

August 4, 2022



Maneuvering the August Markets

As we head into late summer, it's worth noting that despite the past few years of news hype and market rides, NYC real estate sales are likely doing more returning to normal right now than they are bottoming out. Before the mass exodus from NYC in 2020 and the return surge in 2021, many real estate sales totals and averages were actually lower than they are right now. And this is news both buyers and sellers should weigh in on as they continue through Q3.

What about the rental markets, then? Half-runaway train and half-popularity contest might be the best way to describe the current environment. Still noted as one of the most sought-after places to live in the US, the Manhattan borough has continued to break records, with rental rates passing \$5,000 in June. All things considered, it's plausible that priced-out renters may cross over into home buying as a way to still get a piece of the Big Apple.

A Few Observations

Signed contract activity has been up. For the week ending July 31, 24 contracts were signed on Manhattan homes in the luxury market (half were in sponsor sales, i.e., new developments). That's higher than the week prior and higher than the previous five years during that same time period, according to the Olshan Luxury Market Report.

Mortgage rates are off their highs, and they're still not that high. Although the Federal Reserve raised interest rates another 0.75 percentage points on July 27, mortgage loan rates have actually dropped since then. We're seeing 30-year jumbo loans at just over 4 percent—even before relationship pricing.

Summer slowdowns are normal. It's fair to say that we can anticipate sales volume slowing in Q3 this year, as they tend to do most years. In fact, sales volume so far in Q3 are close to compiled averages of the same quarters from 2007-2019. In other words, things are going back to normal historical range.

Some pied-à-terre homeowners will get income tax breaks. There's good news for out-of-state homeowners in NY: An appeals court says they no longer have to pay income taxes as if they were living in New York full-time, provided they don't use their second homes as residences. This move makes it less likely that pied-à-terre homeowners will be subject to the 183-day residency test and abolishes a long-standing rule that has disincentivized people from buying second homes in the state.

If You're a Seller

With a summer slowdown in tow, buyers are going to have more choices. So rather than looking at closed sales from the previous two quarters, make a point to focus on current market activity. Watch buyer traffic. Anything selling within a few weeks of listing likely reflects market prices and can be considered fair market value. Always price reasonably, with some cushion, as buyers will want to negotiate in the current market.

If You're a Buyer

A lot of sellers are becoming realistic, and there is room to negotiate. Besides the summer slowdown giving you more choices, the wild ride of 2021 that limited so much inventory is now coming to an end. Despite these realities, don't assume everything is extremely negotiable if the listing is already priced to reflect a discount from past highs.

Moving Right Along

Markets and interest rates may look different on the other side of this quarter, but if pre-pandemic history has anything to say about NYC real estate, things will be moving right along as usual.

August is here—enjoy the rest of the summer and the long days of sunshine!

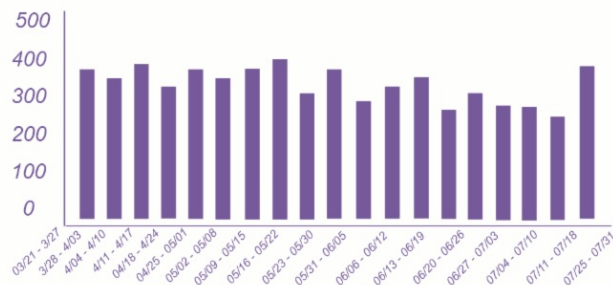
*check out the underlined words for helpful links and references.

The Market at a Glance

Week of 7/25 - 7/31
226: Contracts Signed
in Manhattan

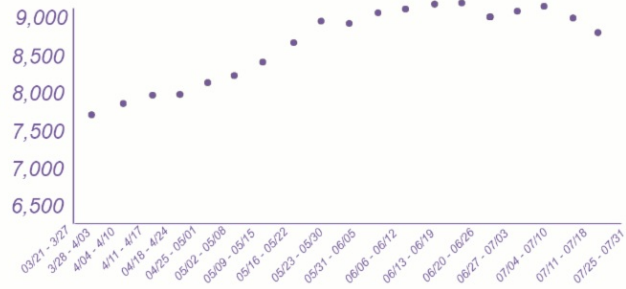
\$473,633,99 Total Sales Volume

The quantity of contracts signed was up from the week prior. Half of the luxury contracts signed were in new development buildings, which suggests a lack of resale listings available right now.



