

MARKET PERSPECTIVES

SPRING 2024



THE FIRST QUARTER OF 2024 ONCE AGAIN SAW A CONTINUATION OF THE DOWNWARD TREND IN PRICES, THOUGH THERE WAS SOME MOVEMENT TOWARD A MORE BALANCED POSITION FOR BUYERS AND SELLERS.

These are our observations for the quarter:

- Interest rates remained fairly steady through the quarter.
- Cash sales rose to 65% of all transactions.
- Listing inventory edged lower for the fourth consecutive quarter.
- Approximately 2,000 sales closed in the quarter, down 11% year over year.
- Signed contracts increased initially and then leveled off. In the second half of the quarter, the majority of buyers were new to the market and not ready to commit. Showing requests slowed.

The NAR settlement on commission rates has some sellers thinking they may not have to pay buyers' agents, or can negotiate lower commissions. The case is deeply flawed and there are many misconceptions. Here are the facts:

- Commissions have always been negotiable. Most sellers are smart enough to understand why they should pay the customary rate for the best representation.
- Paying a low commission or no commission to buyers' agents will discourage them and their buyers. If a buyer has to pay the commission they will lower their offer accordingly. The net to buyers and sellers is unlikely to change.
- Agents, whether for buyers or sellers, provide a valuable service. Skilled representation is of utmost importance.
- In New York City, the best agents do extensive marketing, skillful negotiating, and diligent work preparing buyers' application packages for coops and condos.



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