

# Home Sales and Inventory Fall as Coronavirus Disrupts NYC Home-Shopping Season

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## Key findings:

- Prior to COVID-19, Manhattan sales prices had fallen to a six-year low, and rents had reached new highs in all boroughs analyzed.
- Coronavirus precautions prompted buyer activity to slow dramatically, with 58% fewer pending sales in the last two weeks of March compared to the first two weeks.
- New inventory fell 73% in the second half of March compared to the first half of the month. New rental listings fell 52% in the same period.
- The amount of walkthrough videos on StreetEasy more than quadrupled in March from February as the real estate market adjusted to social distancing restrictions.

Before the coronavirus pandemic hit New York City, sales prices were falling and rents were heating up rapidly, according to the StreetEasy Market Reports<sup>i</sup>. As the first quarter of 2020 approached its end, the NYC sales market appeared poised for another competitive home-shopping season, with more sellers adding homes to the market, and buyers ready to use their negotiating power amid falling prices.

In the two weeks before the quarter ended, the pandemic's impact on daily life intensified, and, as social distancing became the norm, uncertainty shifted the real estate market's outlook. Citywide, there was a significant drop in new sales inventory, with 73% fewer new sales listings added to StreetEasy between March 15 and March 29 than in the two weeks prior. Buyer activity dropped off, too: 58% fewer homes went into contract<sup>ii</sup> in the last two full weeks of March compared to the first two weeks.

The rentals market felt similar effects. New rental listings fell 52% in the second half of March compared to the first half. While asking rents changed minimally, 20% fewer landlords offered a rent cut on their unit at the end of the month than the beginning. Rather than offer discounts, many landlords have chosen to [keep their units off the market](#) until the pandemic slows.

Buyers, sellers, renters and agents also changed their behaviors to adapt to the stay-at-home order and public health protocols. The addition of walkthrough videos to listings on StreetEasy increased 330% in March over February.

Since March 15, daily walkthrough video views jumped eightfold on rental listings and threefold on sales listings. StreetEasy also launched 3D Home® tours to help NYC home shoppers continue their search through an integration with the Zillow 3D Home app.

"Economic uncertainty is causing understandable hesitation from buyers, sellers, and renters," says StreetEasy Economist [Nancy Wu](#). "In the best-case scenario, home-shopping season has simply been postponed for a few months. With so many variables – including how COVID-19 may spread, and other policy and economic reactions to the virus – it's too soon to try and predict what will happen. But if

coronavirus does in fact trigger a global recession, we could see prices and buyer activity levels mimic what happened during the 2008 financial crisis."

"Nevertheless, activity continues for those who need to move for life events, or renters who must sign a new lease. New Yorkers are nimble, and our adaptation to the times and quick adoption of new technology is like nothing this city has seen before."

See below for additional sales and rental market trends across Manhattan, Brooklyn and Queens.

### **Q1 2020 Key Findings — Manhattan**

During the first quarter, the StreetEasy Manhattan Price Index<sup>iii</sup> dropped 3.2%, to a six-year low of \$1,073,104. Prices have not changed since the stay-at-home order took effect, but that could [change in the coming months](#). The StreetEasy Manhattan Rent Index<sup>iv</sup> also reached a record high of \$3,324 – up 3.4% annually.

### **Q1 2020 Key Findings — Brooklyn**

Before the coronavirus pandemic, rents in Brooklyn were growing at the fastest rate in the city — 5.2% year over year, reaching a record high of \$2,755. To adjust for the high rents, more concessions were also offered by landlords. The share of units that advertised a concession in Brooklyn rose 4.8 percentage points to 14.5% in Brooklyn. The StreetEasy Brooklyn Price Index remained unchanged from last year at \$704,783.

### **Q1 2020 Key Findings — Queens**

Prices in Queens remained flat for the third quarter in a row, at \$512,533. Prior to 2020, prices in the borough had been increasing rapidly for seven years since their upturn after the Great Recession. Homes in Queens spent a median of 85 days on the sales market — an uptick of 9 days compared to last year, and the longest period in seven years. Sales in the borough could slow even more due to the coronavirus pandemic. Rents in Queens rose 3.5% annually to \$2,215 – a new high for the borough.

The complete StreetEasy Market Reports for Manhattan, Brooklyn, and Queens, with additional neighborhood data and graphics, can be viewed [here](#). Definitions of StreetEasy's metrics and monthly data from each report can be explored and downloaded via the [StreetEasy Data Dashboard](#).

### **About StreetEasy**

StreetEasy is reimagining the way people buy, sell, and rent homes in New York City and New Jersey. Used more than any other local real estate platform, StreetEasy's website and mobile apps provide vetted and verified listings, plus intuitive search tools and data-driven guides to help people unlock the opportunity of living here. Consumers and real estate professionals can stay up-to-date on the latest real estate trends through [StreetEasy's Market Reports](#) and explore and download market data for free on the [StreetEasy Data Dashboard](#). Launched in 2006 and based in NoMad, Manhattan, StreetEasy is owned and operated by Zillow Group (NASDAQ: Z and ZG) and is a registered trademark of Zillow, Inc.

<sup>i</sup> The StreetEasy Market Reports are a monthly overview of the Manhattan, Brooklyn and Queens sales and rental markets. Every three months, a quarterly analysis is published. The report data is aggregated from public recorded sales and listings data from real estate brokerages that provide comprehensive coverage of Manhattan, Brooklyn and Queens, with more than a decade of history for most metrics. The reports are compiled by the StreetEasy Research team. For more information, visit <https://streeteasy.com/blog/research/market-reports>. StreetEasy tracks data for all five boroughs within New

York City, but currently only produces reports for Manhattan, Brooklyn and Queens.

<sup>ii</sup> StreetEasy defines pending sales as homes that are marked as "in-contract" on StreetEasy. An offer has been made and accepted, and the closing is pending.

<sup>iii</sup> The StreetEasy Price Indices track changes in resale prices of condo, co-op, and townhouse units. Each index uses a repeat-sales method of comparing the sales prices of the same properties since January 1995 in Manhattan and January 2007 in Brooklyn and Queens. Given this methodology, each index accurately captures the change in home prices by controlling for the varying composition of homes sold in a given month. Levels of the StreetEasy Price Indices reflect average values of homes on the market. Data on the sale of homes is sourced from the New York City Department of Finance. [Full methodology here.](#)

<sup>iv</sup> The StreetEasy Rent Indices are monthly indices that track changes in rent for all housing types and are currently available from January 2007 in Manhattan, January 2010 in Brooklyn, and January 2012 in Queens. Each index uses a repeat-sales method similar that used to calculate the StreetEasy Price Indices. The repeat method evaluates rental price growth based on homes in a given geography that have listed for rent more than once. More details on methodology [here.](#)

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