302: New Manhattan Listings 8,693 Total Manhattan Supply

Supply was down again for the second week in a row. Many buyers are seeing the lack of quality product available, leading many brokers to hold listings until the fall.



Fun Reads

Here are a few fun articles worth sharing.

[A Green Thumb?](#)

Living in NYC can often mean trying to add some foliage to your apartment, but if you don't have an automatic green thumb, that process can be overwhelming and scary! Look no further than this step by step guide if you want to bring some plant life to your space.

By Mariah Thomas, [Good Housekeeping](#)



[An Extra Relaxed Vacation](#)

So you've just checked in to your vacation rental for a relaxing getaway, and you want to utilize the kitchen without going overboard. How do you do it? Take a peek at this article from the Times about how to cook in an unfamiliar kitchen without going crazy!

By Ali Slagle, [The New York Times](#)



Happening Around NYC

[Bumper Cars Anyone?](#)

Ever wanted to ride a bumper car on an airplane tarmac? Well now you can, thanks to the TWA Hotel. Part of their summer offerings include a fun bumper car session on the tarmac. Why not make a staycation out of it and stay at the hotel while you're there? Find out more information [here](#).



[Beach Please!](#)

The Rockaway Rocket has just launched direct routes between lower Manhattan and the Rockaways all summer long. For just \$8, you can now be at the beach in under an hour. So check out the schedule and get

excited for more summer fun! [Click here](#) for more information and to get tickets.



Featured Listings for Sale and Rent

2 South End Avenue, 6T

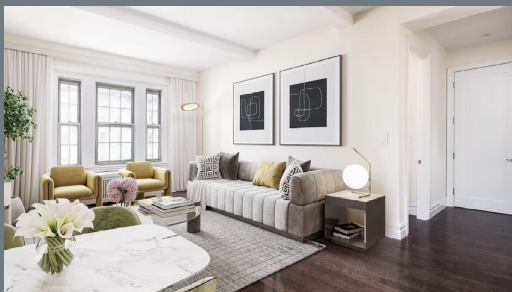
\$575,000



Unit 6T at the Cove Club Condominium is a large one bedroom, one bathroom apartment with a private balcony and lovely Hudson River Views. The west-facing living room will comfortably accommodate separate living and dining areas and has direct access to the private balcony where you can enjoy your morning coffee or relax at the end of a busy day. [Click here](#) for more information.

25 Fifth Avenue, 14B

\$10,500 monthly rent

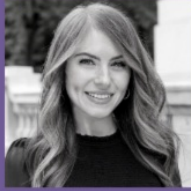


This stunning 2 bed, 1 bath, has views over Fifth Avenue and features an abundance of closet space, 5-inch wide plank oak floors, a top of the line chef's kitchen featuring stainless appliances and top of the line cabinetry. Windowed kitchen and bathroom. [Click here](#) for more information.

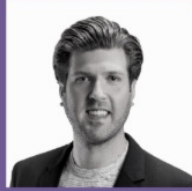
The Team



Jessica Levine
Licensed Associate Real Estate Broker



Alexa Caruso
Licensed Real Estate
Salesperson



Benjamin Dorman
Licensed Real Estate
Salesperson



Jessica Escobar
Licensed Real Estate
Salesperson



Ariel Frankel
Licensed Real Estate
Salesperson

We are always looking to partner with other realtors and currently have partnerships globally and internationally!
For more information, [email us](#).

[Check Out All Our Current Listings](#)

Douglas Elliman | 575 Madison Avenue, New York, NY 10022

[Unsubscribe jlevine@elliman.com](mailto:jlevine@elliman.com)

[Update Profile](#) | [Our Privacy Policy](#) | [Constant Contact Data
Notice](#)

Sent by jlevine@elliman.com powered by



Try email marketing for free today!