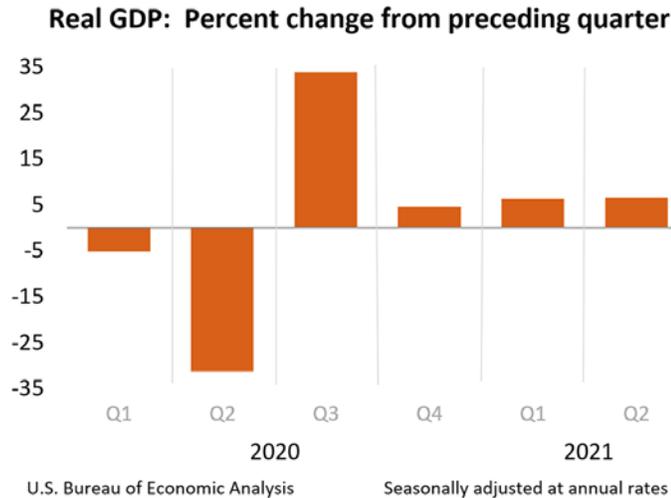


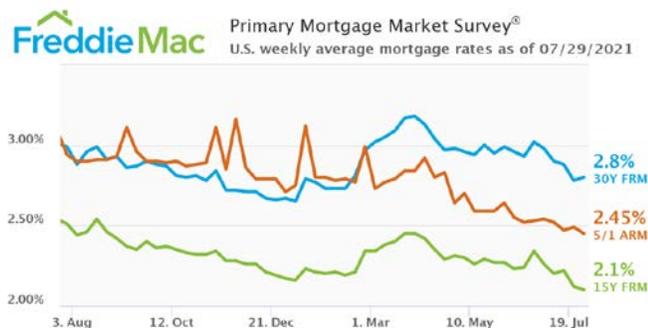
Q2 Real Estate Market Update for Queens, NY

At the National level, Real GDP, which is GDP adjusted for inflation was 6.5% higher year over year at the end of Q2 of 2021. The main factor may be the tremendous government stimulus extended to companies and individuals. Other factors contributing to the economic recovery are low borrowing interest rates and that Covid vaccines became available.



Source, US Bureau of Economic Analysis: <https://www.bea.gov/>

Low interest rates indeed support the current housing price boom at the national and local levels. At the beginning of Q2, 30year fixed interest rates were going up and got to be higher than 3%, which while still very low, prompted some to believe that the real estate boom was going to subside. I personally observed some buyer reluctance when the news of higher rates reached the media. But this was temporary and towards the end of Q2, interest rates came back down to end below 3% and supporting a buyer frenzy. What is the lesson here? I believe we can conclude that this real estate housing boom is fueled in great part by interest rates; there is talk about government tapering or finishing the measurements which result in low rates towards the end of the year. In other words, this is a great time to sell and buy real estate. Particularly sellers find themselves in the driver's seat due to the scarcity of inventory.



Source Freddie Mac: <http://www.freddiemac.com/pmms/>



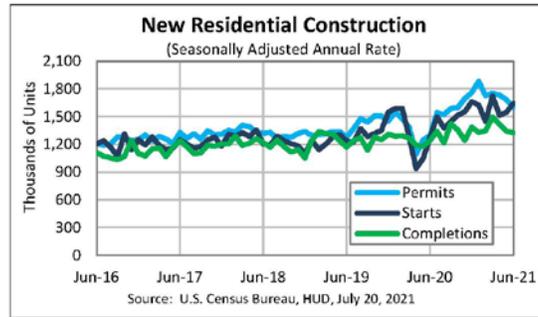
Source: National Association of Realtors <https://www.nar.realtor/research-and-statistics>

Thus, the very low mortgage rates, coupled to the low levels of housing inventory and a traditionally busy selling season caused United States Median Home Prices to reach \$363,300, an historical record. The levels of sales were also higher at the end of the Second Quarter of 2021.



