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## **Stribling State of the Market Report Cites Third Quarter Sales Plateau in City Residential Real Estate Market**

**Posted By Susan Piperato, 11/09/09**

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**NEW YORK, NY**—Today's market is not in a continuing freefall, but appears to have reached a plateau in response to significantly lower prices. Third quarter reports indicate that while the number of sales in this quarter surged over the previous quarter, it was still lower than the same quarter in 2008.

"A large number of summer transactions reduced the surplus of available units that had accumulated during the first two quarters, freeing the New York City residential real estate market from its previous standstill," stated Elizabeth Stribling, president of Stribling & Associates.

The recently published Stribling State of the Market report cites a number of important market observations:

\* The average sales price of a cooperative apartment for third quarter 2009 was \$1,005,744, which was 13.4 percent lower than the prior year average price of \$1,161,302 and 5.9 percent lower than the prior quarter average price of \$1,068,726.

\* The average price of a condominium in the third quarter was \$1,579,438, which was 12.7 percent lower than the previous year's quarter's average of \$1,809,684, but up 3 percent from the previous quarter's average sales price of \$1,531,031, according to real estate appraisal group Miller Samuel Inc. These figures represent an approximate 30 percent drop in average sales prices of cooperatives from the peak in early 2008, as well as a decrease of approximately 16 percent for condominium apartments from the height of the market in 2008.

\* Sales of apartments priced under \$500,000 are leading the pack as first-time buyers take advantage of low mortgage rates, an \$8,000 tax credit and, at this price point, obtainable mortgage financing. Summer sales of apartments under \$500,000 rose 23.6 percent over the summer of 2008.

\* Today's residential market has become a two-tiered market: an individual owner's resale market and a developer's initial first offering market. An individual seller frequently has more flexibility in price negotiation than a developer, whose equity partners often set specific pricing guidelines.

\* Sales of luxury properties of \$5,000,000 and up dwindled in the first two quarters of 2009. Recently, however, there has been an increase in both interest and actual sales in the upper echelon market.

\* According to the October 1, 2009 report by Miller Samuel Inc., buyers began to strike deals in noticeable numbers in the months of June through August 2009. Sales surged 45.6 percent in the third quarter over the second quarter.

\* According to streeteasy.com, contract activity peaked in August 2009 with a 27.2 percent rise in accepted offers versus the same month a year ago. Accepted offers accelerated as pent-up demand prompted buyers to negotiate transactions that were perceived to be deals.

\* Many homeowners are choosing to renovate their properties to propel their home to the top of current offerings. As opposed to previous heady markets, today's sellers are spending anywhere from \$20,000 to fix up a kitchen to sell an apartment offered at \$525,000, to \$100,000 to \$150,000 for offerings listed between \$1,000,000 and \$2,000,000 to create new baths and a new kitchen.

\* The condominium conversion development of a former rental building built in 1928 and designed by famed New York architect Emery Roth, the Devonshire House at 28 East 10th Street at the corner of University Place in the heart of Greenwich Village, was placed on the market just after Labor Day 2009 at offering prices 10 to 15 percent less than were envisioned a year and a half ago when the conversion began. Sterling Equity Partners and the Cheshire Group are the Sponsors of the new condominium, where seven units are currently under contract, and another three contracts are now pending.

“Most forecasters predict a slow national economic recovery, with the residential real estate market in New York City following suit. It all depends on a continuing rise in confidence, a rebound of the national economy, and a decrease in unemployment. The return of investment bank bonuses may stimulate residential purchases into 2010, but credit must begin to flow and mortgage money must become more obtainable. If prices hold steady and deals are struck in fair market transactions, we can look forward to a flat year in residential real estate in 2010,” said Stribling.