



MARKET PERSPECTIVES

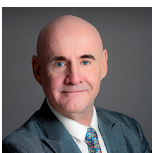
4TH QUARTER 2020



The fourth quarter of 2020 was a time of significant change, with the market first continuing to drop, then stabilize, and finally move back to pretty much where it was at the beginning of the year, before Covid wreaked havoc.

The trends we observed during the quarter are:

- After a weak start, the market appeared to hit bottom in October. Buyer confidence grew following the election and promising news of a vaccine.
- Pent-up demand led to more signed contracts, and indications are that the current demand will keep prices rising. In Manhattan, 851 coop and condo contracts were signed in December, compared with 753 in December 2019.
- Balconies, terraces, gardens, and office space, as well as proximity to parks and recreation areas, continued to be major factors in attracting buyers.
- The “Covid discount” disappeared. The average accepted offer was 7% below the asking price; an increased number of contracts were at or above asking price, sometimes after multiple offers.
- The number of new listings has not kept pace with demand. In Manhattan, 3,556 listings were added while 3,073 were taken off the market.
- Interest rates fell farther, prompting more buyers to enter the market. Cash offers were fewer due to the attractive rates.
- The importance of staging to achieve the highest possible sale price cannot be overstated. The objective of staging is not to decorate, but to bring a property to a level that will appeal to the greatest number of potential buyers. A recent national study showed that staged homes sold faster and the average return on investment was five times the cost.
- Buyers’ first impression when viewing listings on-line determines whether they follow up with an in-person viewing. Our own listings continued to benefit from actual and virtual staging, as well as virtual renovation.
- There was an uptick in condo sales over \$5,000,000 in new development representing approximately 16% of total sales for the quarter.
- The rental market continued to be depressed.



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