

April 13, 2020

## **Manhattan luxury contracts down 90% from last year**

*Over course of 3 weeks, pandemic obliterated already soft market*



*108 Leonard Street (Credit: Google Maps, 108 Leonard)*

For the third week in a row, just two luxury contracts were signed in Manhattan last week.

The total across all three weeks was a 90 percent drop on contracts signed compared to the same period last year, fresh evidence of the pandemic's effect on an already soft luxury market.

For the two most recent deals — one in Tribeca and the other in the East Village — the common themes were long negotiation periods, price adjustments and a “lot of resilience” from brokers, said Olshan Realty CEO Donna Olshan, who tracks luxury contracts in a weekly report.

She said the tapering totals, while a bad sign for the market, offered brokers some hope that they can still get deals done during the pandemic. But, Olshan said, “they’re gonna have to hang in there.”

Last year, between March 23 and April 12, there were 65 luxury contracts signed in Manhattan for a total sales volume of \$536.5 million. In the same period in 2014, there were 107 luxury contracts signed. Olshan she had taken to interviewing brokers about the deals because activity was so low.

“I’m no longer reporting on a market; I’m only reporting on one-offs,” she said. “Until brokers can go back to showing, and there’s a market revival, this is what I have to do.”

The luxury market has been softening for some time: The number of contracts has been steadily going down each year since 2014. But right before the pandemic hit, there were some signs that buyers were coming back to the market. The latest figures, however, confirm that momentum has been broken.

The highest-priced contract last week was for a penthouse at Elad's 108 Leonard Street, which went into contract asking \$11.5 million.

Douglas Elliman broker Bruce Ehrmann, who represented the buyer, told Olshan the deal was one of the most arduous he'd ever done. The buyers — a couple who live in the suburbs — had previously toured the building, and sent their architect, Lee Skolnick, to look at units there without them. Skolnick saw potential in unit 15C, and drew up a floor plan that helped sell the couple on the space, according to Ehrmann.

From there, negotiations took several weeks, and the developer agreed to a concession before the contract was finally signed on April 7.

The second priciest contract last week was for a 24.5-foot-wide townhouse at 243 East 7th Street, which had a final asking price of \$4.995 million — down from \$6.75 million when it was listed in February 2018.

Patrick Lilly of Core, who represented both the buyer and the seller, said that initially a developer had entered into a contract for the property last year, but that fell through when they defaulted. Later, a second developer struck a deal for the property, and managed to negotiate a lower price. Lilly declined to disclose the figure.