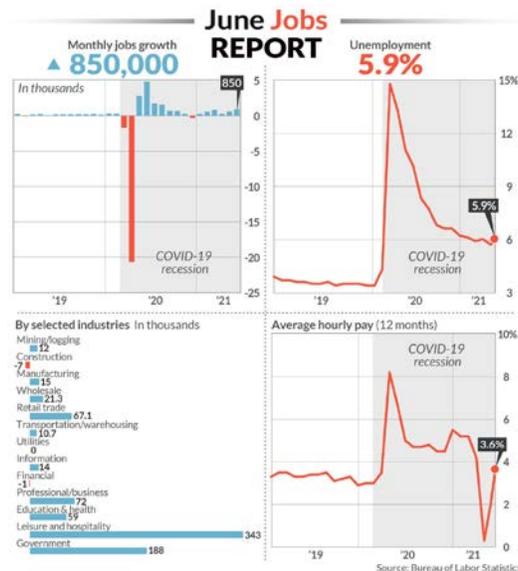
Source: National Association of Realtors, <https://www.nar.realtor/research-and-statistics>

For June 2021, residential sales were 5.86 Millions, which means, 1.4% higher than the previous month and 22.9% higher than the previous year. This latter percentage is understandable since Q2 of 2021 saw most of the Nation under lockdown or quarantine due to the start of the pandemic and real estate grounded to a halt. Inventory in June of 2021 was much lower than a year ago, and at the national level, there was an average 2.6 Months of inventory available at the current pace of sales. As you know, a traditional balance market has 6 months of inventory, so inventory is rather low and that explains the bidding wars, offers over asking, the brisk pace of sales, in summary, a clear Seller's market.



<https://www.census.gov/construction/nrc/pdf/newresconst.pdf>

Residential construction continued improving compared to 2020 levels, and during the Second Quarter of 2021, but with new permits ending up lower, due to supply constraints and inflationary pressure in construction materials. Housing starts were higher at the end of the Quarter.



Source the Wall Street Journal and the Bureau of Labor Statistics

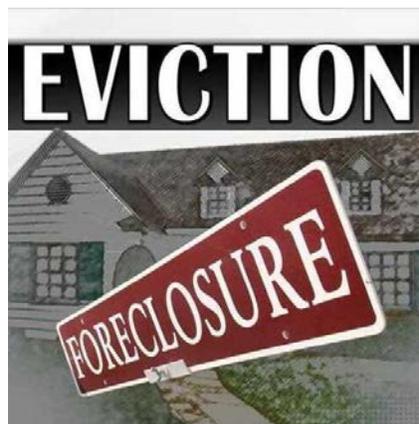
<https://www.bls.gov/news.release/empsit.toc.htm>

Job growth continued improving, with many companies stepping up hiring and calling their employees back to work. In June, 850,000 jobs were created, and unemployment continue decreasing to end up at 5.9%. A bright spot amongst all industries was Leisure and Hospitality due to many Americans traveling for business and pleasure as we went back to the new normal and many venues started the reopening. With many workers not ready to go back to work, it was difficult to fill in positions and this pushed salaries up 3.6% year over year.



<https://www.bls.gov/news.release/empsit.toc.htm>

But in Queens, NY the picture was more somber. In the first place, due to a high population density and many dwellers living in close quarters, apartment buildings or multifamily homes, the pandemic ravaged the County. Secondly, those who could move out temporarily or permanently to the surrounding Counties of Long Island, Connecticut, New Jersey and Upstate, NJ. Many businesses closed and struggled to reopen. Unemployment ended up near 10% in June. Some economic commentators cite other explanations may be fear to get sick at the job site and the fact that the unemployment stimulus was extended thru September 2021.



