

Monthly Investment and Residential Sales Report: Snapshot of June 2020

During the Coronavirus (COVID-19) Crisis

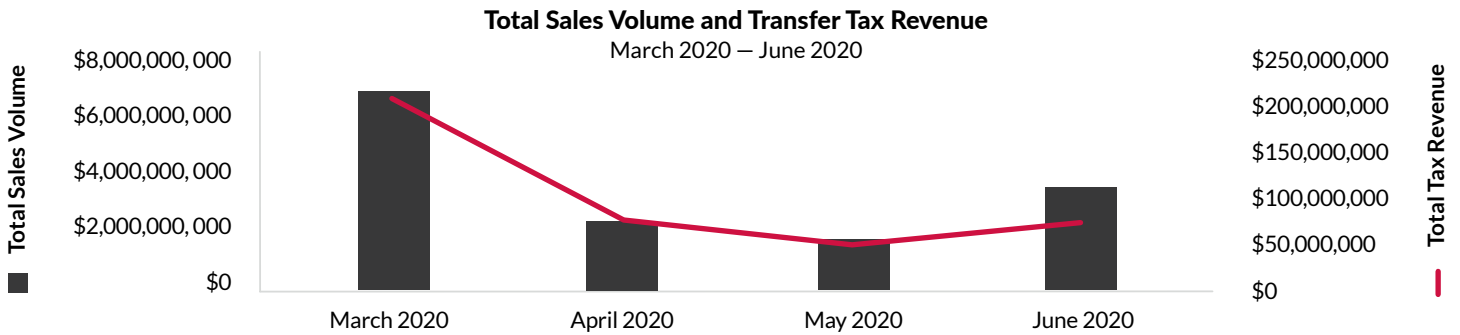
The Real Estate Board of New York (REBNY) has tracked transaction activity as well as the tax revenue generated by real estate transactions on a monthly basis since March 7, when Governor Cuomo announced a state of emergency in New York due to the Coronavirus (COVID-19) crisis. REBNY has increased the frequency of its reporting in an attempt to understand the impact of the crisis not only on the industry but also on the City and State budgets.

From May to June 2020, REBNY reports increases in transaction activity for both investment sales and residential sales. While the total investment and residential sales volume were down 51% in June 2020 from the same time last year, there was a 100% increase in sales from May 2020 to June 2020. The total tax revenue generated from these sales to the City and to the State are down 62% from June 2019 to June 2020 and up 56% from May 2020 to June 2020.

Last year, real estate related taxes made up 53% of NYC tax revenue, generating \$31.9 billion for the City’s operating budget. Real estate related taxes are more than double the next closest contributor - Personal Income Tax, which accounts for 21% of the City’s annual tax revenue. 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	June 2019	March 2020	April 2020	May 2020	June 2020	%Δ June 2019 - June 2020	%Δ May 2020 - June 2020
Total Sales Volume	\$7,206,972,153	\$6,944,499,521	\$2,402,836,499	\$1,782,531,982	\$3,562,865,943	-51%	100%
Total City Transaction Tax Revenue	\$129,378,469	\$144,407,634	\$40,506,263	\$27,555,787	\$43,699,860	-66%	59%
Total State Transaction Tax Revenue (includes State Mansion Tax)	\$64,690,338	\$67,558,757	\$34,916,743	\$19,547,305	\$29,619,386	-54%	52%
Total Tax Revenue*	\$194,068,806	\$211,966,391	\$75,423,006	\$47,103,092	\$73,319,245	-62%	56%

*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.



INVESTMENT SALES

Key Takeaways

- Total investment sales volume declined 55% from June 2019 to June 2020 and increased 529% from May 2020 to June 2020.
- Total investment sales transactions declined 32% from June 2019 to June 2020 and increased 97% from May 2020 to June 2020.
- NYC transfer tax revenue totaled \$15.3 million in June 2020, down from \$87.6 million in June 2019.
- NYS transfer tax revenue totaled \$3.8 million, down from \$21.7 million in June 2019.
- Total investment sales tax revenue declined 83% from June 2019 to June 2020 and increased 144% from May 2020 to June 2020.
- Office building sales volume declined 89% from June 2019 to June 2020, from \$3.1 billion to \$341.9 million. Office building sales volume increased 256% from May 2020 to June 2020, up from \$96.2 million in May 2020.

Investment Sales

Citywide	June 2019	March 2020	April 2020	May 2020	June 2020	%Δ June 2019 - June 2020	%Δ May 2020 - June 2020
Total Sales Volume	\$3,336,910,509	\$3,895,859,813	\$580,086,523	\$237,918,407	\$1,497,068,531	-55%	529%
Number of Transactions	259	271	109	89	175	-32%	97%
City Transaction Tax Revenue	\$87,593,901	\$102,266,320	\$15,227,271	\$6,245,358	\$15,258,696	-83%	144%
State Transaction Tax Revenue (includes State Mansion Tax)	\$21,689,918	\$25,323,089	\$3,770,562	\$1,546,470	\$3,778,344	-83%	144%
Total Tax Revenue	\$109,283,819	\$127,589,409	\$18,997,834	\$7,791,828	\$19,037,039	-83%	144%

RESIDENTIAL SALES

Key Takeaways

- Total residential sales volume declined 47% from June 2019 to June 2020 and increased 34% from May 2020 to June 2020.
- Total residential transactions declined 38% from June 2019 to June 2020 and increased 36% from May 2020 to June 2020.
- Residential sales transaction tax revenue declined 36% from June 2019 to June 2020 and increased 38% from May 2020 to June 2020.
- Total NYS tax revenue declined 40% from June 2019 to June 2020 and increased 44% from May 2020 to June 2020.
- Total NYC tax revenue declined 32% from June 2019 to June 2020 and increased 33% from April 2020 to May 2020.
- Total residential sales tax revenue declined 36% from June 2019 to June 2020 and increased 38% from May 2020 to June 2020.
- Condominium sales volume declined 70% from June 2019 to June 2020, from \$2.2 billion to \$663.1 million. Condominium sales volume increased 30% from May 2020 to June 2020, up from \$511 million in May 2020.

Residential Sales

Citywide	June 2019	March 2020	April 2020	May 2020	June 2020	%Δ June 2019 - June 2020	%Δ May 2020 - June 2020
Total Sales Volume	\$3,870,061,644	\$3,048,639,708	\$1,822,749,976	\$1,544,613,575	\$2,065,797,412	-47%	34%
Number of Transactions	3,555	3,068	1,646	1,611	2,187	-38%	36%
City Transaction Tax Revenue	\$41,784,568	\$42,141,314	\$25,278,992	\$21,310,429	\$28,441,164	-32%	33%
State Transaction Tax Revenue (includes State Mansion Tax)	\$43,000,420	\$42,235,668	\$31,146,181	\$18,000,835	\$25,841,042	-40%	44%
Total Tax Revenue	\$84,784,987	\$84,376,982	\$56,425,173	\$39,311,264	\$54,282,206	-36%	38%

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. Historical data has been revised due to newly available information.