

REAL ESTATE

Even New York real estate buyers seek outdoor oases

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Manhattan co-op with a terrace and view of Central Park. Image credit: Serhant

By SARAH RAMIREZ

The COVID-19 pandemic has accelerated demand for outdoor spaces, and the luxury real estate market in New York is not immune to this skyrocketing trend.

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According to a new report from real estate brokerage Serhant, almost a quarter of New York homes under contract have a private outdoor space. The demand for apartments with outdoor space is greatly outpacing the broader market, as New York begins to more closely reflect the national luxury real estate market.

"Overall, properties with outdoor spaces cost a premium in Manhattan and Brooklyn," said Garrett Derderian, director of market intelligence at Serhant, New York. "Those with the most usable space will add the greatest value.

"The most desirable outdoor spaces are private roof decks, backyards or large terraces directly off a main living space that have the capacity for entertainment," he said.

Outdoor oases

From Jan. 1 through March 8, 24.3 percent of homes under contract in Manhattan, Brooklyn and Long Island City have private outdoor space. This is up from 21.2 percent during the same period in 2020.

Serhant categorizes private outdoor spaces as units with terraces, balconies, backyards or deeded rooftop spaces reserved for a specific unit.



City dwellers want to host guests in their outdoorspaces. Image credit: Serhant

With 1,115 contracts signed with private outdoor space in 2021 compared to 828 in 2020, this marks an increase of 34.7 percent. This significantly outpaces the increase in total number of contracts signed for this period, which is up 17.7 percent year-over-year, from 3,900 to 4,592.

More than 500 Manhattan homes with private outdoor area had contracts signed, up 47.3 percent from 2020. While the increase is highest in Manhattan, Brooklyn has the highest share of contracted homes with outdoor space, with 524 out of 1,643 total contracts, or 31.9 percent.

Having outdoor space for entertaining is a major draw for buyers, according to Mr. Derderian. An outdoor balcony with room for one or two people will not add as much value to a property listing than a large terrace or roof deck with room to host a party.

"Outdoor areas that have room for dining tables and/or lounge furniture to fully utilize the space are in the greatest demand, as are those that offer an open view and sunlight," Mr. Derderian said. "While smaller outdoor balconies are also sought out, they do not command the same premium."



Smaller balconies add less property value. Image credit: Serhant

In Manhattan, homes with a private outdoor space had a median price of \$1.677 million, 52.5 percent higher than properties without that amenity. Those homes had a median price of \$1.1 million.

In Brooklyn, properties with outdoor space had a median price of \$1.275 million, while those lacking outdoor space had a median price of \$889,000 a difference of 43.4 percent.

New York trends

Private outdoor spaces are not the only feature in high demand among New York's luxury buyers.

So-called "flex" spaces such as one-bedroom home with an area that could be converted into a small second bedroom or a home office or school space are also in greater demand. These flex parties tend to cost less than a comparable full two or three-bedroom home while offering similar benefits.

The COVID-19 pandemic launched a universal work-from-home model, forcing individuals to spend a considerable amount of time in their homes, ultimately leading to an influx of home office needs. The most important elements across all home integration systems are simplicity and automatization, while lighting technology continues to gain traction ([see story](#)).

Super-prime and ultra-prime real estate in New York had a record year in 2020, even as many affluents left the city for more spacious settings.

According to a previous Serhant report, the luxury sector outperformed the general real estate market last year. The ultra-prime market, or sales of homes priced at \$50 million and up, accounted for a record share of real estate transactions while the rest of the luxury market is also showing promise in the new year ([see story](#)).

"While the New York City housing market, especially in Manhattan, was slower to recover than the national market, we now see encouraging signs buyers are returning to the city in large numbers," Serhant's Mr. Derderian said.

"Prices across the city have fallen roughly 12 percent from their pre-pandemic values.

"We expect asking prices to maintain current levels, although discounts will likely continue to shrink," he said.

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