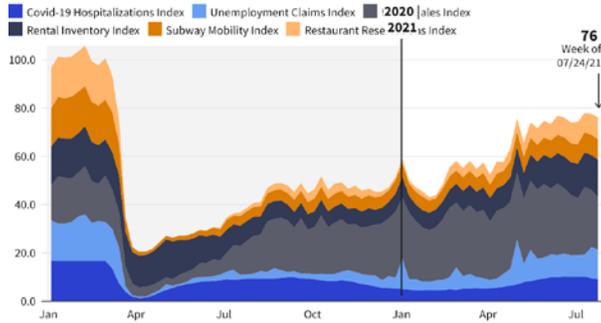
Source, New York City Website:

<https://www1.nyc.gov/content/tenantresourceportal/pages/eviction-moratorium-and-courthouse-closures>

The Moratorium in Evictions and Foreclosures was extended in NYC until August 2021 and it is being contested by the real estate industry at the federal level. The government rental aid which was supposed to benefit tenants and landlords had troubled being delivered due to logistical issues such as complicated applications and lack of personnel. Many of my clients are small landlords and they are suffering to pay mortgage and expenses. New York City is notoriously slow to resolve landlord-tenant issues and small landlords are at the losing end of this equation. We will see what happens in the following months, but one thing is certain: even when the moratorium is lifted, the backlog of cases will jam the city's extremely slow housing court system.

New York City Recovery Index | Overall

The NYC Recovery Index represents the combination of six sub-indices. Note: For all indices a positive change reflects a positive outcome. For hospitalizations and unemployment claims, an increase in the index reflects a decrease in hospitalizations or claims.



Data Sources: COVID-19 Hospitalizations (NYC DOHMH), Unemployment Insurance Claims (NYS DOL), Pending Home Sales and Rental Inventory (StreetEasy), Subway Turnstile Counts (MTA), OpenTable Reservations (OpenTable)
 Chart: Amanda Morelli | Director of Research, Investopedia
 SPECTRUM NEWS NY | Investopedia

<https://www.investopedia.com/new-york-city-nyc-economic-recovery-index-5072042>

According to the New York City recovery index published by Investopedia and which measures covid hospitalizations, unemployment claims, pending home sales and rental inventory, subway turnstile counts and Open Table restaurant reservations, the city came back to a 70% level of normalcy. The stimulus money, the Spring Season with the nicer weather and the increase in vaccinations have a lot to do with it...

RESIDENTIAL INVENTORY QUEENS, NY , Q2 2021		
<u>MONTH</u>	<u>UNITS</u>	<u>SUPPLY IN Months.</u>
APRIL	5,734	5.4 mos.
MAY	5,944	5.3 mos.
JUNE	5,924	4.8 mos.

Source One Key Multiple Listing Data as researched by Manuel Vargas, Lic. Broker Associate, Keller Williams Realty Landmark

<https://www.onekeymls.com/agent/Manuel-Vargas/679c3f78-0dd8-4a90-9f1b-a4adf8bfc0d8>

Residential Inventory in Queens, NY at the beginning of the Second Quarter was close to 6 months, the mark of a balanced market. Let’s remember that Queens is host to a lot of multifamily housing which was particularly affected by the pandemic and that the national housing boom took a while to reach our County. But at the end of the Second Quarter, inventory was lower at 4.8 months.

PERCENTAGE DIFFERENCE BETWEEN ORIGINAL LIST PRICE AND FINAL SALE PRICE QUEENS, NY , Q2 2021

<u>MONTH</u>	<u>FROM INITIAL ASKING PRICE</u>	<u>FROM FINAL ASKING PRICE</u>
APRIL	6.3%	4.0%
MAY	4.4%	3.6%
JUNE	4.9%	3.3%

Source One Key Multiple Listing Data as researched by Manuel Vargas, Lic. Broker Associate, Keller Williams Realty Landmark

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As inventory receded in Queens, so did negotiability. Differences between Initial asking price and selling price were just 4.9% at the end of the Second Quarter. Differences between the last asking price and the selling price were even lower at 3.3%. Bidding wars and overs at or above asking started to become more common, as they were already happening in Nassau and Suffolk Counties...

