

What's happening in NYC real estate October 2023

Happy Halloween! Here we are already on the last day of October, and it's a bit scary to start thinking about how quickly this year is coming to an end.

The real estate market usually slows down as we approach Thanksgiving and Christmas, so it feels like there is a lot to get done over the next couple of weeks. However, investors and buyers have their minds elsewhere in the midst of global fear and uncertainty. The world was shocked when war broke out in the Middle East. Nobody was really thinking about real estate, even as rates hit all time highs.

At the last Federal Reserve meeting, the Fed Funds was rate steady, but fear of future rate hikes took over. The market reacted by pushing interest rates significantly higher. The 10 year yield jumped to over 5% and mortgage rates moved to over 8% for the first time in decades.

An argument to justify these increases is that people used to buy houses with rates this high. On the other hand however, is that prices were significantly lower. The question is; will home prices go up when rates come down and when will that be? That's what most buyers in today's market are considering.

Inventory, especially affordable inventory, is a big concern. People thought that higher rates would push prices down, however, because of low inventory, prices have stayed high. There is a lot of concern that there is not enough new development in the city, and with a lack of future supply, affordability will continue to be an issue when there is more demand. That demand is expected when rates normalize.

[The LivNY Team](#) has been helping sellers find buyers and working with buyers to take advantage of the market. The transaction volume is down, however, as always, unique and properly priced homes always sell in any market. Recently it does feel like the market is putting that to the test, but really the sales process takes a little more time. Days on market have increased significantly as sellers try to find the price the buyers are willing to pay. In positive news, the rental market has cooled off slightly, but that is typical for this time of year. Also, rental prices are still higher than ever, which does continue to encourage buyers to stop renting and look to purchase.

The spotlight this month is on the international property market. Since we're always looking at the US real estate market, let's see where the opportunities are globally.

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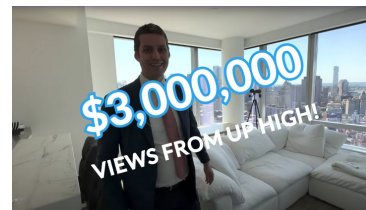
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SPOTLIGHT ON: International Property Market



As a New York City real estate agent, I rarely give much thought to the property market overseas. However, it is interesting to examine some of the global markets and see how those trends impact the United States.

A few years ago, Dubai was known for having a very bad supply problem. Many people were saying that Dubai was overbuilt, however, those properties got snatched up very quickly. In the blink of an eye, Dubai became one of the hottest property markets. It is expected to continue to grow, but at a slower pace than recent years.

You can't talk about international markets, especially these days, without talking about China. The China property market has been an absolute disaster and a significant drag on their economy. One of the biggest property owners, Evergrande, has taken over headlines as it has gone bankrupt. In China, they built way too many properties and don't have enough buyers. There are even "ghost cities", where almost all of the buildings are vacant. Since the China property market has been a significant concern of the global economic slowdown, it will be interesting to see how it rebounds over the next few years. There aren't many investors with the risk appetite to even consider investing in China.

Australia and New Zealand have very strong markets. There is a lack of inventory and a lot of demand which has kept prices very high. So high that they need to keep building to make affordable homes. It has been one of the tightest housing markets in the world, however, like most other markets, New Zealand and Australia have seen a decrease in demand due to higher interest rates. Those markets have cooled off...for now...

Lastly, Europe. Countries like Germany, France, and the UK often see steady growth. As long as the economy is stable, and unemployment relatively low, cities in Europe have steady property markets. There are emerging economies in Europe as well, like Poland and Hungary. These markets have seen a significant amount of growth in recent years as their economies grow. It is pretty safe to say, if the economy is doing well, then European property markets are as well. With the concern about the global economy today, investors proceed with caution when it comes to Europe.

Since global interest rates are high, property markets across the world are impacted. It will be interesting to see how these markets respond when rates eventually do come down.

All this talk about global markets is a great reminder...there is no better place to own property than New York City!

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