

# Hopes Are High for New York’s Real Estate Reopening, as Pent-Up Demand is Expected to Bolster Activity

Homes at the higher end may see a slower rebound, with many buyers and sellers still quarantining outside of the city

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*New York City's Phase 2 is expected to deliver a surge in real estate activity.*  
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When New York City enters Phase 2 of reopening on Monday, real estate agents are expecting home buyers and sellers to eagerly jump back into business.

“I feel there is a great deal of pent-up demand for buyers and sellers, and expect the next few months to be active ones,” Michael Rossi, CEO of real estate agency Elegran, said in an email statement.

Throughout the height of the coronavirus pandemic—though parts of the industry were deemed essential—business had been operating on an almost [entirely virtual basis](#), with in-person showings and open houses halted.

At the high end of the property market, those restrictions came close to shuttering the market altogether. For the past three months, it’s become typical for just two or three luxury homes—defined as priced over \$4 million—to go into contract each week in Manhattan, according to the weekly Olshan Realty report on high-end homes. In comparison, last spring had, on average, roughly 20 deals agreed to on a weekly basis.

Last week, there were seven luxury contracts signed, the highest number in 12 weeks.

Under the reopening guidelines, showings are now allowed to resume in vacant properties or homes where the resident is not present, and they must be staggered to prevent people from congregating inside or outside. Other rules include strict guidance on personal protective equipment, social distancing and cleaning measures.

After months of sitting on the sidelines, New York City sellers are now eager to move on and buyers are “ready to go,” according to agent George Case of Warburg Realty. “They are anxious to view the apartments.”

Smaller properties will likely see the most activity as the market reopens. The demand will stem from “couples and singles who have been in quarantine and have been browsing listings [and] will have had the time to consider options,” he said.

At the other end of the market, activity for larger—and pricier—homes may resume at a slightly slower pace with many buyers and sellers at the high end having quarantined outside of the city unlikely to be returning until school resumes, Mr. Case said.

The forecasted release of pent-up demand is in line with the jump in activity that other cities in the U.S. have witnessed [following their relaxing of lockdown measures](#).

In Los Angeles, after coming to “an absolute screeching halt in mid March,” the market is now very active, according to Sally Forster Jones of Compass in Los Angeles.

As is the case in New York, real estate in the California city was considered an essential business, but showings were banned. At the end of April, Los Angeles Mayor Eric Garcetti announced that homes could be shown in accordance with guidelines including capacity and social distancing.

“Buyers and sellers right now want to move on with their lives,” Ms. Forster Jones said. “The shelter at home has really made them more conscious of what they like in a home and what they don’t. They’re more motivated.”

San Francisco adopted a similar approach to Los Angeles in permitting showings starting in early May, and by the last week of the month, the number of contracts signed totaled almost 90, according to a recent report from Compass.

The tally was a drastic improvement from the last week of March, during which the city’s shelter-in-place order was in full force, when the number of listings going into contract had fallen to below 30.

Meanwhile, in Miami Beach, “as restrictions eased, there was a lot of pent-up demand,” said Hillary Hertzberg of The Jills Zeder Group, which is affiliated with Coldwell Banker Realty. Real estate showing in Miami-Dade county were able to resume on May 18 with guidelines in place.

“Many locals started looking as soon as restrictions were lifted, some deciding to move from apartments to single-family homes, others to larger apartments or more boutique buildings,” Ms. Hertzberg said. “And some from single-family homes to more spacious single-family homes with designated spaces for home offices and amenities such as pools [and] home gyms.”

Though demand in New York City is expected to enjoy a similar resurgence, some predict a more modest resumption to normality.

“There will be a bit of an uptick, but it will level off, and it will be a drip of new listings coming on as people feel out what’s happening,” said Maria Daou, a broker with Warburg Realty.

“We have to be patient, but New York has always bounced back,” she said. “This is unlike any catastrophe that has hit us before. I don’t think it can be compared to 9/11 or the housing crash. It’s very different and there will be a new normal.”