

# R New York Third Quarter 2022 Market Report

The Manhattan real estate market continues to show strong growth due to strong housing despite tighter financial conditions. Total sales of 3,834 were down 18% year over year due to a tough comparison but are up 24% compared vs. 2018 levels and up 44% vs. 2019. Average sales price was up 4% year over year and price per square foot was also up 6% year over year. Median sales price was \$1.25m up 4% year over year. Listing inventory was up 1% year over year while months of supply was 6.3, down 23% year over year given the strong demand.

With New York City in 2022 helped by strong economic conditions and residents moving back into the city post pandemic, we would expect to see the recovery in the real estate market to continue in 2022 and 2023. We forecast that the growth in housing sales could be flattish vs. very strong comps in 2021 but still up double digits vs. pre-pandemic levels in 2018 and 2019. Our base case projection is that 2023 sales will likely be down compared to 2022 given the exceptional growth in 2022 but should still be higher than 2018/2019 levels given the strong demand for Manhattan homes and a slower but still positive economic outlook for New York City and the rest of the country. The job market remains healthy and should support the real estate market. The growth trends are positive but will moderate due to tighter financial conditions and higher interest rates across the country. If the fed continues to aggressively raise rates to fight inflation and the US economy slows down further in 2023, the real estate market could be slower than expected in 2023.

**The Manhattan real estate market showed continuing growth this quarter as the impact of the COVID-19 pandemic subsided and as the economy remained strong**

Manhattan	3Q22	3Q21	% y/y change	2Q22	% q/q change
Average sales price (\$mm)	1.96	1.88	4.3%	2.15	-9.3%
Avg. price per sq. ft.	1618	1523	6.2%	1670	-3.1%
Median sales price (\$mm)	1.16	1.12	3.6%	1.25	-7.6%
Re-sale Median price	1.00	0.97	2.6%	1.05	-5.2%
Closed sales	3692	4523	-18.4%	3834	-3.7%
Average days on market	70	152	-53.9%	86	-18.6%
Listing Inventory	7741	7694	0.6%	7968	-2.8%
Months of supply	6.3	5.1	23.5%	6.2	1.6%

Manhattan Co-ops	3Q22	3Q21	% y/y change	2Q22	% q/q change
Average sales price (\$mm)	1.31	1.31	-0.1%	1.39	-5.8%
Avg. price per sq. ft.	1193	1159	2.9%	1187	0.5%
Median sales price (\$mm)	0.85	0.82	3.8%	0.87	-1.6%
Closed sales	2110	2432	-13.2%	2066	2.1%
Average days on market	68	138	-50.7%	81	-16.0%
Months of supply	5.5	4.8	14.6%	5.7	-3.5%

Manhattan Condos	3Q22	3Q21	% y/y change	2Q22	% q/q change
Average sales price (\$mm)	2.81	2.53	11.3%	3.05	-7.6%
Avg. price per sq. ft.	2080	1881	10.6%	2132	-2.4%
Median sales price (\$mm)	1.63	1.61	1.1%	1.88	-13.6%
Closed sales	1582	2091	-24.3%	1768	-10.5%
Average days on market	72	176	-59.1%	92	-21.7%
Months of supply	7.4	5.5	34.5%	6.9	7.2%

