

What's happening in NYC real estate September 2022

Well, many were hoping for smooth sailing at the end of the summer, but instead we got a rocky month of September. Increasing inflation and rising interest rates took the global markets by storm. Individuals, investors, companies, and even politicians are concerned over Federal Reserve actions. There is an increased uncertainty as no one knows what to expect and the outlook is scary and unknown.

Along with increasing unemployment, the real estate market was one of the main targets in the Federal Reserve's commentary on the markets. Jerome Powell clearly stated that the Federal Reserve is committed to bringing down the hot housing market. He even referred to the days of multiple bids over the asking price and said those days are over! As the Fed continues to raise rates, the housing market will continue to be hit hard. We're already seeing the impact in mortgage rates, as the 30 year fixed mortgage rate hit 7.5% this week. It doesn't sound like it will stop there and we could see even higher rates soon.

The big debate is whether or not the Federal Reserve will go too far, too fast, and push the economy into recession. Less than one year ago, the Federal Reserve thought inflation was transitory. They got that completely wrong, and now it is very possible they force the economy into a recession in their crusade against inflation. The sentiment in the market today certainly feels like a recession is already here.

Caught in the middle of economic chaos, New York City real estate always show its resilience. One of my favorite parts of working in New York is that the city is always active. Deal volume is down year over year, but there are plenty of buyers, sellers, investors, and renters to keep everyone busy.

[The LivNY Team](#) had a great month of September. When there is a lot of frustration and negativity in the market, there is also opportunity. It takes a skilled professional to bring buyers and sellers to an agreement and get deals done in this challenging environment. In fact, we've discovered creative ways to capture lower rates, waive closing costs, and reduce expenses in the sales process.

There are a few unique observations about the New York market I'd like to note. One is that most sellers in the city are not distressed. Typically, they have a high income and can carry a property that is likely purchased with cash or a record low mortgage rate. Also, sellers don't want to let go of a property for less than what they paid. If they aren't liking the offers they're receiving, they will simply rent out the property. That's one of the reasons the inventory in New York is so low, similar to that of the pandemic.

The spotlight this month is on the most expensive listing in Manhattan. The Penthouse at Central Park Tower came on the market with an asking price of \$250M.

On the market for sale...



382 West Street #3A



54 Orange Street #6G

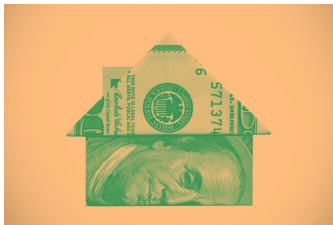


55 Liberty Street #23C



63 East 9th Street #10D

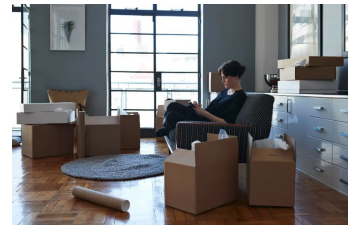
In the news...



"Housing Reset"



7% mortgage rates



Gen-Z Home Buyers

SPOTLIGHT ON: Expensive Property For Sale on Billionaires' Row



On the south side of Central Park, super tall luxury condo towers have been constructed creating what they now call "Billionaires' Row". Since 2013, skyscraper buildings like [One57](#), [432 Park Avenue](#), [53 W 53](#), [111 West 57](#), [220 Central Park South](#), & [217 West 57th Street](#) have marked the sky from miles away.

As you can imagine, just like the buildings, the prices of these apartments are sky high as well. There have been record breaking sales like Ken Griffin's \$220 million purchase at 220 Central Park South.

Now, once again, the developers are testing the limits of how high the prices can go. This month there was an amazing new listing that came on the market...however it isn't for just anyone....

Extell, the developer of 217 West 57th Street, aka Central Park Tower, commissioned Ryan Serhant to list the [penthouse unit](#) for \$250,000,000. The penthouse is 17,545 square feet, and sits over 1,416 feet above New York City, coincidentally hovering high above the \$220M comparable sale.

The apartment is a triplex starting on the 129th floor. It has a ballroom, 7 bedrooms, 8 bathrooms, and the highest residential terrace in the world. It is the pinnacle of luxury.

Like I mentioned, it isn't for just anyone. You have to be in the top 1%. The monthly real estate taxes are \$47,686 per month, and the common charges are another \$26,952 every month. With a 6% interest rate, and a minimum down payment of 20%, the estimated total monthly expense is estimate at \$1,273,729.

If this seems a bit expensive, then you'll be happy to hear the developer Extell originally planned to list the property for \$300M. So, it's being offered at a discount!

We will have to keep a close eye on this one. It would be an incredible sale.

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