

Monthly Investment and Residential Sales Report: Snapshot of December 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. Beginning November 2020, REBNY began incorporating City and State collected mortgage recording tax in the total tax revenue values; historical data has been revised based on this newly available information.

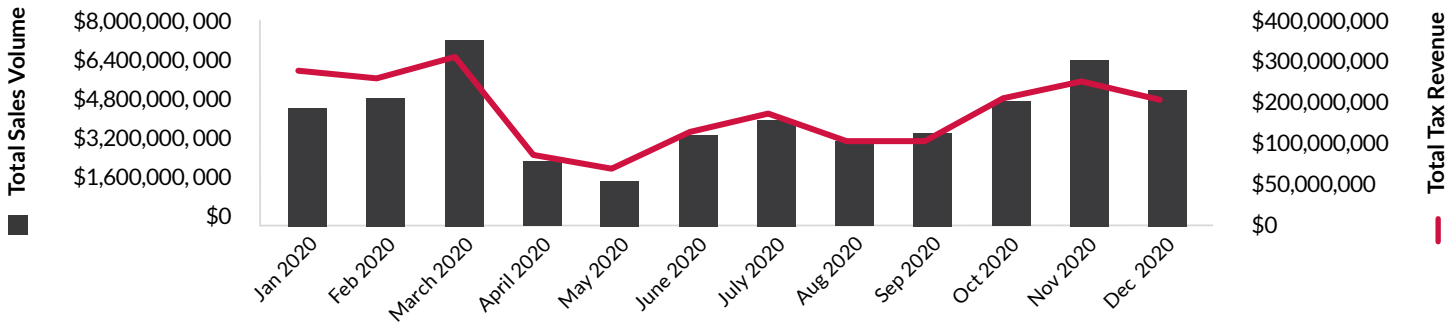
From November to December 2020, REBNY reports a decline in transaction activity for investment sales and an increase for residential sales. Total investment and residential transactions increased 8% from the same time last year and increased 2% from November to December 2020. Total investment and residential sales volume, or consideration, declined 18% year-over-year and declined 32% month-to-month. The total tax revenue generated from these sales to the City and State declined 12% from December 2019 to December 2020 and declined 36% from November 2020 to December 2020.

Investment sales and residential sales year-to-date totaled \$47.1 billion, a 46% decline compared to the same time period in 2019. Year-to-date investment sales and residential transactions totaled 28,187, representing a 39% decline from 2019. Declines in both total transactions and sales volume resulted in a 36% decline in tax revenue. This resulted in New York City and New York State combined experiencing a \$1.6 billion loss in tax revenue.

Tax revenue contributes to NYC’s 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. Last year, real estate taxes generated \$31.9 billion for the City’s operating budget, accounting for 53% of NYC’s total tax revenue, more than double the next closest contributor – personal income tax at 21%. The health of the real estate industry is critical to the health of both our City and State.

Citywide	Dec 2019	Nov 2020	Dec 2020	%Δ Nov 2020 - Dec 2020	%Δ Dec 2019 - Dec 2020	YTD 2019	YTD 2020	%Δ YTD
Total Sales Volume	\$7,465,666,496	\$6,207,506,245	\$5,080,939,545	-18%	-32%	\$86,719,169,885	\$47,119,161,489	-46%
Number of Transactions	3,555	3,351	3,611	8%	2%	46,403	28,187	-39%
Total City Transaction Tax Revenue	\$301,123,904	\$207,247,888	\$179,593,878	-13%	-40%	\$3,117,504,771	\$1,938,208,194	-38%
Total State Transaction Tax Revenue	\$93,660,904	\$79,513,173	\$71,357,641	-10%	-24%	\$1,153,997,311	\$785,720,298	-32%
Total Tax Revenue	\$394,784,808	\$286,761,061	\$250,951,519	-12%	-36%	\$4,271,502,082	\$2,723,928,492	-36%

