

MARKET PERSPECTIVES

SPRING 2022



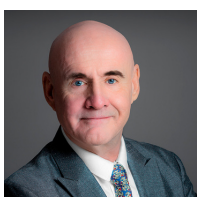
The quarterly newsletter of Wohlfarth & Associates, Inc.



In the first quarter of 2022, the recovery we had been seeing for the last six months continued, as prices increased steadily. We are in an extremely strong sellers' market, and there is no sign of that changing. We are expecting the next few quarters to have a high degree of activity. 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, and this quarter only increased by 4.5%.

Here is what we observed during the quarter:

- Inventory grew slightly, but not nearly enough to satisfy demand. Closed sales fell slightly.
- Average days on market increased to 110, and the average discount from asking price rose from one to 4.5%. While we might normally interpret this as a slowing of the market, it is more likely a result of sellers emboldened to ask higher prices that were not realistic. Sellers who overpriced their properties saw little activity until they took a price reduction.
- Multiple bids became even more common, frustrating many buyers whose offers were not accepted.
- The luxury market (over \$4,000,000) slowed, with only 31 contracts signed. Units priced around \$2,000,000 saw the greatest amount of activity.
- Buyers generally became somewhat less fearful of renovation, so even properties that needed a lot of work were able to achieve higher prices than in the previous quarter.
- The rental market remained very tight, with high demand and extremely limited supply resulting in many apartments going above the asking rent.
- Interest rates increased, but not enough to deter buyers. Lenders are being conservative, in terms of both qualifications and appraised values.
- Citywide, the number of closed sales was 3,980, down from 4,047 in the previous quarter. There were 4,163 contracts signed.
- In Manhattan, there were 5,100 new listings (slightly more than the previous quarter), 3,590 closed sales, 3,980 contracts were signed, and 2,190 listings went off the market, for a net increase in inventory of 299 and total inventory of 6,900. The average days on market was 110 and average listing discount 4.5%.



Frederick Wohlfarth
Licensed Real Estate Broker
Wohlfarth & Associates, Inc.
C: 917.882.0815
O: 212.666.1600
E: rick@wohlfarth.com