

BRONX COUNTY

FIRST QUARTER 2023

"SALES DOWN
SHARPLY, BUT PRICES
HOLDING STEADY"

THE RAND Quarterly Market Report



REGIONAL OVERVIEW

The Regional housing market in the New York City metro area slowed considerably in the first quarter of 2023, with sales falling sharply throughout the region even while prices often continued to climb to historic heights. Going forward, we expect both sales and prices to stabilize near last year's levels for the spring market and for the rest of the year.

REGIONAL SALES	Current Quarter 2023Q1	Prior Year Quarter 2022Q1	Change from Prior Year Quarter %	Rolling Year Ending 2023Q1	Rolling Year Ending 2022Q1	Change from Prior Rolling Year
Westchester and Hudson Valley SF	2,762	4,009	-31%	16,444	20,624	-20%
Northern New Jersey (All)	5,235	7,856	-33%	32,183	43,120	-25%
Bronx County (All)	477	628	-24%	2,347	2,602	-10%
Fairfield County SF	1,118	1,676	-33%	7,648	10,336	-26%

PENDING SALES	Current Quarter 2023Q1	Prior Year Quarter 2022Q1	Change from Prior Year Quarter %	Rolling Year Ending 2023Q1	Rolling Year Ending 2022Q1	Change from Prior Rolling Year
Westchester and Hudson Valley (All)	3,606	4,753	-24%	17,293	21,982	-21%
Northern New Jersey (All)	6,941	9,157	-24%	34,718	42,233	-18%
Bronx County (All)	607	700	-13%	2,628	3,001	-12%
Fairfield County (All)	1,890	2,634	-28%	n/a	n/a	n/a

Sales continue to fall, dropping below pre-pandemic levels. Closed sales fell in every county within the report and were down dramatically for each region - falling 31% in Westchester and the Hudson Valley, 33% in Northern New Jersey, 24% in the Bronx, and 33% in Fairfield County. Similarly, pending sales that went into contract during the quarter, which provide a leading indicator of future closings, were also down, falling in each county and in each region.

These were disappointing, if not surprising, results. But we need to remember that at this time last year, we were at the tail end of the strongest housing bull market in the history of the region, so we are making comparisons against an unusually high baseline. Moreover, while rising interest rates have certainly impacted buyer demand since last year, sales are also down due to a persistently severe lack of inventory (more on that below).

So how should we characterize these kinds of sales totals? Last fall, we predicted that 2023 sales would fall to the levels we last saw in the middle of the 2010s, when the housing market was slowly recovering from the 2008-09 Financial Crisis. We believe that prediction is playing out, with first quarter sales throughout the region falling to the levels we last saw in 2013-15. That might seem a little alarming, but we would caution that we all considered those types of closing levels to be relatively strong at the time. It's not as if we're back to the sales totals of 2009, which were about 50% of what they are right now. This isn't a return to the Great Recession.

AVERAGE PRICE	Current Quarter 2023Q1	Prior Year Quarter 2022Q1	Change from Prior Year Quarter %	Rolling Year Ending 2023Q1	Rolling Year Ending 2022Q1	Change from Prior Rolling Year
Westchester and Hudson Valley (SF)	\$650,244	\$635,959	2%	\$719,565	\$676,745	6%
Northern New Jersey (All)	\$606,927	\$604,478	0%	\$650,498	\$608,117	7%
Bronx County (All)	\$538,975	\$595,866	-10%	\$599,659	\$561,470	7%
Fairfield County (SF)	\$857,936	\$1,140,324	-25%	\$963,235	\$967,343	0%

Even with sales falling, prices were mixed, reaching historic heights in some parts of the region but declining in others. Prices were up in most of the counties in the Westchester, Hudson Valley, and Northern New Jersey regions, but they were down in the Bronx and Fairfield County. We do want to caution that the 25% decline in the average price in Fairfield is probably an anomalous quirk based on some outliers in data, given that the median price was up a tick, and the rolling year price was also flat. But overall, we're clearly seeing the upward momentum on pricing come to an end, with prices at best stabilizing at their current levels.

MONTHS OF INVENTORY	Current Quarter 2023Q1	Prior Year Quarter 2022Q1	Change from Prior Year Quarter %	Rolling Year Ending 2023Q1	Rolling Year Ending 2022Q1	Change from Prior Rolling Year
Westchester and Hudson Valley (SF)	1.9	1.6	19%	2.2	2.0	10%
Northern New Jersey (All)	2.2	2.0	10%	2.4	2.5	-4%
Bronx County (All)	6.2	5.5	13%	6.4	6.6	-3%
Fairfield County (SF)	1.9	1.5	27%	2.2	2.1	5%

We continue to see a severe lack of inventory throughout the region. We measure inventory by looking at the average number of homes that we sell each month, and then calculating how many months it would take to sell out the current stock of homes for sale. According to industry standards, six months of inventory marks a "balanced market" - anything less, and we're in a seller's market.

Well, we're way below that balanced market level, with 1-3 months worth of inventory in most of the counties in the region. That's a major reason for the current state of our market: sales are falling so much because we don't have enough homes to sell, and prices are still being propped up despite rising interest rates because we still have too many buyers chasing too few homes.

