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Presidential Election To Rock 2020 NYC Realty Market, Experts Say

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NEW YORK CITY — Hundreds of new buildings with thousands of units are slated to open up in 2020 during what promises to be a tumultuous year for New York City's real estate market, experts say.

The glut of high-priced luxury homes hitting the market during a presidential election means anything is possible in 2020, experts said.

"The upcoming presidential election puts a cloud of uncertainty over the market," said CORE market analyst Garrett Derderian.

"The Presidential election results will influence market stability in New York as it will across the country," added Frederick Warburg Peters, CEO of Warburg Realty. "Though not necessarily in the same ways."

More than 25,000 new homes in about 700 new residential buildings will open in 2020, according to New York realty analysis site Localize.city.

Ninety-five of the city's new buildings will be more than nine stories high, 57 will have more than 100 units, and 15 will be skyscrapers, according to Localize.city.

The tallest new building expected to open in 2020 is the controversial 85-story tower Sutton 58 at 3 Sutton Place which locals fought to prevent going up for years.

"It has all the hallmarks of a classic NYC real estate drama," said Localize.city's Andrew Kalish. "Regardless of past controversy or a glut of inventory, buyers might look favorably on new development in the tony enclave."

Long Island City will see the most new units of any New York City neighborhood with 2,015 new homes, 1,115 of which will be in the, again, controversial, 5Pointz development at 22-44 Jackson Ave., according to Localize.city.

"The area's insatiable demand for new rental units will ensure that even the controversy surrounding the demolition of the famed graffiti Mecca won't affect leasing activity," Kalish said.

Brooklyn will get the most new housing with 393 buildings and 10,663 units, and is also home to the neighborhood with most new buildings: Bed Stuy, with 59, according to Localize.city.

Queens is getting 146 buildings and 6,290 units, Manhattan 95 buildings and 5,426 units, The Bronx 64 and 2,622, and just three buildings with 133 units for Staten Island, the Localize.city analysts said.

Derderian, whose company CORE released its 2019 Q4 market analysis last week, said Manhattan's market suffered from prices inflated beyond demand and affordability, noting 57 percent of new Manhattan developments were priced at more than \$3 million while only 35 percent of sales were above the same amount.

"The Manhattan residential market ended the decade much in the same way it began," said Derderian. "Not with a bang, but a whimper."

"There is a disconnect between what buyers are seeking and what developers are offering," he added.

Both Derderian and Peters concluded the presidential election is likely to slow the market the second half of the year, though Peter encouraged potential buyers to take the plunge.

"We live in interesting times," said Peters. "But even in interesting times we have to live somewhere."