DEANNA KORY NEWSLETTER

MANHATTAN REAL ESTATE MARKET OVERVIEW

A Stronger but Uneven Market

As we review the Manhattan residential real estate market in 2026, the picture is one of continued improvement, but with a widening gap between the properties that attract strong demand and those that do not. Following the post-pandemic surge of 2021 and early 2022, and the subsequent slowdown driven by higher interest rates and economic uncertainty, the market has regained momentum. Activity is stronger than it was a year ago, although buyers remain highly discerning about what they will buy and what they are willing to pay.

Several factors continue to support the market. Significant stock market gains have increased wealth for many potential buyers. At the same time, substantial pent-up demand remains among both buyers and sellers who have been waiting for greater clarity before making a move. At the same time, persistently low inventory has helped create competition for the properties buyers perceive as offering the greatest value.

There are still meaningful uncertainties. Interest rates remain relatively elevated, affecting both buyers who need financing and homeowners reluctant to give up older, low-rate mortgages. Geopolitical conflicts, tariffs and trade disputes, inflation concerns, questions surrounding AI and employment, and changing housing and tax policies, including the ongoing implementation of the new pied-à-terre tax, continue to influence confidence and decision-making.

On the Market: 535 West End Avenue, Apartment 3A *Asking $6,900,000*

The result is a Manhattan market with solid underlying demand, but not every property benefits equally. Well-presented, appropriately priced homes can attract considerable attention, while properties that fall short of buyers' expectations can take much longer to sell. More than ever, condition, functionality, presentation, pricing, and perceived value are determining which properties succeed.

First Half of 2026: Stronger Demand, Limited Supply

The first half of 2026 delivered a stronger Manhattan market than last year, although the improvement has been uneven. Low inventory has remained the defining story. Active listings fell to roughly 6,000 in the first quarter, the lowest first-quarter level in five years, and by the second quarter, inventory was 2% below the prior year and at its lowest Q2 level in eight years.

At the same time, buyer demand strengthened. Signed contracts increased 5% year-over-year in Q2 to 3,477, the highest level in five years, while average days on market fell to approximately 115 days. Although closed sales declined 7%, closings reflect decisions made months earlier; current contract activity provides a better indication of where the market is heading.

The market is also increasingly segmented. Luxury remained particularly strong, with contracts over $3M rising 17%, while buyers at lower price points remain more constrained by financing costs. That said, properties in the mid-to-low range that are in excellent or mint condition are moving fast.

Most importantly, buyers are highly selective about perceived value. They want quality, good locations, and homes requiring less work. Renovation fatigue is very real. Properties that are move-in ready, well maintained, provide functional or flexible layouts, and are appropriately priced attract the most attention.

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On the Market

320 Central Park West, Apartment 4A
$4,650,000

Sun-filled and Elegant Classic 7 with Central Park Views

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Ongoing Trends Sellers Should Consider

Several consistent trends have emerged over the past few years and continue to shape property performance. Market data support some, while others reflect what we see firsthand. Sellers should discuss these factors with their brokers when considering pricing, presentation, and timing.

Getting to Contract Takes Longer

Even when buyers are ready to move forward, the process of reaching a fully executed contract has become more complex. Managing agents are often inundated with information requests, and attorneys are conducting more extensive due diligence, which can extend the process by two to four weeks—or longer. As a result, real-time market data can be misleading because deals may be agreed upon well before they appear in reported contract activity.

Interest Rates Still Matter

Rates have not declined as much as many had hoped, and the possibility of higher rates continues to affect buyer behavior, even at higher price points.

Condition Affects Value More than Ever

Buyers are increasingly selective about renovations. A well-maintained, timeless renovation remains highly desirable, but even a high-end renovation more than 10 years old may prompt today's buyers to consider redoing it. Properties requiring significant work need to offer compelling value to offset the cost, time, and uncertainty of renovating.

Air Conditioning Has Become an Expectation

Central air is increasingly viewed as a must-have, particularly as summers become hotter. Through-wall systems are the next-best option, while window units can negatively affect appeal. Older air-conditioning systems may also require costly upgrades or replacement, particularly those that rely on R-22 (commonly known as Freon), which is no longer produced or imported in the United States.

Low Inventory Does Not Mean Every Property Will Sell

More buyers are looking than there are properties available, but buyers are discerning. They are willing to wait for what they perceive as good value rather than compromise on quality or price.

Ultra-Luxury Remains Its Own Category

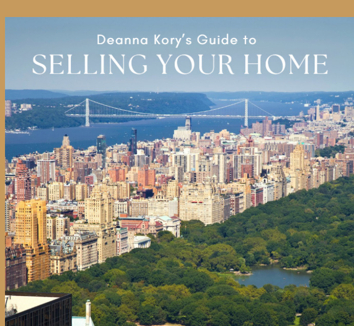
There continues to be significant wealth and demand at the $10M+ level, where buyers are generally less affected by financing costs and economic fluctuations. New development remains particularly attractive, while properties in older buildings are increasingly being evaluated against newer, more turnkey alternatives offering modern amenities, systems, and finishes.

The Fall Market and Opportunities for Buyers and Sellers

The fall market is always relatively short. It typically takes several weeks after Labor Day for New Yorkers to settle back into their routines, get children back to school, and turn their attention to real estate. This year, the holidays, combined with the attention surrounding the midterm elections, may further compress an already short selling season before the market begins to slow toward year-end.

Exactly how strong the fall will be remains to be seen. If inventory increases while buyer demand remains at current levels, the market could be very active. We are already seeing significant attention, and sometimes bidding wars, for well-presented, accurately priced properties, particularly move-in-ready homes, special properties, and apartments with desirable or flexible layouts.

