

REAL ESTATE

New York sees record-breaking condo sales in H1 2021

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A record number of contracts for luxury homes have been signed in 2021, reflecting the highest total in the first half of a year.

By KATIE TAMOLA

A year after many affluent left New York for more spacious accommodations, buyers are returning in droves to purchase luxury homes in New York.

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According to the [Mid-Year 2021 Signature Report](#) from real estate brokerage Serhant, a record number of contracts for luxury homes have been signed in 2021, reflecting the highest total in the first half of a year. Condo transactions have fueled the contract increase, while buyers seem to be less inclined to go the cooperatives route for their city real estate.

"The desire to purchase super-prime homes at a record pace speaks to the greater desirability of New York," said Garrett Derderian, director of market intelligence at [Serhant](#), New York. "We expect this momentum to continue as a greater number of international buyers are able to reenter the marketplace."

The Serhant Mid-Year 2021 Signature Report covered a decade of condo and cooperative transactions priced \$10 million and above in Manhattan and Brooklyn.

Record numbers

In the first half of 2021, 135 luxury condo contracts were signed, setting a new record and marking a 423 percent increase over the same period in 2020. The number of deals was 20 percent higher than the previous record of 113 contracts signed in the first half of 2016.

Market-wide, there were 70 sales, consisting of 61 condo sales and 9 cooperative sales. The average sales price of a property was \$18,023,092, with an average price of \$18,690,494 for condos and \$13,499,589 for co-ops.

While condo transactions increased by 27.1 percent from the first half of 2020, co-op sales remained flat from H1 2020 at 9 sold. Cooperatives have struggled as buyers continue to favor the condo ownership structure.

"Cooperatives present many challenges to buyers, not the least of which is a full financial disclosure and lack of financing permitted," Mr. Derderian said. "They will likely continue to fall out of favor compared to condos unless they offer more flexibility to purchasers."

"However, this will undoubtedly be a building-by-building decision," he said. "While they certainly have an intrinsic value, their appreciation is slowing substantially compared to condos."

The average discount of a luxury-level condo was 18 percent of its initial listing price, the highest since at least 2012 when the discount was an average of 2 percent. Cooperatives had a higher discount rate at 30 percent, a record high and nearly double the 2020 rate of 17 percent.



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

The average amount of time spent on the market for a condo was 342 days while a co-op was on the market for an average of 269 days.

Prices did decrease from this time last year, as the median condo price fell 7 percent to \$14,450,000 and the median cooperative price fell 5 percent to \$12.1 million. Real estate experts did not find this especially shocking due to the uncertainty and restrictions inherent with the COVID-19 pandemic.

From spacious to suburbs

Earlier this year, city dwellers continued to seek luxury properties that offered more space and amenities COVID-19 restrictions remained.

According to an April report from Serhant, almost a quarter of New York homes under contract had a private outdoor space. The demand for apartments with outdoor space was greatly outpacing the broader market, as New York began to more closely reflect the national luxury real estate market ([see story](#)).

City properties were not the only spaces in demand.

In April, a substantially larger buyer pool paired with declining inventory contributed to a consistent rise in luxury real estate since last summer, according to Houlihan Lawrence's Q1 2021 Luxury Market report. Increased buyer demand during the late fall and early winter holiday period generated the agency's strongest first quarter of closed luxury sales in ten years.

In Westchester, NY, luxury sales of \$2 million and higher skyrocketed during Q1 with a 54 percent increase in homes sold and a \$123 million increase in total dollar volume, compared to Q1 2020 ([see story](#)).

After a strong New York market in the first half of 2021, luxury buyers will continue to seek properties that meet their individual needs.

"Appropriate pricing is the driving factor, along with the desire for larger spaces, due in part by pandemic-related lifestyle changes," Serhant's Mr. Derderian said. "On the resale and new development sides, most sellers are now pricing appropriately, and negotiating, which is good for market health."