

# MARKET PERSPECTIVES

## FALL 2022



*The quarterly newsletter of Wohlfarth & Associates, Inc.*



The fragile global economy, war in Ukraine and the resulting instability, the January 6th hearing, a weakening stock market, rising interest rates and fear of recession combined to reduce buyer confidence. We think this will continue beyond the end of the year. There were very few new listings, as sellers held off, so buyers had little to choose from, resulting in a few situations where particularly desirable properties received multiple bids while others sat on the market.

Here is what we observed during the third quarter:

- Inventory remained very low.
- Part of the slowdown was due to a normal summer lull.
- Most deals this summer reflected price reductions, mostly due to overpricing. The discounts ranged from 1.6% to 7% depending on the length of time to go into contract. This emphasizes the need to set a realistic price at the time of listing.
- There was less competition, resulting in very few instances of multiple bids.
- Rents have leveled off but are still at an all-time high. Initially this helped support the sales market, but seemed to have less of an effect through the quarter.
- Some coop boards were limiting the number of renovations that could be done at the same time, making buyers wary of apartments in need of work.
- There were 370 closed sales in the luxury market (over \$4,000,000), with new development accounting for one third. Prices in this sector continued to climb for the fourth consecutive quarter.



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