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GRAMERCY PARK
INSIDER

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An Opportune Market Moment



There has never been a market in my 19 years of selling real estate in Manhattan that offers such a great opportunity for buyers as the present. In fact, the last time I can remember sellers and buyers experiencing such uncertainty was immediately after the unfortunate event of September 11, 2001. Then, like now, sellers and buyers were – for very good reason – in shock. The few who could see beyond the events of that unfortunate day, though, realized the sudden downturn had created great opportunity; they seized what they could of the moment and made huge gains on their investments in the wake of the event just a few years later.

Buyers of a similar mindset exist today, too, and so we see sensibly priced apartments in good condition and in desirable neighborhoods selling quickly. The extended quarantine has also had the effect of increasing the value of private outdoor space to consumers, with apartments with sizeable outdoor areas trading within mere days of coming to market. An apartment with these traits, combined with a proper pricing analysis, compels the savvy buyer even in a market such as this.

On the other hand, one of the main concerns of sellers currently is that their unit will be lost in the overabundant level of inventory we see currently on the market. What they don't realize, though, is that the inventory of 9,000+ units – the highest ever in recent memory – is a direct result

of aspirational pricing, mostly driven by brokers indulging unrealistic values in the minds of their sellers merely so they can have their name on a listing. This tactic, though, comes to both parties' chagrin when the property does not attract any viewings or offers. This inevitably forces them to drop the price of the unit; so begins the game of cat and mouse, with prospective buyers waiting and watching, gauging the pain threshold of the seller before making an offer. All the while, days on the market increase and therefore, the value of the property decreases. This market is ideal for sellers willing to properly price their current unit and then take advantage of the buyers' market by upgrading to a new unit.

Finally, election years always bring a certain level of uncertainty to the market. Will there be a changing of the guard, so-to-speak, in the White House? If so, buyers and sellers wonder, how will policy affecting real estate taxes and the economy be marked in the 4-years to follow? We hope that post-election, the perceived stability that comes with knowing who will hold the presidency will affect positive market change. Sellers, then, might decide to stay in Manhattan and take their apartments off the market or price more realistically. Buyers, sensing inventory tightening, will step off the sidelines and start making offers, thereby creating a healthier absorption rate. We know, too, that with the hardworking frontline New Yorkers on our side, the threat of COVID-19 will also falter in time.

Manhattan epitomizes the idea of a societal "melting pot" – it attracts people of diverse cultures from all corners of the world who come looking for opportunities in this great city. It is a vibrant, ever-evolving space that offers perpetual opportunity to those who reside here. While for the moment living in NYC certainly presents some challenges, remember that as long-time New Yorkers, we've been similarly afflicted before. From experience, we know that Manhattan, its people and its real estate will bounce back and when we do, we will be stronger for it.



Market Beat

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Downtown

Manhattan ended the Third Quarter 2020 on a positive note. Signed contracts were up 167% versus Second Quarter 2020 when the market was on “pause” due to the Covid-19 stay-at-home restrictions. Furthermore, September saw sales turn an important corner: monthly signed contracts were up versus 2019 for the first time since February. While pent-up demand from the lost spring market is certainly a factor in this uptick in sales, it does appear that demand is rebounding in Manhattan.

Sales	Market Share of Sales	Inventory	Days on Market	Median Price	Average PPSF
447	28%	2,881	151	\$1.3M	\$1,885
-55% YEAR OVER YEAR	-5% YEAR OVER YEAR	+33% YEAR OVER YEAR	+43% YEAR OVER YEAR	-8% YEAR OVER YEAR	-2% YEAR OVER YEAR

Gramercy Park Insider is a quarterly newsletter and blog created by passionate real estate professional Rajan Khanna. Both the print and digital mediums focus on informing current and incoming Gramercy residents of market conditions, neighborhood happenings, up-and-coming establishments and more. As a longtime resident and lover of the neighborhood who has realized the intricacies of buying and selling in the area through both personal and professional experience, Rajan has a unique and intimate knowledge of the area's past, present, and its future. He enjoys the esteemed status of "Building Specialist" in several of the buildings around the park and has executed on hundreds of transactions over his 19+ years working in the market there. He added Allison Fraza to his team in 2020; she is excitedly contributing her several years of industry experience to create seamless, client-oriented transactions for the GPI Team. Connect with Raj on his website, GramercyParkInsider.com, for exclusive market and neighborhood updates; it is he and his team's goal to be your consultant on and reference for all things Gramercy.



The Gramercy Park Insider

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