



View of Manhattan, including the Empire State Building in New York on Jan. 15, 2020. (Angela Weiss/AFP via Getty Images)

NY NEWS

Manhattan Real Estate Market Picks Up as Discounts Lure Buyers

BY PETR SVAB April 1, 2021 Updated: April 1, 2021

  Print

The opportunity to own a piece of Manhattan at a discount is vanishing as thousands of Americans jump in to buy [real estate](#), boosting the struggling [New York City](#) market.

More than 2,000 properties were sold in the first quarter of 2021, up 6.6 percent from the year-earlier period, according to a report by the New York City brokerage Serhant. Sales could be expected to rebound further as nearly 4,000 contracts were signed in the quarter, the most since at least 2010, when Serhant started tracking the numbers.

“While sales slowed at the end of March 2020, the fact that Q1 sales surpassed the pre-pandemic market last year is nothing short of phenomenal, considering the unique impact the coronavirus had on Manhattan,” said Ryan Serhant, the firm’s chief executive, in a statement.

Part of the boom comes from “pent-up demand” from customers who wanted to buy, but put the plan off due to the pandemic. Another part comes from people taking advantage of discounts that pushed prices down 10 to 20 percent last year, Garrett Derderian, the director of market intelligence at Serhant, told The Epoch Times.

Prices now “appear to be leveling,” the report stated, although still down to an average price per square foot at \$1,290, 7.7 percent below the year-earlier period.

“If buyers were waiting for the market to hit bottom, and have not yet purchased, they missed it,” Derderian said in the release.

“While prices are still not near their most recent highs, discounts, while still prevalent across most price points, are shrinking.”

For new developments, the average price per square foot was \$1,936, down just 1.7 percent from last year, although still selling about 10 percent below the asking price.

Compared to almost anywhere else in the nation, Manhattan prices remain steep. About 90 percent of the properties sold for more than \$500,000.

But it’s, in fact, the smaller homes that linger on the market, Derderian said.

Before, many buyers were interested in studios and new development condos. Now, people are looking for more space.

“We’ve started to see more buyers are looking to purchase townhomes,” he said. “Obviously, they’re more socially distanced spaces. You don’t have to share common areas or elevators. You often have your own backyards, you have your own private outdoor space. And these are all things that we see that are important to buyers today.”

The New York City real estate market was sapped by the CCP (Chinese Communist Party) virus pandemic over the past year, compounded by other issues, such as high taxes and a surge in violent crime. Hundreds of thousands of residents left the city, many with no plan to return in the foreseeable future. In new developments, discounts of up to 40 percent were reported. Midtown Manhattan was particularly affected as the office jobs in the area went massively remote. So far, those workers haven’t returned in greater numbers.

“Midtown was the first market to be severely impacted and will likely be the last to recover,” Derderian said in the statement.

“One of the main appeals of living in Midtown is its proximity to offices. Until workers return to their desks at higher levels, expect the market to remain comparatively slow. Still, if you are looking to negotiate the best deal, that’s the place to go.”

The rental market was also severely affected and continues to limp, with landlords offering three to four months rent-free to lure tenants, according to Derderian.

Buyer interest started to rally late last year, coinciding with the announcement of the viable CCP virus vaccine.

“We began to see an uptick of contract activity last fall, and that is now translating to an increase in closed sales,” said Serhant, star of the “Million Dollar Listing New York” reality TV show.

The city is still partially on lockdown. Private indoor gatherings are limited to 10 people, while public venues can put a maximum of 100 people indoors, 150 if everybody has been tested for COVID-19. Restaurants have only recently been allowed to expand indoor dining, though it’s still limited to 50 percent capacity. Mask wearing or six-foot distancing from other people is mandatory throughout the city.

Derderian predicted a further boost to the market if the city continues to open.

“As the city reopens at greater levels, including indoor dining, Broadway, and nightlife, a sense of normalcy will return. In addition, as global markets reopen for travel, there will likely be an influx of foreign buyers who have been somewhat locked out of the current surge who will look to purchase in the city,” he said in the release.

“It is important to remember most of the recovery we have seen to date has been from local residents within the tri-state and more broadly, domestic buyers. Once global travel returns, there could be another wave of activity, which will only propel the recovery.”

Follow Petr on Twitter: [@petrsvab](#)