Total Sales Volume and Total Tax Revenue
January 2020 – December 2020



INVESTMENT SALES

Key Takeaways

- Total investment sales volume declined 38% from December 2019 to December 2020 and decreased 51% from November 2020 to December 2020.
- Total investment sales transactions declined 3% from December 2019 to December 2020 and declined 7% from November 2020 to December 2020.
- Total NYC tax revenue declined 20% from December 2019 to December 2020 and declined 56% from November 2020 to December 2020.
- Total NYS tax revenue declined 20% from December 2019 to December 2020 and declined 57% from November 2020 to December 2020.
- Total investment sales transfer tax revenue declined 38% from December 2019 to December 2020 and declined 51% from November 2020 to December 2020.
- Total investment sales mortgage recording tax revenue declined 61% from December 2019 to December 2020 and increased 20% from November 2020 to December 2020.
- Total investment sales tax revenue declined 56% from December 2019 to December 2020 and declined 20% from November 2020 to December 2020.

Investment Sales

Citywide	Dec 2019	Nov 2020	Dec 2020	%Δ Nov 2020 - Dec 2020	%Δ Dec 2019 - Dec 2020	YTD 2019	YTD 2020	%Δ YTD
Total Sales Volume	\$4,047,178,115	\$3,212,648,615	\$1,996,592,383	-38%	-51%	\$41,298,297,085	\$21,406,690,463	-48%
Number of Transactions	285	273	266	-3%	-7%	3,228	2,579	-20%
Total City Transaction Tax Revenue	\$221,834,129	\$122,143,312	\$97,682,160	-20%	-56%	\$2,147,139,287	\$1,109,479,243	-48%
Total State Transaction Tax Revenue	\$55,856,546	\$30,225,765	\$24,274,904	-20%	-57%	\$538,656,736	\$277,125,408	-49%
Total Tax Revenue	\$277,690,675	\$152,369,077	\$121,957,064	-20%	-56%	\$2,685,796,023	\$1,386,604,651	-48%

RESIDENTIAL SALES

Key Takeaways

- Total residential sales volume increased 3% from December 2019 to December 2020 and declined 10% from November 2020 to December 2020.
- Total residential transactions increased 9% from December 2019 to December 2020 and increased 2% from November 2020 to December 2020.
- Total NYC tax revenue declined 4% from December 2019 to December 2020 and increased 3% from November 2020 to December 2020.
- Total NYS tax revenue declined 4% from December 2019 to December 2020 and increased 25% from November 2020 to December 2020.
- Total residential sales transfer tax and mansion tax revenue declined 20% from December 2019 to December 2020 and remained flat from November 2020 to December 2020.
- Total residential sales mortgage recording tax revenue declined 7% from December 2019 to December 2020 and declined 10% from November 2020 to December 2020.
- Total residential sales tax revenue declined 4% from December 2019 to December 2020 and increased 10% from November 2020 to December 2020.

Residential Sales

Citywide	Dec 2019	Nov 2020	Dec 2020	%Δ Nov 2020 - Dec 2020	%Δ Dec 2019 - Dec 2020	YTD 2019	YTD 2020	%Δ YTD
Total Sales Volume	\$3,418,488,381	\$2,994,857,630	\$3,084,347,163	3%	-10%	\$45,420,872,801	\$25,712,471,027	-43%
Number of Transactions	3,270	3,078	3,345	9%	2%	43,175	25,608	-41%
Total City Transaction Tax Revenue	\$79,289,775	\$85,104,575	\$81,911,718	-4%	3%	\$970,365,484	\$828,728,951	-15%
Total State Transaction Tax Revenue	\$37,804,358	\$49,287,408	\$47,082,737	-4%	25%	\$615,340,575	\$508,594,890	-17%
Total Tax Revenue	\$117,094,133	\$134,391,984	\$128,994,455	-4%	10%	\$1,585,706,059	\$1,337,323,841	-16%

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 and mortgages is provided by the NYC Department of Finance's Automated City Register Information System (ACRIS). Tax revenue reported on includes NYC and NYS transfer tax and mortgage recording tax as well as NYS mansion tax. Historical data has been revised due to newly available information.