

MARKET PERSPECTIVES

SUMMER 2023

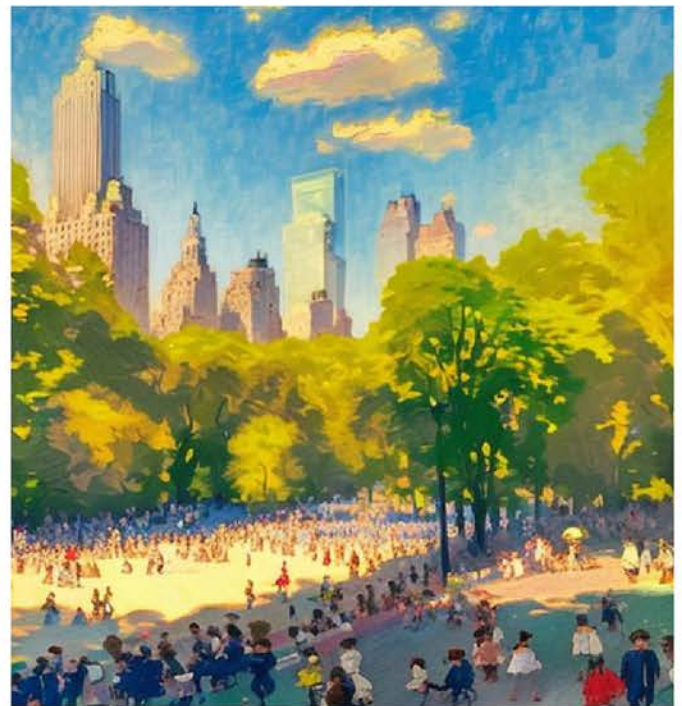


The quarterly newsletter of Wohlfarth & Associates, Inc.

The downward trend we saw in the first quarter has continued, with reduced activity, price drops, and properties being taken off the market. We are in a buyers' market.

These are our observations for the second quarter:

- Coop and condo sales plunged 40 percent in the second quarter of this year compared to the second quarter of 2022. The second quarter was a reprise of the first quarter, when sales of Manhattan co-ops and condos fell to the lowest level in two years, dropping 38 percent.
- The luxury market continued to strengthen. The market share of multiple bids in this category was the third highest on record. Low inventory and only three new developments being launched during the quarter resulted in a tight market.
- There was a misalignment of expectations between buyers and sellers.
- Sellers had a hard time adjusting to the new reality of the market.
- Buyers thought they could hold out for unrealistically low prices.
- We moved into a summer market much earlier than normally happens.
- Pricing a unit in this market is very important. There was no room for aspirational pricing. Both buyers and sellers had to concede to get a deal done.
- Reduced inventory coupled with a drop in demand resulted in fewer sales.



- Factors contributing to the downward movement included increased interest rates, along with political and economic uncertainty.
- Once again, there was a trend away from properties that needed any kind of updating.
- The rental market remained strong, with high demand and extremely low inventory, often resulting in bids above the asking rent. This has been frustrating for tenants, but not enough to push many into the sales market.



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