

What's happening in NYC real estate July 2023

It's hard to believe we've been cooking through the summer and August is already here. It has been a very hot summer, so hot at times that it makes it hard to think! Everything has been moving pretty slowly, which is to be expected, as we enter into a historically slow month for real estate.

August isn't typically as slow as the December & January months, but most people want out of the city to take a vacation before summer slips away. However, since the pandemic, seasonality has really changed. The low inventory environment has made it so that serious buyers are always on the lookout and in New York City, there are many savvy purchasers waiting to pick up a good deal.

There is no longer seasonality for renters. In the past, smart renters would try to get their lease term to end in the winter months so they could find more attractive prices. Now, the rental market is relentless, and prices don't let up at any point in the year. A lot of renters have negotiated a flexible lease term with their landlord and are always searching for something new. What I've noticed is the only thing you can really hope for is less competition and the only way to avoid those infamous rental bidding wars is to be looking over the holidays (like the 4th of July).

In the sales market, very high-end apartments continue to outperform. That is where most of the cash deals are happening at \$4M+. Anything below that has been a lot slower, as purchasers are hopeful for lower rates in the future. A typical 2 bedroom apartment still costs more on a monthly basis to purchase than to rent. Sometimes by a very wide margin. Keep in mind though, rates change but the price you purchased does not! So, keep trying to get a good price now while the market is soft.

[The LivNY Team](#) is very busy this summer helping purchasers navigate the market and showing listings. Currently we have over \$12M of property on the market! There is no shortage of people looking to buy, however there is no rush. The most active in the market are first time buyers and investors. Anyone in the market right now needs the numbers to make sense. The major determining factor with the number...interest rates.

This month the Federal Reserve broke records with the fast, most dramatic rate hiking cycle in history when they added another .25 increase to the fed funds rate. Investors are watching the data closely and believe that the rate hikes must be close to an end. No one knows for sure, but it certainly sounds like the Fed will stop raising rates. The Federal Reserve doesn't want to be complacent when it comes to inflation, and the economy seems to have withstood throughout the hiking cycle. We will proceed with caution. The spotlight this month is on off-market properties. In a low inventory, soft market, both buyers and sellers are interested in doing an off-market transactions. Let's discuss the pros and cons of off-market transactions for both buyers and sellers.

On the market...



49 Chambers Street



2 Bedrooms

38 Delancey Street



Private Outdoor Space



Sponsor Units

In contract...



784 Carroll Street



44-27 Purves Street



232 East 6th Street

YouTube Apartment Video Tours...



Live/Work Loft Space



Huge Private Terrace!



Must Go! Priced to Sell

SPOTLIGHT ON: Pros & Cons of Off-Market Transactions



Recently there was a record breaking sale in downtown Manhattan for over \$50 million. Wow! It caught

everyone's attention because not only was it a huge number, but the deal was done off-market, meaning the home was never listed for sale. By the way, the buyer and the seller both used real estate agents to represent their best interest.

When you mention an off-market property, both sellers and buyers get excited. However, there are a lot of positives as well as negatives of doing off-market transactions for both parties.

Whenever you mention off-market apartments to buyers they get excited. Why? Well, the positives include increased amount of inventory to browse, exclusive opportunities, and less competition. All of these things are pretty beneficial in our current market environment. However, there are some drawbacks. For one, there can be issues with the timeline. Often these apartments are rented out, or there is no rush, so it can make the timing of the purchase more challenging. Also, sellers typically don't want to sell unless it's a number they want to achieve, meaning there can be a lot of negotiating around a relatively high price. Many buyers go into an off-market transaction thinking it will be stress free, only to find out it was a lot more difficult than anticipated.

Sellers love the idea of off-market deals for many reasons. They think, "Sure, bring me a buyer who will pay up for my property". Off-market sellers have increased privacy without having their homes listed. They can set up a much easier showing schedule. Then, if an agent brings in an off-market purchaser they are usually a serious buyer. No one wants to waste their time showing an apartment off-market to someone who is just browsing. Also, if a buyer's agent brings in a purchaser, they will likely take less compensation, so the seller only pays one broker.

Of course there are some negatives for sellers as well. Typically, to solicit the highest offer, you want your home on the market. Doing an off-market sale will limit exposure meaning you may miss out on the most important thing: the highest offer. Perhaps a lower price is worth it to some sellers, but most want to get the highest price.

In a challenging market for both buyers and sellers like we are in right now, there are a lot of reasons to look at off-market apartments. Although most deals are done with homes listed for sale, it is good to be working with an agent who has access to off-market opportunities. Since even before covid, we have been amassing a large list of off-market apartments that are not *listed* for sale, but still *available* for sale. This list has now grown into the hundreds! So, if you're in the market to buy, and interested in viewing more inventory than is currently listed, get in touch! Let's do an off-market deal!

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