



## LIKE A PHOENIX, NEW YORK WILL RISE *IN NEW YORK, OPPORTUNITIES ARE NEVER OUT OF REACH.*

2020 was an unprecedented year with many highs and lows in the real estate market. We saw highly discounted purchase prices and less than satisfying selling prices.

### New Developments

Investors in the New Development Market came in with offers, earlier, faster and lower than previously seen. This quick to move mindset was in part, spurred by the fact that New York was in the midst of the best buyer's market since 2009. The number of New sales in November jumped due to greater concessions and price flexibility. The price per sq.ft. decreased by almost 24% year over year. Developers met these inquiries with deep discounts and attractive terms for stunning, luxury properties. These investor buyers believed in the future of New York City and saw opportunity knowing that New York never fails to bounce back.

### Buying up

Those who were willing to adjust to market conditions, made big moves in 2020. By making adjustments to pricing they were able to upgrade for a fraction of the price and they got a combination of bigger apartments, better locations, and higher quality buildings. October through December of 2020 saw the biggest influx of these up-buyers. After weighing their options and researching the inventory, these buyers sold their studio, 1 or 2 bedroom properties and bought up, taking advantage of the mid-market (\$2m-\$4m). These up-buyers jumped at the opportunity and secured unbelievable deals, acquiring dream properties.

### Renters turned owners.

2020 had its share of problems, but one unexpected and welcome turn of events was that many long-term renters jumped at the opportunity to buy their first home. Sellers may have taken a hit on the lower prices and higher vacancy brought on by the pandemic, but the market was a sweet spot for new buyers who were previously waiting on the sidelines. A combination of low interest rates, higher inventory and lower prices lured them in.

### Location is key

As mentioned above, many people have bought up, or went from renting to owning. This was due, in part, to the emphasis on location, safety, attractive prices, low interest and the pride of owning a piece of NYC. Home buyers were choosing properties in locations farther away as well. Since many companies went completely remote, employees had the freedom to live outside the city limits. While some moved out, others chose to stay local, opting to upgrade their current lifestyles. 2020 will be remembered in the real estate world, as the year of the 1st time buyer having seen multitudes of entry level deals from October, through December.

The real Estate Market in the luxury sector boomed, outperforming 2019 sales volume. This should come as no surprise, given the vacancies, attractive discounts, and concessions being offered in the luxury market (over \$4m). This remains the segment of the market with the largest listing discounts.

Real Estate has been, and will continue to be one of the main drivers of Economic recovery here in New York City. Consumer confidence is the most important factor to recovery, because without that, the industry would crumble. With increased sales activity, the arrival of a vaccine, the election year now behind us and a new sense of optimism among consumers, we are hoping the worst of the pandemic is behind us and that the market will rise sooner, than later.



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