

September 7, 2022



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At Douglas Elliman



Anticipating a strong fall start as summer winds down—
perspective is everything!

As we approach the fall season, your opinion of the NYC residential real estate market right now is likely closely correlated to what news you are reading and listening to—and it's probably a little mixed.

While NYC did see a slowdown in contract activity and listing volume at the close of July, this doesn't mean a paradigm shift of bargains and valuation changes have commenced (although there are certainly deals to be had). August actually saw a sharp pick up in activity and resembled a more normal pace as the month progressed. To that end, luxury real estate rallied in Manhattan during the third week of August when 21 contracts were signed for properties valued at over \$4 million each.

What's important to keep in mind is that 2021 was a historically distinctive period in real estate—a year that marked the transition out of a pandemic, still-low interest rates, a rallying equities market, and low unemployment. As we near Q4 of 2022, there's a sort of pre-pandemic normal emulating, in addition to macro-economic changes that could make for a strong year's end.

Read on for more insights ...

Sellers are Selling, Buyers are Buying

The hype of the previous year has shifted, and for sellers, that probably means

that you can't (and shouldn't) expect to list your property where you might have in 2021. Still, numbers suggest that inventory remains low and this time period could be the perfect window of opportunity that many have been waiting for, since buyers are actively looking and making fair offers within reasonable time periods.

Buyers can expect that with timely sales, surging rental markets, and low inventory, the real estate market in NYC is likely to enter a period of stabilization. In other words, prices have come off their highs and sellers are poised to price fairly.

Rents Still High, and Drops Come with Risks

Once again, Manhattan broke records in July when the net effective average rent reached \$5,113 and the net effective median rent passed \$4,000 that same month. Interestingly enough, although high rents are becoming a stretch for some tenants, they're choosing to pay more and stay in their leases versus paying for moving and taking the risk of not finding a deal somewhere else. Vacancy rates in Manhattan remain just above 2%, and the market share of two-years leases is at its highest level since November 2020. Additionally, one out of four July luxury lease deals in Manhattan resulted in bidding wars.

Demand typically peaks for NYC rentals at the end of summer, and while strong news headlines indicate rates will continue upward, there are subtle hints in between the lines that imply the rental markets are starting to stabilize.

The Fed Won't Back Down on Rate Hikes

During his annual policy speech at the end of August, Federal Reserve Chairman Jerome Powell stood firm in stating that the central bank would continue to use interest rate hikes to curb inflation, reduce demand, and restore price stability. After the speech, markets reacted with significant hikes in mortgage rates and drop offs in stocks—moves predicted by analysts even before Powell addressed policymakers.

The Fed meets again September 20-21, and another interest rate hike of 0.75 percentage points is anticipated. Regardless of interest rate activity, history has demonstrated that the markets always adjust and the economy comes back strong and resilient every time.

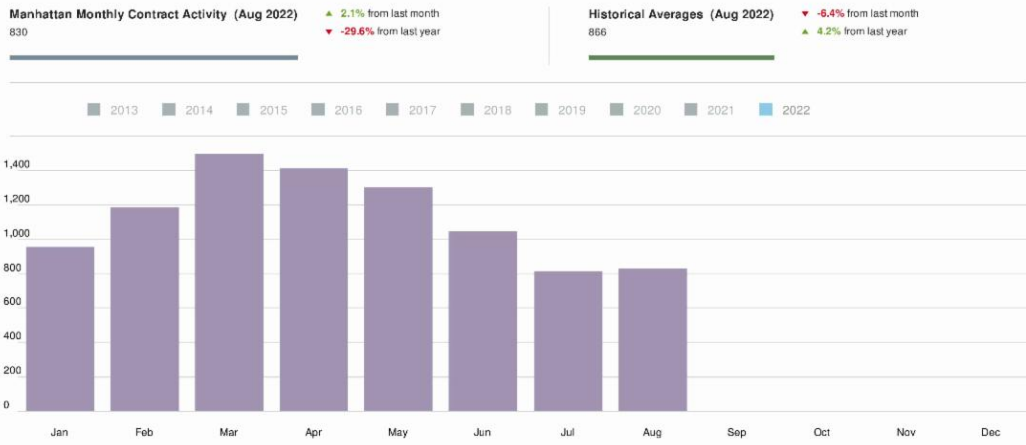
Overall, as we transition into the 4th quarter, it's ultimately important to remember that everything is truly about perspective.