Will this change? Will we see some relaxation of the inventory? Basic economics tells us that when prices go up, supply also rises as sellers see an opportunity to take advantage. But one concern we have is that too many homeowners are locked into their current homes by "golden handcuffs" - a ridiculously low interest rate on their mortgage, either from when they bought the home or from refinancing when rates were down around 3%. Even if those owners wanted to move, they might not be able to afford the higher payment they'd have to make at today's higher rates. So, they might not be going to put their homes on the market, even if they want to take advantage of higher prices.

Going forward, we believe that sales and prices will stabilize near 2022 levels for the rest of the year.

We certainly think that we're seeing the last of these dramatic year-on-year sales declines that we've had for the last four quarters. That's not because we believe that the market is going to significantly strengthen, but only because we will be measuring off a much lower baseline, not off the strongest market in history. Accordingly, we believe that the market will hold to that 2013-2015 era level of sales, with low levels of inventories propping prices up near their current levels through the end of the year.

BRONX, NY

1ST Quarter 2023 Real Estate Market Report



CLOSED UNITS	AVERAGE SALES PRICE	MEDIAN SALES PRICE	PRICE PER SQ. FT	LISTING RETENTION	DAYS ON MARKET	MONTHS OF INVENTORY
615	\$654,830	\$618,000	\$379	97.7%	141	5.1
- 4.7%	+ 3.8%	+ 4.7%	+ 0.9%	- 0.6%	+ 0.8%	+ 8.5%

The Bronx housing market continued to slow in the first quarter of 2023, with declines in both sales and prices.

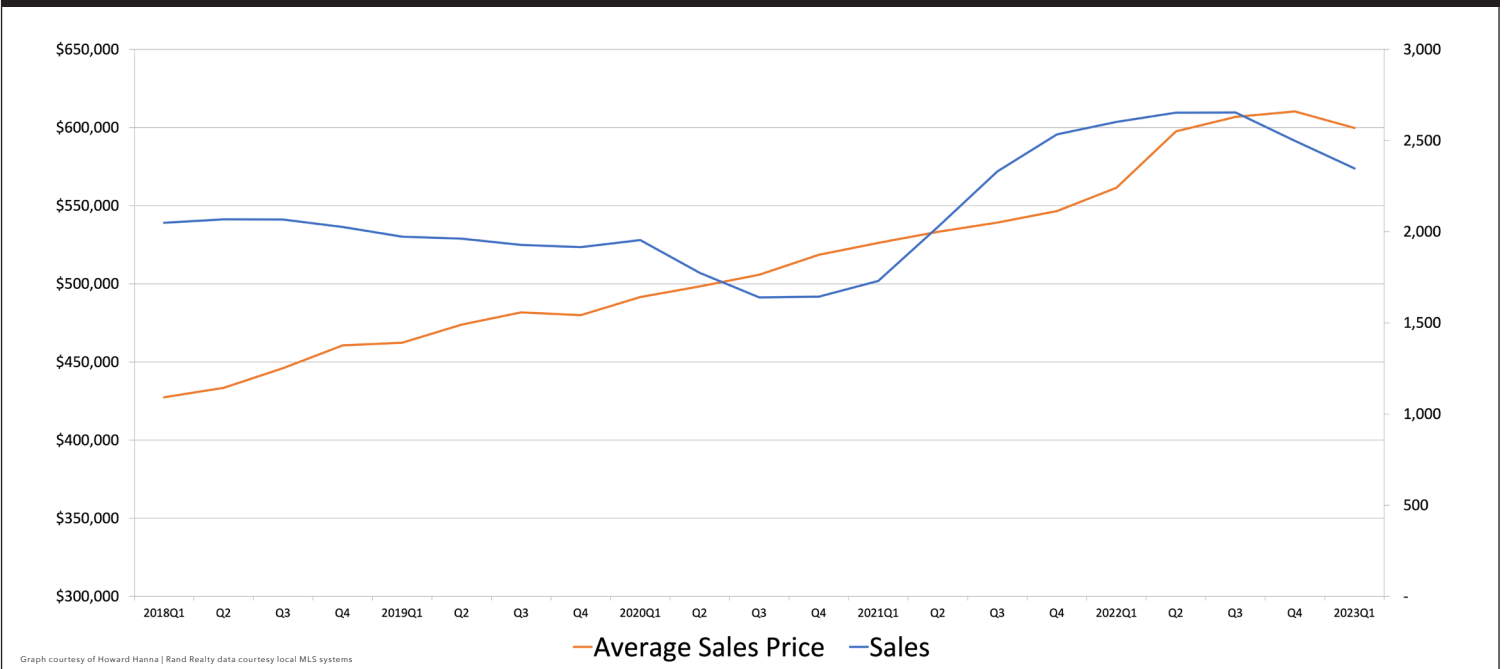
Closed transactions fell across the board, dropping 24.0% overall and down for all property types compared to last year's first quarter. And for the rolling year, overall sales were down 9.8% and down for all property types. Clearly, the softening of the Manhattan market has spread to the adjacent markets in New York City, driven largely by rising interest rates. That said, we should note that we are measuring off a quarter and rolling year that were at the very tail end of a historic housing bull market, so part of the quarterly decline is because we're comparing the results to an all-time high baseline. Accordingly, we are likely to see sales start to stabilize compared to last year's

numbers, simply because we will have a lower baseline to clear.