Potential headwinds include the November midterm elections, the ongoing implementation of the new pied-à-terre tax, and persistently low inventory. On the positive side, the stock market remains strong and rental prices have continued to rise, both of which



Deanna Kory's Guide to

SELLING YOUR HOME

Selling in Manhattan doesn't have to be overwhelming. Our new Seller's Guide by Deanna Kory breaks down the entire process—from pricing and preparation to marketing, negotiations, and closing—so you can sell with confidence and clarity.

If you would like a digital copy of the Seller's Guide, please contact us at info@deannakory.com

support the broader sales market.

For sellers, preparation and realistic pricing will be critical. Those hoping to transact before year-end have a limited window, making it especially important to come to market well prepared and at a price that will generate interest. Sellers who are willing to respond quickly to market feedback may have a distinct advantage.

For buyers, selectivity remains important, but so does looking beyond the obvious. Properties that have been on the market for some time are worth reconsidering. There can be many reasons a property hasn't sold: an unrealistic initial price, poor presentation, timing, a board turndown, or simply a mismatch with the buyers who initially saw it. Time on market does not necessarily mean there is something wrong with a property; in some cases, it can create an opportunity for a buyer who recognizes its potential and negotiates accordingly. As year-end approaches, some sellers may also become more willing to negotiate rather than carry a property into a new year.

Ultimately, the quality of the fall market will come down to the fundamentals that continue to define Manhattan real estate: quality, value, preparation, pricing, and timing. For buyers and sellers alike, having a thoughtful strategy—and being ready to act when the right opportunity presents itself—will be more important than trying to predict exactly what the market will do next.

We are always happy to provide you with our perspective on the market and to discuss how current conditions may affect your own real estate plans.

Please contact me directly at dek@corcoran.com or (212) 937-7011.

NEW FROM THE DEANNA KORY TEAM

Smarter Resources. Better Results.

Introducing two new tools for sellers, available now.

NEW GUIDE

The Art of Strategic Staging

A new brochure drawing on nearly 40 years of experience selling NYC real estate, Deanna Kory's new guide, The Art of Strategic Staging, reveals how thoughtful presentation can dramatically impact buyer interest, time on market, and ultimately, sale price.

Download for free at https://deannakory.com/the-art-of-strategic-staging

NEW TOOL

DEKai

The Intelligence Behind Our Marketing

DEKai (Deanna E. Kory) is our new custom AI marketing agent, built around our clients and 40 years of Manhattan real estate experience. Working alongside our team, DEKai helps identify the right buyers, expand digital and broker outreach, analyze what's working, and uncover new opportunities to get your property seen. It doesn't replace our experience or relationships—it amplifies them with greater intelligence, reach, and insight.

Ask us how DEKai helps market your home.

On the Market

25 East End Avenue, Apartment 13G
4 Bedrooms, 4 Baths

Sun-filled, High Floor Corner 9-Room Home with Open City & River Views

173 Riverside Drive, Apartment 9N
$1,895,000

Sun-filled, High Floor, Grand 3-Bedroom Home with Open City Views

200 East 89th Street, Apartment 30D
$1,995,000

Prime Upper East Sun-Drenched Corner Home in Full-Service Building

Experience. The Deanna Kory Team Advantage.

When you choose the Deanna Kory Team, you are working with a highly skilled, powerhouse team with decades of experience, an expansive network, and the resources to expertly navigate every aspect of buying and selling real estate in New York City.

Consistently ranked among the city's top teams, we are equally proud of the reputation we have earned among our clients, customers, and colleagues as one of the most respected teams in the industry. Led by Deanna Kory, whose 40 years of experience and exceptional track record command respect throughout the real estate community, our team brings together deep market knowledge, intelligent deal-making, relentless work ethic, and an extraordinary level of resourcefulness. Our spirit of collaboration and genuine cohesiveness allows us to work as one, maximizing our collective skills and expertise. For buyers and sellers, that means greater reach, greater capacity, and a significant advantage in an ever-changing marketplace.

Contact Deanna for a confidential, no obligation opinion on the current value or to discuss the best strategy to sell your home.

Call 212.937.7011 or email DEK@corcoran.com

The Deanna Kory Team Recent Sales Sampling

Address	Price	Address	Price	Address	Price
69 West 83rd Street, TH	$8,500,000	390 West Avenue, 6H	$4,750,000	226 West 71st Street, TH	$11,500,000
340 West 57th Street, 19AB	$4,000,000	30 West 86th Street, 2B	$2,600,000	419 East 50th Street, TH	$4,000,000
555 Park Avenue, 9E	$3,795,000	65 Central Park West, 11D	$3,388,000	125 West 87th Street, TH*	$9,995,000
900 Park Avenue, 20A	$3,625,000	230 Central Park West, 6AB	$4,125,000	61 N. Moore Street, 5E*	$5,700,000
390 West End Avenue, 7E	$4,995,000	250 West 96th Street, 19B*	$3,135,000	173 Riverside Drive, 13N	$3,150,000
930 Fifth Avenue, 6C	$3,400,000	250 West 81st Street, 7B	$3,695,000	83 Thompson, 5W*	$4,950,000
173 Riverside Drive, 6D	$5,400,000	375 West End Avenue, 8AB	$3,250,000	3 East 69th Street, 6/7A	$4,900,000
300 Central Park West, 9A	$3,100,000	1001 Fifth Avenue, 9C*	$2,630,000	115 Central Park West, 18JK*	$7,100,000

*represented buyer

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