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

The Market at a Glance

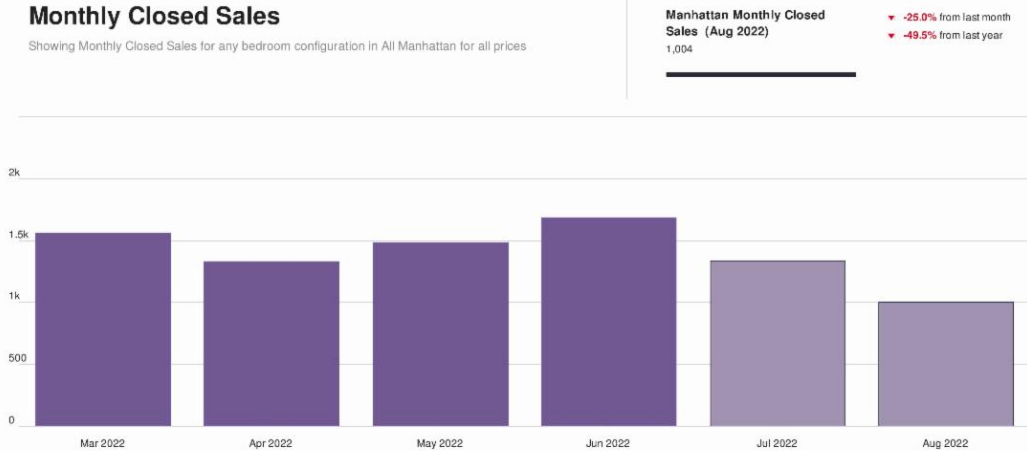
Monthly Contract Activity

Showing Monthly Contract Activity for any bedroom configuration in All Manhattan for all prices



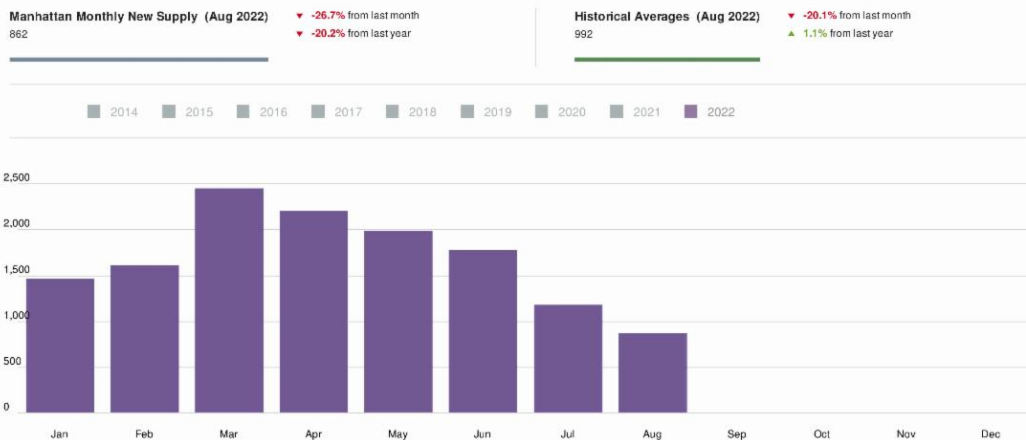
Monthly Closed Sales

Showing Monthly Closed Sales for any bedroom configuration in All Manhattan for all prices



Monthly New Supply

Showing Monthly New Supply for any bedroom configuration in All Manhattan for all prices



Fun Reads

Here are a few fun articles worth sharing.

[60 Delicious Fall Dinner Ideas](#)

It's officially Pumpkin Spice season, which means cooking with lots of spicy warm flavors as the weather turns cold. Luckily Good Housekeeping put together a helpful list of great dinner ideas that incorporate all the lovely fall flavors like apple and cinnamon and nutmeg. Sounds like fall to us!

By Trish Clasen Marsanico, Becca Miller and Jamie Ballard, [Good Housekeeping](#)



Pumpkin Picking

One of the best parts of fall is decorating with pumpkins and autumnal decor, but it can be difficult to decide when to head out to the Pumpkin Patch. Check out Better Homes & Garden's guide for how to pick the best pumpkin - and when.

By Megan Hughes, [Better Homes & Gardens](#)



Happening Around NYC

Bye, Bye MetroCard

Although it has been discussed for quite some time, it was finally announced that MetroCard machines would be phased out by the end of 2023. The ticket dispensers will be replaced by OMNY ticket machines that are tap to pay stations. [Click here](#) for more info.



Fall is falling!

As summer starts to fade, and fall settles in, there are plenty of fun activities in NYC to celebrate the start of Autumn. In fact, TimeOut put together a list of all the best options coming up. [Click here](#) for more information and get your fall on!



Featured Sales Listings

300 East 64th Street, 18A
\$1,980,000



Enjoy the modern design, refined finishes and phenomenal light afforded in this gorgeous 2 bedroom, 2 full bathroom apartment at the luxurious SixtyFour condominium. The impeccably renovated high-floor home boasts a 1,044 square feet of living space brightened by floor-to-ceiling windows facing north and west, along with a generous layout for entertaining.. [Click here](#) for more information.

16 West 19th Street, 8E
\$1,495,000

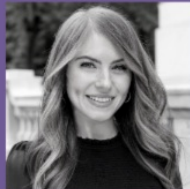


Move right into this sun flooded, spacious, corner one bed loft at The Jade! Residence 8E features South and East exposures, 11 ft ceilings, two Juliet balconies, a washer/dryer, and more. There is a smart and functional free standing Pod that has a white lacquer exterior, and features a kitchen with Sub Zero fridge & Miele appliances. [Click here](#) for more information.

The Team



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

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