



THE SHAPOT TEAM

"Keeping a finger on the pulse of the market."

4TH QTR 2022

MANHATTAN CO-OP & CONDO SALES

STATE OF THE MARKET

MANHATTAN	4QTR 2022	%CHG QTR	3QTR 2022	%CHG YR	4QTR 2021
Average Sales Price	\$1,940,565	-0.7%	\$1,995,042	-0.4%	\$1,948,217
Average Price per Sq Ft	\$1,662	2.7%	\$1,618	5.3%	\$1,579
Median Sales Price	\$1,100,500	-4.7%	\$1,154,625	-5.5%	\$1,165,000
New Development	\$1,981,794	-14.4%	\$2,315,428	-10.9%	\$2,223,500
Re-sale	\$990,000	-0.5%	\$995,000	1.5%	\$975,000
Number of Sales (closed)	2,546	-31.0%	3,692	-28.5%	3,560
Days on Market (From Last List Date)	76	8.6%	70	2.7%	74
Listing Discount % (From Last List Price)	5.9%		7.3%		5.0%
Listing Inventory	6,523	-15.7%	7,741	5.1%	6,207
Months of Supply	7.7	22.2%	6.3	48.1%	5.2
YEAR-TO-DATE	4QTR 2022	%CHG QTR	3QTR 2022	%CHG YR	4QTR 2021
Average Sales Price (YTD)	\$2,031,215	N/A	N/A	8.3%	\$1,87,126
Average Price per Sq Ft (YTD)	\$1,640	N/A	N/A	5.7%	\$1,551
Median Sales Price (YTD)	\$1,192,500	N/A	N/A	6.0%	\$1,125,000
Number of Sales (YTD)	13,657	N/A	N/A	-2.1%	13,957
DATA COURTESY OF MILLER SAMUEL, INC.					



SHAPOT TEAM SNAPSHOT

AVG SALE PRICE (Q4/22 v Q3/22) ↓ 0.7%

MEDIAN SALE PRICE (Q4/22 v Q4/21) ↓ 5.5%

AVG PRICE / SQFT. (Q4/22 v Q4/21) ↑ 5.3%

CLOSED SALES (Q4/22 v Q3/22) ↓ 31.0%

LISTING INVENTORY (Q4/22 v Q3/22) ↓ 15.7%

DAYS ON MARKET (Q4/22 v Q3/22) ↑ 8.6%

The Manhattan market sent mixed messages in Q4. On one hand, apartment sales fell 29% year over year and 31% below Q3 levels. Rising interest rates, a weaker economy and a volatile stock market took their toll. This downturn was the largest since the early days of the pandemic.

On the other hand, the number of closings in Q4 was similar to the fourth quarters of 2018 and 2019. Perhaps we are seeing a return to post-pandemic normalcy.

Prices are also sending conflicting signals. The AVG SALE PRICE and the AVG MEDIAN PRICE are down but the AVG PRICE / SQFT is up 5.3%. This reflects properties selling in Q4 were smaller.

Inventory levels have remained low and as a result, prices are firm. Without a buildup of inventory, prices are unlikely to fall significantly despite tepid demand.

Other statistics to note: the average days on market is up ever-so-slightly, and the listing discount is up from last year, but down from Q3. The market share of cash buyers reached a record of 55%, the highest in 9 years of tracking, which is to be expected with the higher interest rates.

With respect to the rental market, block-long lines to view rental properties disappeared in Q4. Landlord concessions have reappeared, and rents stopped their meteoric rise. We expect that rents will come down slightly in 2023.

While our market faces many challenges next year—most notably a possible recession—there are reasons to be optimistic:

- Mortgage rates have been trending lower the past several weeks, and they will keep falling as inflation continues to decline in 2023.
- There is a healthy level of concern and caution on the part of sellers and buyers, but there isn't any sense of panic or fear.
- Office workers are returning to their offices, at least part time or on a hybrid basis. Theaters are busy and restaurants are jammed. The subways and commuter railroads are crowded.
- The luxury and super luxury market segments showed strength and resilience, posting near record numbers of sales and prices.
- Foreign travelers are back, and are reentering the residential real estate market as serious players.

The low number of newly signed contracts in Q4 does not bode well for Q1 2023 closings, but I see the market turning around come spring. We are currently very busy with both buyers and sellers.

Residential real estate in Manhattan is complex and nuanced. I welcome your questions and the opportunity for a more detailed conversation.

Please share with your family, friends, and colleagues and be in touch with your comments and questions.

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