



WOHLFARTH
& ASSOCIATES, INC.
REAL ESTATE

Market Perspectives 4th Quarter 2019 Statistics

After a disappointing third quarter, we were pleasantly surprised by a significant increase in activity, which continued right through the holiday season. Since the fall of 2018, we had been in a buyers' market, but that has changed in some segments of the market. The high-end and new development markets were still depressed, but the resale market under five million saw many deals being made, sometimes after multiple offers. Attractive properties that were priced reasonably sold quickly, and some that had been on the market for six months or more suddenly went into contract. We will not see the resulting closed sales until the first quarter of 2020, but the indications are that the market is rebounding. Buyers who were expecting a further drop in prices instead found competition on properties that were priced correctly.

Here is what we observed in the fourth quarter:

- The economy did very well in 2019, with 2% growth, and the stock market was up 22%. Mortgage rates have fallen by approximately one percent since a year ago. Bonuses are expected to be high, providing an additional motivating factor for many buyers.
- Unemployment is at a 50-year low, and it appears that job growth in New York will continue, increasing confidence.
- Sellers slowly adjusted to the reality of the market and became more motivated to consider offers.
- Correctly priced new listings moved quickly, usually at or above asking, often with multiple bids, particularly in the under-\$2,000,000 range.
- Some properties that had sat on the market for months went into contract.
- Buyers were looking for turn-key condition, but truly excellent properties remained scarce.
- There is still too much inventory in the above \$5,000,000 market. A glut of new construction is putting downward pressure on prices in this sector.
- 17,322 new residential building permits were issued during the first nine months of 2019. Queens posted a 47% increase over last year to 4,388.
- Rents started to level off as buying looked more attractive.

4th Quarter Statistics:

- The average price of a coop resale was \$1,200,000.
- The average price of a condo resale was \$1,885,000.
- The average price of a new development condo was \$4,380,000.
- The average price of the overall luxury market was \$7,650,000.
- The average price per square foot for a coop resale was \$1,100.00.
- The average price per square foot for a condominium was \$1,600.00.
- The average price per square foot for a new development (all of Manhattan) was \$3,030.00.
- The average price per square foot for the luxury market (top 10%) was \$2,870.00.



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