Source: Samuel Miller

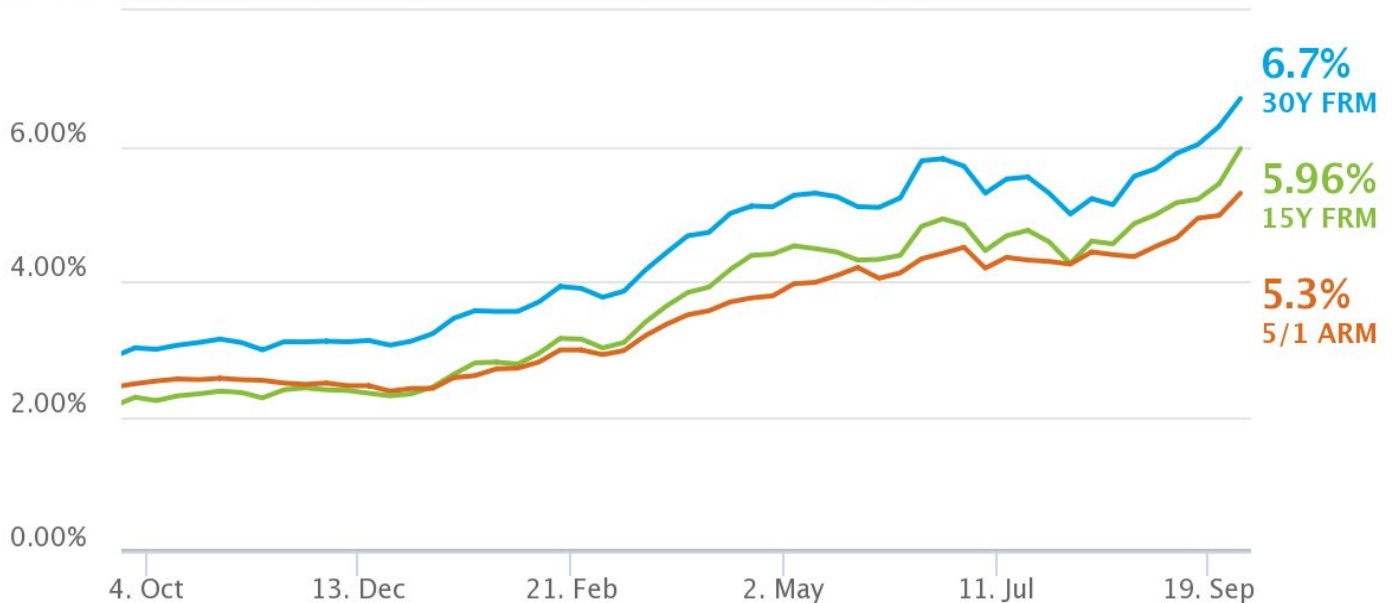
## Mortgage rates pose some risks to the housing market due to the recent rapid increase

30-year mortgage rates are currently at 6.7% up 3.5% in the past year and at a 5-year high and will likely dampen some of the strong demand for housing in New York City.



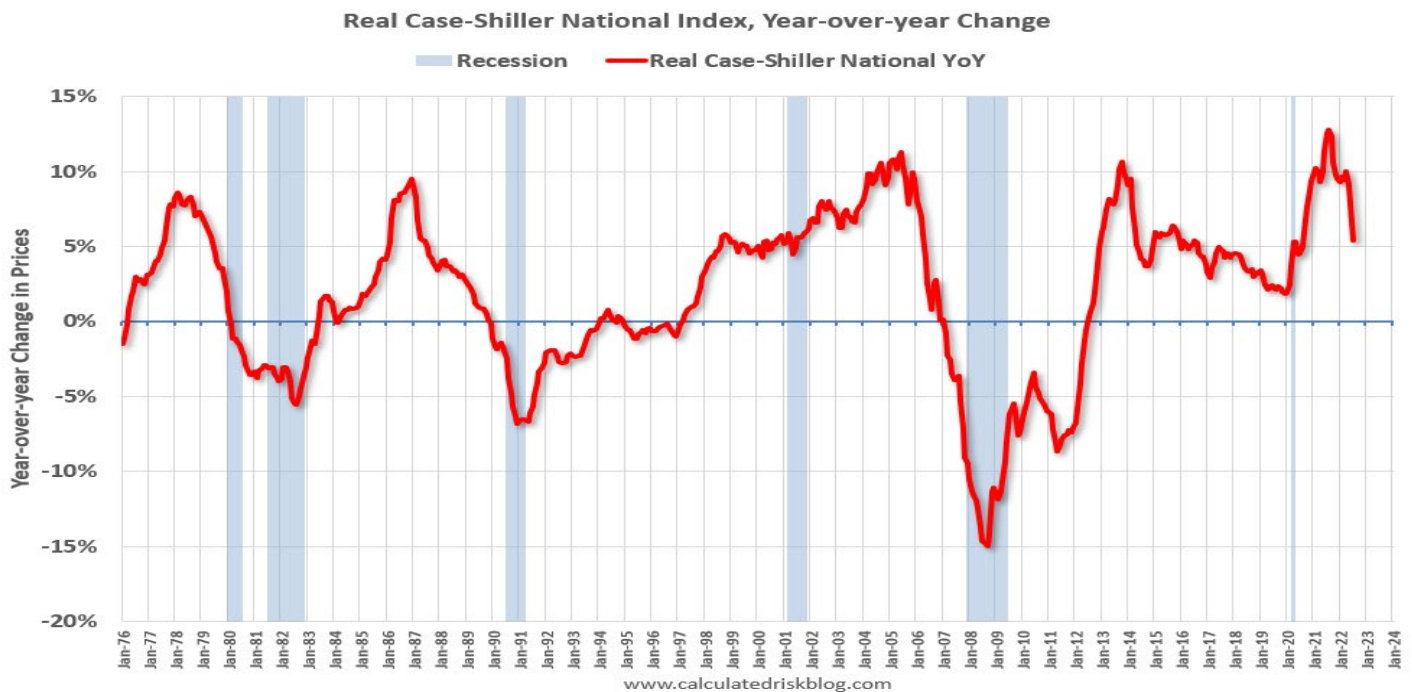
Primary Mortgage Market Survey<sup>®</sup>

