

MARKET PERSPECTIVES

WINTER 2023



THE MARKET IN THE FOURTH QUARTER OF 2023 WAS A CONTINUATION OF THE DOWNWARD TREND. BOTH SALES VOLUME AND CLOSING PRICES CONTINUED TO FALL, DESPITE THE SUSTAINED LOW INVENTORY, AND WE REMAINED IN A BUYERS' MARKET.

These are our observations for the quarter:

For the first time since August we saw mortgage rates drop incrementally to the current level of just over 6%.

The Fed has signaled that they will not raise rates but instead there will be three rate reductions in the coming year.

The stock market surged toward the end of the quarter. Historically this has had a very positive effect on the real estate market, so we are once again cautiously optimistic for the coming quarter.

Properties spent a lot more time on the market than in previous quarters. Sales volume was down, along with contracts signed, and many units have been taken off the market. Prices are down 8-10% since the peak last year.

We have been in a buyers' market for the past several months, so now is the time to purchase. The market has likely hit bottom, and if rates continue to fall and economic indicators continue to be encouraging, it's quite possible the market will shift in favor of sellers.

The luxury market (\$4,000,000 and up) saw an 8% decline in contracts signed in 2023 versus 2022. Average days on market increased to 615 and there was greater negotiability (9% on average). The number of days on market was skewed due to a large number of very high priced new developments that were slow to move, but regardless the number was much higher than the previous year.



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