

Monthly Investment and Residential Sales Report: Snapshot of March and April 2020

During the Coronavirus (COVID-19) Crisis

The Real Estate Board of New York (REBNY) is reporting a dramatic decrease in transaction activity for both investment sales and residential sales for March and April 2020. Since Governor Cuomo’s March 7 announcement of a state of emergency in New York due to the Coronavirus (COVID-19) crisis, REBNY has tracked transaction activity on a monthly basis. As tax revenue generated by real estate transactions are critical to our City and State, REBNY is tracking all revenue generated by each asset class and transaction. From March 2020 to April 2020, the statistics are alarming and demonstrate that the industry as a whole is suffering.

In total, investment and residential sales volume are down 60% from April 2019 to April 2020, and down 65% from March 2020 to April 2020. The total tax revenue generated from these sales to the City and to the State are down 48% from April 2019 to April 2020, and down 64% from March 2020 to April 2020.

Last year, real estate related taxes made up 53% of NYC tax revenue, generating a total of \$31.9 billion in taxes. Real estate related taxes are more than double the next closest contributor: Personal Income Tax at 21%. Tax revenue funds essential services such as salaries for first responders, building service workers, MTA employees, the maintenance of public parks and vital repairs and maintenance of the public transportation system. The health of the real estate industry is critical to the health of both our City and our State.

Citywide	April 2019	March 2020	April 2020	%Δ April 2019 – April 2020	%Δ March 2020 – April 2020
Total Sales Volume	\$5,945,147,090	\$6,947,698,531	\$2,407,252,591	-60%	-65%
Total City Transaction Tax Revenue	\$94,784,384	\$144,194,986	\$40,445,954	-57%	-72%
Total State Transaction Tax Revenue (includes State Mansion Tax)	\$55,234,662	\$73,314,616	\$38,070,586	-31%	-48%
Total Tax Revenue*	\$150,019,045	\$217,509,602	\$78,516,541	-48%	-64%

*These values do not include City and State collected mortgage recording tax, which totaled \$1.7 billion in calendar year 2018 according to a NYC Department of Finance March 2020 report.

The Real Estate Board of New York’s (REBNY) Monthly Investment and Residential Sales Report is a compilation of transaction activity for both investment sales and residential sales in New York City and New York State. REBNY is tracking all revenue generated by each asset class and transaction on a monthly basis to monitor changes as a result of the Coronavirus (COVID-19) crisis. The report is an analysis of official data from the NYC Department of Finance’s Automated City Register Information System (ACRIS). The report captures total sales volume, number of transactions, and tax revenue. All REBNY research reports can be found at go.rebny.com/Reports.

Sources: All data on transactions is provided by the NYC Department of Finance’s Automated City Register Information System (ACRIS). The mortgage reporting tax revenue data is provided by a NYC Department of Finance March 2020 report on Calendar Year 2018. Tax revenue reported on includes NYC and NYS transfer tax as well as NYS mansion tax.

INVESTMENT SALES

Key Takeaways

- Total investment sales consideration declined 71% from April 2019 to April 2020 and declined 85% from March 2020 to April 2020.
- Total transactions declined 61% from April 2019 to April 2020 and declined 59% from March 2020 to April 2020.
- Total NYS and NYC transfer taxes declined 71% each from April 2019 to April 2020 and declined 85% each from March 2020 to April 2020.
- In March 2020, the State collected \$25 million in transfer taxes, compared to \$3.7 million in April 2020.
- In March 2020, the City collected \$127 million in transfer taxes, compared to \$18.8 million in April 2020.
- March 2020 had two recorded closings that significantly increased the consideration for the month – 424 5th Avenue for \$978 million and 330 Madison Avenue for \$900 million. With those two sales removed, consideration still decreased 71%.

Investment Sales

Citywide	April 2019	March 2020	April 2020	%Δ April 2019 – April 2020	%Δ March 2020 – April 2020
Total Sales Volume	\$1,994,489,728	\$3,895,859,813	\$580,086,523	-71%	-85%
Number of Transactions	293	282	115	-61%	-59%
City Tax Revenue	\$52,355,355	\$102,008,991	\$15,117,467	-71%	-85%
State Tax Revenue	\$12,964,183	\$25,259,369	\$3,743,373	-71%	-85%
Total Tax Revenue	\$65,319,539	\$127,268,360	\$18,860,840	-71%	-85%

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RESIDENTIAL SALES

Key Takeaways

- Total residential sales volume declined 54% from April 2019 to April 2020 and declined 40% from March 2020 to April 2020.
- Total residential transactions declined 57% from April 2019 to April 2020 and declined 46% from March 2020 to April 2020.
- Residential sales transaction tax revenue declined 30% from April 2019 to April 2020 and declined 34% from March 2020 to April 2020.
- Total NYS transaction tax revenue declined 19% from April 2019 to April 2020 and declined 29% from March 2020 to April 2020.
- Total NYC transaction tax revenue declined 40% from April 2019 to April 2020 and declined 40% from March 2020 to April 2020.
- Condominium sales volume decreased 48% from April 2019 to April 2020, from \$1.59 billion to \$832 million. Condominium sales volume decreased 22% from March 2020 to April 2020, down from \$1.01 billion in March 2020.
- Condominium transaction activity decreased 58% from April 2019 to April 2020, from 931 transactions to 395 transactions. Condominium transactions decreased 38% from March 2020 to April 2020, down from 638 transactions in March 2020.

Residential Sales

Citywide	April 2019	March 2020	April 2020	%Δ April 2019 – April 2020	%Δ March 2020 – April 2020
Total Sales Volume	\$3,950,657,362	\$3,051,838,719	\$1,827,166,069	-54%	-40%
Number of Transactions	3,849	3,073	1,662	-57%	-46%
City Transaction Tax Revenue	\$42,429,028	\$42,185,995	\$25,328,487	-40%	-40%
State Transaction Tax Revenue (includes State Mansion Tax)	\$42,270,478	\$48,055,247	\$34,327,213	-19%	-29%
Total Tax Revenue	\$84,699,507	\$90,241,242	\$59,655,700	-30%	-34%

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