U.S. weekly average mortgage rates as of 09/29/2022

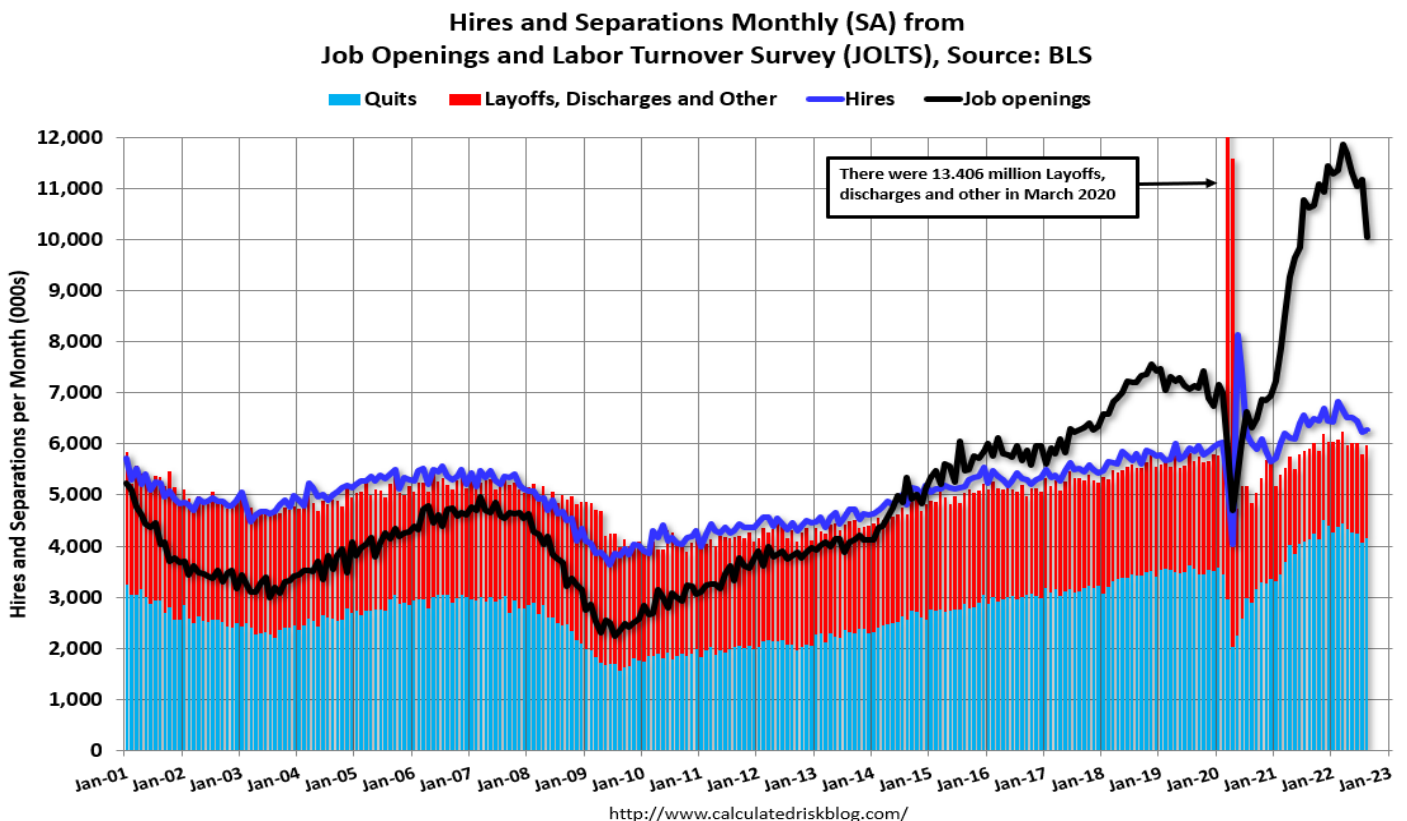


## Economic indicators show that the US economy remains strong despite tighter financial