This decline in sales is starting to have an impact on pricing. The average prices for most property types: down 9.5% overall, down 3.6% for multi-families, down 6.6% for co-ops, and down 14.2% for condos. The only average price increase was for single-family homes, and that was a minimal 0.1%. But the longer-term results were a little more robust, with average and median prices up for most property types.

Going forward, we expect sales to flatten out compared to last year's level in the historically strong spring market, but we will be watching to see if prices stabilize after this surprisingly weak quarter.

BRONX ROLLING YEAR SALES ALL PROPERTIES THROUGH Q1-2023



Graph courtesy of Howard Hanna | Rand Realty data courtesy local MLS systems

BRONX COUNTY MARKETS	Q1-2023	Q1-2022	% CHANGE (QUARTER)	ROLLING YEAR ENDING 2023Q1	ROLLING YEAR ENDING 2022Q1	% CHANGE (YEAR)
BRONX TOTAL						
SALES	477	628	-24.0%	2,347	2,602	-9.8%
AVERAGE SELLING PRICE	\$538,975	\$595,866	-9.5%	\$599,659	\$561,470	6.8%
MEDIAN SALES PRICE	\$549,000	\$615,000	-10.7%	\$579,500	\$575,000	0.8%
PPSF	\$336	\$337	-0.3%	\$338	\$331	2.3%
LISTING RETENTION	95.9%	97.0%	-1.1%	96.9%	97.5%	-0.6%
DOM	191	176	8.5%	177	175	1.5%
INVENTORY	6.2	5.5	13.6%	6.4	6.6	-3.6%
NEW LISTINGS	1,016	1,219	-16.7%	4,464	4,811	-7.2%
PENDING SALES	607	700	-13.3%	2,628	3,001	-12.4%
SINGLE-FAMILY HOMES						
TOTAL CLOSED SALES	122	159	-23.3%	615	645	-4.7%
AVERAGE SELLING PRICE	\$624,370	\$624,022	0.1%	\$654,830	\$631,059	3.8%
MEDIAN SELLING PRICE	\$582,000	\$607,500	-4.2%	\$618,000	\$590,000	4.7%
PRICE PER SQUARE FOOT	\$371	\$374	-0.8%	\$379	\$376	0.9%
LISTING RETENTION	96.5%	97.0%	-0.5%	97.7%	98.4%	-0.6%
AVERAGE DOM	154	160	-4.0%	141	140	0.8%
MONTHS OF INVENTORY	4.6	4.4	4.5%	5.1	4.7	8.5%
MULTI-FAMILY						
TOTAL CLOSED SALES	149	238	-37.4%	763	909	-16.1%
AVERAGE SELLING PRICE	\$815,643	\$845,774	-3.6%	\$835,799	\$801,224	4.3%
MEDIAN SELLING PRICE	\$780,000	\$814,000	-4.2%	\$815,000	\$790,000	3.2%
PRICE PER SQUARE FOOT	\$329	\$324	1.4%	\$325	\$311	4.5%
LISTING RETENTION	95.7%	96.9%	-1.2%	96.9%	97.3%	-0.4%
AVERAGE DOM	161	169	-5.1%	159	169	-5.6%
MONTHS OF INVENTORY	5.8	4.4	31.8%	6.1	5.8	5.6%
CONDOMINIUMS						
TOTAL CLOSED SALES	65	72	-9.7%	286	324	-11.7%
AVERAGE SELLING PRICE	\$367,913	\$428,559	-14.2%	\$407,840	\$407,241	0.1%
MEDIAN SELLING PRICE	\$299,999	\$342,500	-12.4%	\$335,000	\$350,000	-4.3%
PRICE PER SQUARE FOOT	\$350	\$377	-7.2%	\$372	\$365	2.0%
LISTING RETENTION	94.2%	97.3%	-3.2%	96.2%	97.2%	-1.1%
AVERAGE DOM	179	163	9.9%	151	161	-6.5%
MONTHS OF INVENTORY	5.2	4.4	18.2%	5.3	6.0	-11.6%
COOP PROPERTIES						
TOTAL CLOSED SALES	141	159	-11.3%	683	724	-5.7%
AVERAGE SELLING PRICE	\$251,579	\$269,394	-6.6%	\$271,570	\$267,479	1.5%
MEDIAN SELLING PRICE	\$205,000	\$235,000	-12.8%	\$235,000	\$240,000	-2.1%
PRICE PER SQUARE FOOT	\$282	\$295	-4.3%	\$294	\$292	0.7%
LISTING RETENTION	96.6%	97.1%	-0.5%	96.8%	97.4%	-0.7%
AVERAGE DOM	261	209	25.3%	240	219	9.7%
MONTHS OF INVENTORY	8.6	8.2	4.9%	8.3	9.9	-16.1%



**RAND
REALTY**