**MEDIAN PRICE, Q2 2021
ALL RESIDENTIAL, CONDO, COOPS**

CONTRACTS				
Month	Median S	%Change YOY	Units	%Change YOY
April	\$650,000	29%	1,163	557%
May	\$669,000	23.9%	1,147	595%
June	\$670,000	9.4%	1,216	194%
CLOSINGS				
Month	Median S	%Change YOY	Units	%Change YOY
April	\$655,000	4.8%	796	228%
May	\$660,000	10%	804	171%
June	\$655,000	19.1%	911	105%

Source One Key Multiple Listing Data as researched by Manuel Vargas, Lic. Broker Associate, Keller Williams Realty Landmark

<https://www.onekeymls.com/agent/Manuel-Vargas/679c3f78-0dd8-4a90-9f1b-a4adf8bfc0d8>

The median price of residential homes, including residential 1 to 4 family homes, condominiums and cooperative apartments recovered substantially year over year. The median price of pending or under contract properties was \$670,000 (9.4% higher year over year) for June/2021 and the median price of actual closed sales was \$655,000 (19.1% higher year over year)

at the end of the Second Quarter, both numbers being substantially higher than in June of 2020 due to the anemic sales levels during the height of the pandemic. Transaction counts for both under contract and closed sales almost doubled compared to last year levels.

The difference in median under contract prices at the end of the Quarter (\$670,000) and the actual median closed prices (\$655,000) plainly indicates that houses are selling almost 3% higher than 2-4 months ago, during the previous quarter. This rate of growth (which at the annual level would be in the double digits) cannot certainly be sustained, specially if interest rates inch higher and compare to the average historical appreciation rates.

1 FAMILY SOLD PRICES AND COUNTS, QUEENS, Q2 2021				
Month	Median \$	%Change YOY	Units <small>1 Mo. Window</small>	%Change YOY
April	\$731,000	9.9%	330	180%
May	\$777,500	11.1%	322	180%
June	\$760,000	8.6%	359	118%

2 FAMILY SOLD PRICES AND COUNTS, QUEENS, Q2 2021				
Month	Median \$	%Change YOY	Units <small>1 Mo. Window</small>	%Change YOY
April	\$890,000	7.9%	142	209%
May	\$900,000	3.4%	137	132%
June	\$950,000	3.4%	183	158%

Source One Key Multiple Listing Data as researched by Manuel Vargas, Lic. Broker Associate,
 Keller Williams Realty Landmark
<https://www.onekeymls.com/agent/Manuel-Vargas/679c3f78-0dd8-4a90-9f1b-a4adf8bfc0d8>

The Median Price for 1 families in Queens ended up at \$760,000 in June or 8.6% higher year over year. Transactions also improved, more than doubling year over year. The allure of single family living can be cited here as one explanation

Two family properties also showed priced improvement, specially at the beginning of the Quarter and then to a lesser extent in June, ending up the Quarter at a Median Price of \$950,000, or 3.4% higher than the previous year and with sales level more than doubling compared to 2020 levels.

3 & 4 FAMILY SOLD PRICES AND COUNTS, QUEENS, Q2 2021				
Month	Median \$	%Change YOY	Units 1 Mo. Window	Units Q2 2020 1 Mo. Window
April	\$1,200,000	29%	27	1
May	\$1,317,500	-15%	28	5
June	\$1,357,000	50.9%	18	6

CONDO & COOP SOLD PRICES AND COUNTS, QUEENS, Q2 2021				
Month	Median \$	%Change YOY	Units 1 Mo. Window	%Change YOY
April	\$330,000	8.7%	297	281%
May	\$339,000	-6.5%	332	181%
June	\$349,500	5.9%	390	93%

Source One Key Multiple Listing Data as researched by Manuel Vargas, Lic. Broker Associate,
Keller Williams Realty Landmark

<https://www.onekeymls.com/agent/Manuel-Vargas/679c3f78-0dd8-4a90-9f1b-a4adf8bfc0d8>

Three and Four Family homes, also showed a remarkable comeback but here I must note that the lack of data (these properties are not as common as 1 and 2 families) can skew the numbers when you look at them in shorter periods of time. Still the improvement trend is clear in both prices and number of sales compared to 2020.

Sales of cooperative and condo apartments bounced back this quarter but the Median Prices of these type of residential property did not see the increases that houses enjoyed. The recovery is slower here because living in close quarters is not as popular as before the pandemic even though apartment dwellers are starting to come back to the City.

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