conditions caused by the federal reserve

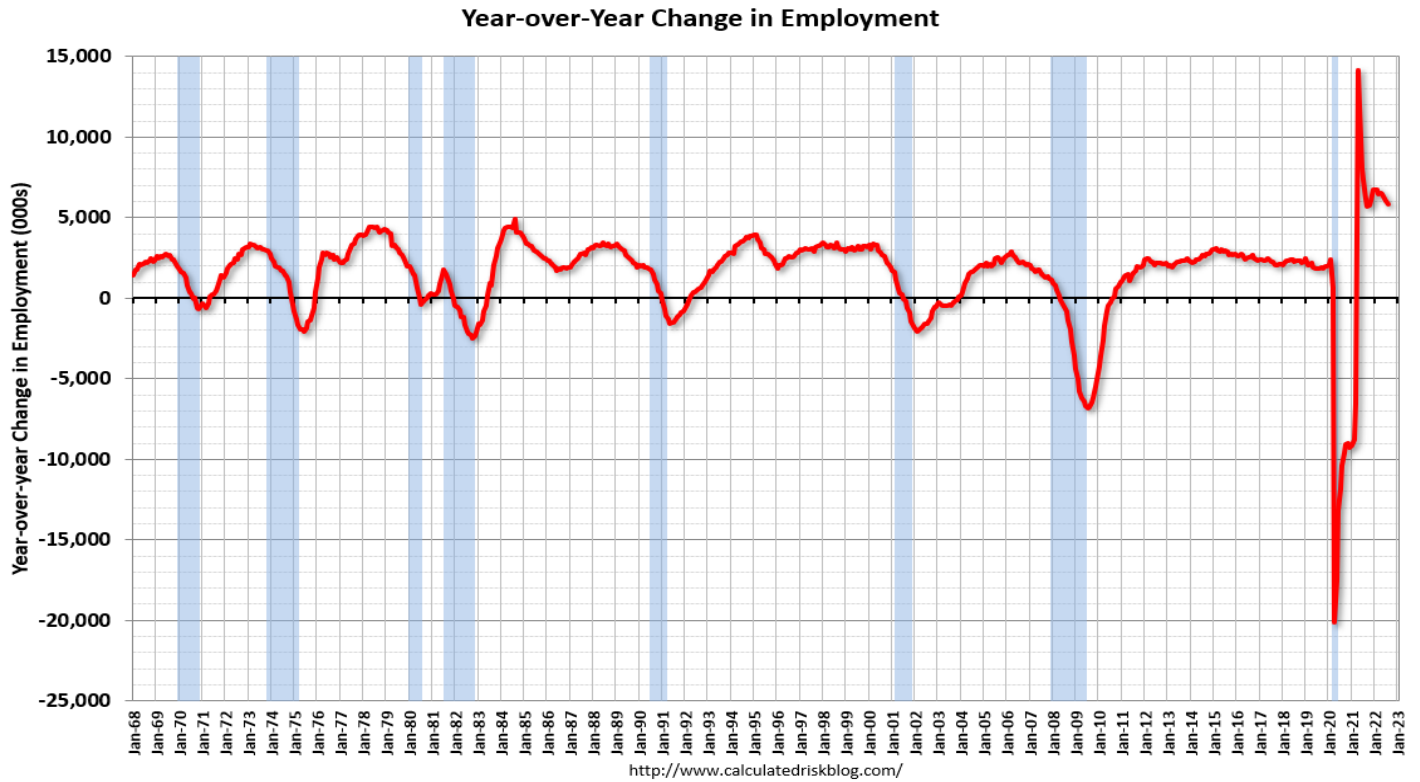
Real estate prices remain strong up 5% y/y across the country but are showing some moderation



