

MARKET PERSPECTIVES

WINTER 2025



THE FOURTH QUARTER RESIDENTIAL MARKET WAS CHARACTERIZED BY STRONG, RESILIENT DEMAND, AND RISING PRICES, WITH ELEVATED RENTS AND RECOVERING SALES MARKET. LOWER INTEREST RATES AND ABSORPTION OF NEW SUPPLY WERE CONTRIBUTING FACTORS, DESPITE NATIONAL AND LOCAL POLITICAL AND ECONOMIC UNCERTAINTIES.

These are our observations from the fourth quarter:

- Fed cuts in late 2025 brought 30-year fixed rates down to 6.15% stimulating buyer activity.
- The rental market continued its upward trend, with average rents approaching \$5,000 per month and an increase of almost 8% year over year, outpacing pre-FARE Act gains..
- Sales volume increased as mortgage rates eased, with predictions for even higher sales volume in 2026, the best since 2022.
- Inventory continued to tighten. There were 5,890 active listings, down 11% from the third quarter, and down 4% year-over-year. Average listing discount was 5%, down 1% from the previous quarter.
- There were 2,630 closed sales, a decrease of 25% from the previous quarter, and approximately 2,980 signed contracts, up from 2,550 in the third quarter but lower than the 3,300 in the second quarter. Signed contracts are the most significant real-time indicator of the state of the market.
- Average days on market was 75, down from 100 in the previous quarter.



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