

New York City Real Estate Market holding steady?

While many predicted the first quarter of 2008 would finally show the [New York City real estate](#) market's connection to the ailing national market, the city's real estate actually dramatically increased in value during that time. Manhattan led the way for the rest of New York City, which increased its value by an estimated 28%.

The luxury market played a large role in increasing the value of the real estate market as a whole, with a number of different high-end condos coming onto the market during that time. The sales from those apartments have continued to aide the market, even as the national business media focuses on the ailing national economy.

The lesson from the first quarter of the year is an important one: Events not connected to the business cycle – in this case, a number of luxury condominiums coming onto the market when worries about a recession began to amount – such events can prop up markets during pivotal moments, leading to a disproportionate impact on the market as a whole.

It is possible that similarly unexpected positive news could aide the market in the second quarter. The month of April, at least, showed some signs of healthy activity. The number of sales of existing single family homes increased to 5,838 from 5,035 in March. That accounts for a month-to-month an increase of roughly 14%.

While such upticks are generally expected for this time of year – spring tends to be one of the real estate market's most strongest seasons – the size of the increase is unexpected. It is particularly important because sales volume has been an area of concern since the first quarter numbers showed a decline in year-over-year sales volume of 22%.

The rest of New York state also faired relatively well: Two-thirds of the state's counties reported increases in sales volume during the past month. Nationally, mortgage rates are once again beginning to near forty year lows in the wake of the fed's recent aggressive rate cuts.

While there is still ample concern over the future of the national market, it is doubtful that the [New York apartment](#) market – insulated by its coops from the direct impact of the subprime crisis – will share the fate that markets like Cincinnati, Cleveland and other Midwestern cities.

A recent survey has put the average length of owning home at seven years. Despite the current troubles in the market, it is almost certain that significant growth will be achieved over that time frame.

About the Author

Nicholas Adams Judge is a freelance writer specializing in business, politics and economics. He holds a B.A. in political science and will begin his PhD studies in political economy and public opinion next fall. He has studied economics and political science at a number of different institutions, both here and in the U.K., including Amherst College, Warwick University, Oxford University and the University of Massachusetts-Amherst. [New York apartment](#)

Source: <http://www.diyresource.com>