

MARKET PERSPECTIVES

WINTER 2021



The quarterly newsletter of Wohlfarth & Associates, Inc.



The fourth quarter saw a continuation of the upward trend in selling prices. There has been a remarkable recovery over the course of the year, which ended with the strongest seller's market since 2015. Inventory in Manhattan at the beginning of 2021 was around 11,000 units; by the end of the year it had fallen to around 6,600. During the year Manhattan saw over 15,000 signed contracts and nearly 2,000 were above \$4 million. These numbers are 20% higher than any other year recorded in over a decade.

Here is what we observed during the quarter:

- Inventory fell to unprecedented lows, as closed sales remained high while new listings were few. Coop and condo sales in Manhattan were higher than any fourth quarter in 32 years.
- Average days on market dropped to forty, and competitive bidding returned to all segments of the market, resulting in an average discount from asking prices of only one percent.
- The price gap between move-in ready properties and those in need of renovation continued to grow, but there were some exceptions. For certain types of apartments in highly desirable neighborhoods, buyers found so few options that some became more willing to renovate, even with less of a price difference.
- The rental market continued to tighten, and many renters who had taken advantage of "Covid discounts" found themselves with a choice of paying huge increases or moving to smaller or less desirable quarters as their leases came up for renewal.
- The luxury market far surpassed expectations, with a record number of sales above \$4,000,000.
- There were few foreign buyers coming to the city.
- The townhouse market strengthened as private outdoor space continued to grow in importance for many buyers.
- Citywide, the number of closed sales was 4,047, compared with 4,525 in the third but still nearly double the numbers from the first and second quarters. There were 4,163 contracts signed.
- In Manhattan, there were 4,976 new listings (a small increase over the previous quarter), 3,704 contracts were signed, and 2,366 listings went off the market, for a net decrease in inventory of 1,094 and total inventory of 6,601.



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