$2,555.00.



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