

DEVELOPMENT NEW YORK

## Why mortgage rates and an election couldn't slow down new development

October had 293 contract signings, the most this year



211 West 84th Street, 255 East 77th Street; Naftali Group's Miki Naftali (Getty, Paul Dilakian, thehenry-uws, 255east77)

The new-development market hit a high for the year in October.

Luxury home contract signings have surged this season, and both Manhattan and Brooklyn showed significant year-over-year growth, according to Marketproof's monthly [report](#).

The 293 new-development contracts signed last month were the most since May 2023. Seventeen were for homes priced at \$10 million or more, a top-five mark for any month in the past decade.

The October boom runs counter to the notions that “the market slows after Q3, that sales fall as mortgage rates rise, and that buyers press the ‘pause’ button before a presidential election,” Marketproof CEO Kael Goodman stated. (The election effect is [probably not real](#).)

But the Halloween-month flurry doesn't necessarily portend any larger cyclical changes, argued Jason Thomas, Brown Harris Stevens Development Marketing's head of research and analytics.

The month benefitted from the launch of two Naftali Group projects — [255 East 77th Street](#) and The Henry at [211 West 84th Street](#) — toward the end of September. Those projects, along with The Cortland at [555 West 22nd Street](#), accounted for 23 of the 61 luxury contracts signed.

Had those launches happened a month later, it would have been “the same story” in November, Thomas said. “It’s really just a function of supply.”

The October performance still fell far short of some nearly 500-contract months during the Covid rebound in 2021, but exceeded the three-year pre-Covid October average of 232, according to Marketproof CTO Ning Zhou.

More significant, according to Thomas, is that contract numbers in Manhattan and Brooklyn have returned to their historical averages despite mortgage rates that are 75 percent higher than they were pre-pandemic.

“Rates don’t really matter that much,” Thomas said of luxury condo demand. “There’s so much money in Manhattan and New York City that people don’t have to get mortgages.”

The [average 30-year mortgage rate](#) had fallen to about 3.3 percent when Covid began and spent a few months below 3 percent in the pandemic’s first year but has not been below 6 percent since September 2022.

Buyers signed contracts for 165 new-development units in Manhattan last month, more than double the 84 signed last October. The median sale price was \$2.7 million and the median price per square foot was \$2,212.

The number was powered by the 12 contracts signed at 255 East 77th Street, a collaboration between Naftali Group and Ramsa. Compass Development Marketing Group launched sales last month.

Brooklyn netted 99 contracts in October, compared with 48 last year. The median sale price was \$1.5 million and the median price per square foot was \$1,338.

Avdoo & Partners Development’s Bergen Brooklyn development led the borough with eight contracts for units asking \$1.27 million to \$3.2 million. The 105-unit development has reported 29 deals signed since launching sales six months ago.

Queens was the only borough in the report where contract signings slipped from last year, to 29 from 35. The median sale price was \$925,000 and the median price per square foot was \$1,434.

Maison LIC, a 42-unit development by ZD Jasper Realty, reported 12 contracts signed in October. Serhant New Development launched sales two months ago.

Queens added the most new units, 167, through three sales launches. Brooklyn added 136 through four launches and Manhattan added 22 across four.

<https://therealdeal.com/new-york/2024/11/06/naftali-group-developments-spur-new-development-boom-in-october/>