## The number of job openings remained strong at 10m as of August 2022



## In the past year, the US added 5.8 million jobs year over year through August 2022



## The unemployment rate remained low at 3.7% in August 2022

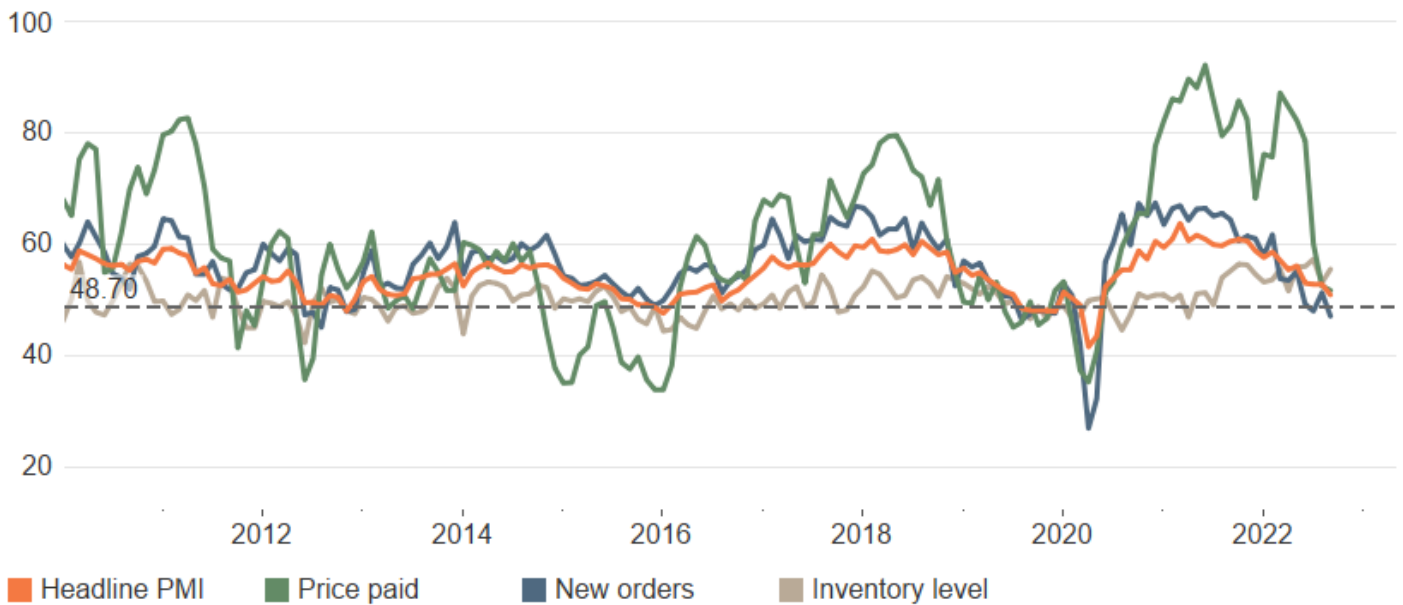


## Slower economic growth going forward could lead to slower sales in 4Q22 and in 2023 if this trend continues

The Institute for Supply Management's purchasing managers' index for manufacturing activities dipped to 50.9 in September, its lowest level since May 2020, amid an economic slowdown in the United States

### ISM manufacturing index

PMI above 48.7 indicates overall expansion of the economy



Source: ISM, RSM US