

What's happening in NYC real estate July 2022

If you're reading this, you have survived the great heat wave of summer! It has been extremely hot all over the world, and New York City has been scorching. Most city dwellers have escaped to the suburbs, the Hamptons, Jersey Shore, basically anywhere with a beach, pool, ocean, or all of the above!

The real estate market nationwide has been pretty slow to say the least. Home sales across the country fell in the month of June and will likely drop again in July once the data is released. Rising mortgage rates have cooled the market dramatically, hitting a lot of states like Tennessee, Texas, and Nevada, which boomed during the pandemic. New York City has held up well throughout the nationwide pullback. For many of the potential sellers who were eyeing these hot markets across the country, now may be a good time to sell in New York and take advantage of the harder hit markets. The news has been grim, but I do think we have hit the low point and are ready to bounce back.

New York City is a market of its own. There is always a seasonal slowdown in the summer. No one wants to be looking at apartments in 90 degree heat, and I don't blame them! So far this year, inventory increased every month. That changed in June, and now for two months in a row, inventory declined. That is pretty indicative of the typical summer slowdown. Sellers aren't feeling an urgency to list right now when they can wait until after Labor Day. However, transaction volume has been pretty steady. As always, if the price is right in New York City, the buyers come out hunting for a deal.

[The LivNY Team](#) has been working hard throughout the heat wave and has been getting a lot done. In just the past couple of weeks we received multiple offers on a few of our listings. Even some of the inventory that took a little longer than we expected to sell, finally got a few bids, some even over the asking price. The patience paid off! After the post-pandemic boom, people are used to everything moving fast. It may take a little longer to make a sale, but there is always interest for homes in New York City. Especially with the surging rental market, most residents would prefer to own than rent in this market. With all that's been going on this summer, I think that we will see a steady market this fall for both rentals and sales. Now is a good time to plan ahead and be looking for opportunities.

In the news, there has been a lot going on during this slow summer. As discussed, pending home sales nationwide plummeted over 20% this June when compared to just one year ago. This could be due to the historic interest rate increases from the Fed, who delivered another 75 basis point increase in July in its crusade against inflation. The same inflation they said was transitory less than one year ago! Lastly, if you think the real estate market in the US is down, take a look at China, where real estate sales dropped over 25% in just one month during a mortgage revolt.

The spotlight this month is on a pending recession. The GDP numbers came out this past week and confirmed that we have had two consecutive quarters of declining growth, which historically has meant we are in a recession. Still, no one agrees, and the debate continues, are we in a recession or not?

On the market...



211 Elizabeth Street #6E



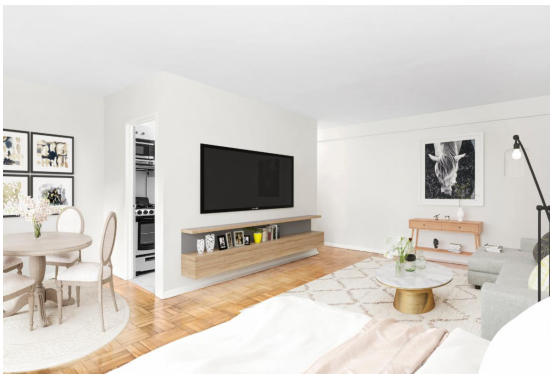
139 Centre Street Retail



54 Orange Street #5G



4 Lexington Avenue #6/7K



69 Fifth Avenue #3A



63 East 9th Street #10D

In the news...



Pending Sales -20%

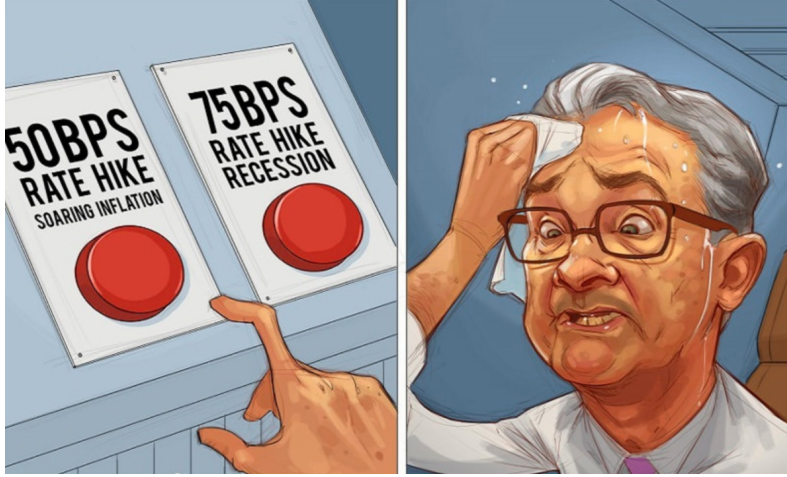


Historic Rate Increases



China Real Estate Woes

SPOTLIGHT ON: Pending Recession



So far throughout 2022 the Federal Reserve has been raising interest rates to combat inflation at a historic pace. Interest rates have been this high in the past, but the rate of increases has never been so fast. As the Fed raises interest rates, the growth of the economy has slowed down. Now, after two quarters of a declining GDP, we are technically in a recession.

In the past, two quarters of negative growth meant we were in a recession, however, right now there is a debate whether we are in a recession or not. The White House, along with many leading economists, stated that two quarters of declining growth is not an agreed upon measure of a recession. These same leaders are actually saying we are not in a recession, and the US economy is stronger than ever. Jerome Powell, Chairman of the Federal Reserve, said that he does not believe we are in a recession. That's good news, however, investors are skeptical. There are fears that the Federal Reserve will raise rates too far, too fast, and push the economy into a recession.

It's critical to see how the inflation data looks as it comes out over the next few reports. There are signs that inflation is peaking, but if inflation is too hot, the Federal Reserve will continue raising interest rates. The next interest rate decision will be in September, so we will have a month to analyze the new inflation data and monitor the economy. Things are looking better, but we aren't out of the woods yet.

ERIC BOTTOMLEY

Licensed Real Estate Salesperson

M: 203.943.0395 / EricB@ARGO.com

50 West 17th Street, New York, NY 10011

LivNY
real estate

AT ARGO RESIDENTIAL

50 combined years in NY Real Estate

2018, 2019 & 2020 Presidents Club

Top 1% in Total Sales Nationwide

