

REAL ESTATE

## New York no longer solely a seller's market: Compass

July 8, 2022



For the first half of 2022, sales volume in New York reached \$15.6 billion, the highest level in a decade. Image credit: Compass

By KATIE TAMOLA

The second half of 2022 will most likely illustrate a more balanced housing market in New York, according to a new [report](#) from real estate brokerage Compass.

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Although sales volume in New York rose to the highest level of the decade in the first six months of this year, diminishing contract activity, increased inventory and a volatile stock market indicate a more balanced market is imminent. Although still balancing out in an exigent landscape, the New York real estate market is seemingly more stable than other areas of the country, with historically and comparatively low interest rates.

"There is currently more inventory, and apartments are taking longer to sell," said Pamela D'Arc, real estate broker at [Compass](#), in a statement.

"What is clear is that frenzy and panic buying have subsided," she said. "That said, well-priced and quality units are continuing to move.

"The reality today is that real estate reacts more immediately to what is happening politically or financially, than ever before."

Trudging towards stability?

At the beginning of 2022, New York real estate sales were surging. Sales volume in New York reached \$15.6 billion, the highest level in a decade.

Sales volume in the second quarter of 2022 also represented an 18.6 percent increase year-over-year.



*For the second quarter of 2022, there were 7,024 active properties in New York. Image credit: Fifth Avenue Association*

Prices also reflected a jump, with the average sales price bumping to \$2.1 million in the second quarter, a more than 10 percent increase year-over-year.

There were 7,024 active properties, reflecting a 16.2 percent increase quarter-over-quarter and a 5.7 percent increase year-over-year.

Several experts believe the second-quarter surge may have reflected the dregs of consumers moving in large quantities in 2021, with contracts finalizing during the quarter. Many also sought to buy property to avoid impending higher interest rates.

Overall prices diminished on average compared to the second quarter of 2021, reflecting a 2.4 percent decrease, while the median price increased 1.7 percent.

However, contracts signed in the second quarter of 2022 dipped 25 percent compared to last year. Experts believe this could be an indication that the stretch of price jumps and bidding wars could be coming to an end.

Condo sales reflected a 4.8 percent increase year-over-year, while co-ops recorded a 10.8 percent increase for the same time period.



*Luxury home sales seem to also be dwindling. Image credit: Halstead*

Properties worth more than \$20 million saw no movement year-over-year but recorded a 111 percent increase quarter-over-quarter.

As a selling surge cools, the market could be headed to a more balanced state while still facing the challenges of general unpredictability regarding the stock market, global affairs and more.

Coming soon

It is impossible to predict the exact future, and will everchanging national and global events ranging from inflation to war, the housing market, like all sectors, feels resulting impacts.

Although it was a seller's market for a sizable stretch, a bit of a shift is occurring.

After dramatic growth in the last year and a half, luxury home sales in the U.S. fell by almost 18 percent for the three months ending April 30, according to a recent analysis from Redfin.

Sales plummeted 17.8 percent, the largest decline since luxury home sales dropped by 21.6 percent for the three months ending May 30, 2020, at the onset of the COVID-19 pandemic. The latest drop came amid a stressed market with climbing interest rates, growing inflation and a slipping stock market ([see story](#)).

While real estate inventory is climbing, the market remains unpredictable.

According to real estate analytics platform UrbanDigs, supply in Manhattan is up 33 percent year-to-date. With inventory moving in a positive direction, prospective buyers in the market have more options than they have since activity picked up during the COVID-19 pandemic ([see story](#)).

"Buyers can take advantage of the uncertainty of the current marketplace," said Stacey Froelich, real estate broker at Compass, in a statement. "They also have less competition, they can likely negotiate the price and can lock in a mortgage rate now, which may be higher than in previous years but is expected to be higher come fall."

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