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NEW YORK REAL ESTATE NEWS

Buyers 'falling' all over each other

Inventory spike and bidding wars mark an uptick in post-Labor Day activity

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The residential market is back from its summer break, and buyers and sellers who linger too long — or at all — could be left behind.

Just how quickly are units going?

The average Manhattan pad spent just 73 days on the market during the quarter that ended Sept. 30, according to new data from real estate appraisal firm Miller Samuel. That's down more than 20 percent from both the prior quarter and the same quarter in 2014.

"If a property is priced well, it sells pretty quickly," said Brown Harris Stevens' Lisa Lippman. "I am still seeing bidding wars, up to 10 percent over [the] asking price."

Sales picked up after Labor Day. In fact, listings shot up 20 percent as of Sept. 22, compared with the beginning of the month, according to real estate analytics firm UrbanDigs.com.

Warburg Realty President Frederick Peters confirmed he saw a spike in inventory last month, as sellers who were waiting for the fall market decided to list their properties.

"One of the benefits of the stock market thing," he said, referring to the turbulence of late August, "has been that sellers are, by and large, more realistic. A certain number of [properties] are getting listed at prices where they are getting absorbed quickly," he added. That's a contrast to overpriced units that were hitting the market over the past few years.

On the buyer side, demand hasn't waned, said Jeremy Swillinger of Level Group. "There are still so many folks who've been looking to buy an apartment over the last eight to 12 months."

res-market-quoteBut to do so, Swillinger said, buyers will have to pull out all the stops.

Nearly 54 percent of sales during the third quarter, for example, sold at or above the listed price, Miller Samuel data show. And, 51 percent of sales were cash purchases, up from 43 percent a year ago. Overall, the median sales price jumped nearly 10 percent to \$998,000, the second highest since 2008.

With sky-high asking prices, the \$3 million-and-under segment is moving the quickest.

According to research from Compass, more than one-third of units priced \$1 million to \$3 million were sold within 30 days during the third quarter. On the Upper West Side, 42 percent of all listings also sold within a month of hitting the market, and 36 percent of two-bedrooms citywide likewise flew off the shelves.

BHS' Lippman said the market for properties \$5 million and under is moving quickly, because buyers are well educated and know what they can get for their money. "They're not going to wait. They don't want to miss it," she said. "If it's the best they've seen in their price range, they pay the asking price or more to get it."

Since Labor Day, Lippman has done six deals and all went over the asking price, she said, including four properties under \$5 million. For example, she recently represented the seller of a two-bedroom unit on Fifth Avenue asking \$3 million. Her client got multiple offers, and within two weeks signed a contract with a cash buyer offering \$3.4 million.

Not surprisingly, the competition is even tougher on the lower end of the market. Bond New York's Carlos Santos said he had a client lose a bidding war recently after offering \$1.29 million in cash for a Park Slope unit asking \$1.085 million. "With interest rates unchanged, I expect more of the same in the under-\$3 million market," he said.

So far, uncertainty in the stock market hasn't diminished buyers' interest in New York real estate. But several agents said high prices are discouraging some sellers, because they are worried about being able to afford an upgrade. "Sellers are happy about what they can get for their property, said [Platinum Properties](#) agent [Teresa Stephenson](#), "but only if they don't have to turn around and buy in the same market."