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Manhattan Real Estate Market Hits Historic Lows Amidst Coronavirus Pandemic

Signed real estate contracts are at an historic low as Manhattan shuts down amidst the coronavirus pandemic.

In a sign of things to come, the Manhattan real estate market hit historic lows last week, with the number of signed contracts falling to the lowest number since the week of Superstorm Sandy in 2012.

Ninety contracts were signed last week, versus 81 that were signed between Oct. 29 and Nov. 4 in 2012, according to Garrett Derderian, the managing director of market analysis for real estate firm CORE.

That's down from a high of 334 signed contracts between Feb. 3 and 9 of this year, which was greater than any number signed during a week in any February in the last decade, according to Derderian, who is in the process of putting together the first quarter report for Manhattan.

Derderian noted that the Manhattan housing market had been starting to rebound after declining for the past two years, seeing lows in the third quarter of 2019 after the new mansion and transfer taxes took effect.

"Since then, sellers adjusted their expectations and the market began to normalize at the end of 2019," Derderian said.

In February, it appeared the market was rebounding, with 1,231 total contracts signed this past February, with an average contract price of $1.92 million, which was higher than any February from 2010 to 2019. The next greatest February was in 2017, when 1,218 contracts were signed, at an average price of $2.132 million.

"While the low number of contracts is troubling for the real estate market, it does seem to indicate everyone is following state and federal ‘stay-at-home’ mandates," Derderian said.

Some New York City agents reported being busy at the beginning of March, with clients taking advantage of low interest rates, however the market seems to be on pause with the rest of New York State, which has emerged as the U.S. epicenter of the coronavirus.

Real estate market data firm UrbanDigs also reported this week that listings are being yanked from the market, with a startling 279% increase in the number of listings removed. New listings declined by 79% during the week of March 16, from 459 in 2019 to just 98.

"The next few weeks will likely see a continued reduction in activity as agents, buyers, and sellers deal with the 'no showings' order," said Noah Rosenblatt, the founder and chief executive officer of UrbanDigs. "While some activity will shift to the virtual world, we expect to see numbers for 'off-market' continue to rise as listings are removed from inventory."