REBNY
Real Estate Board of New York

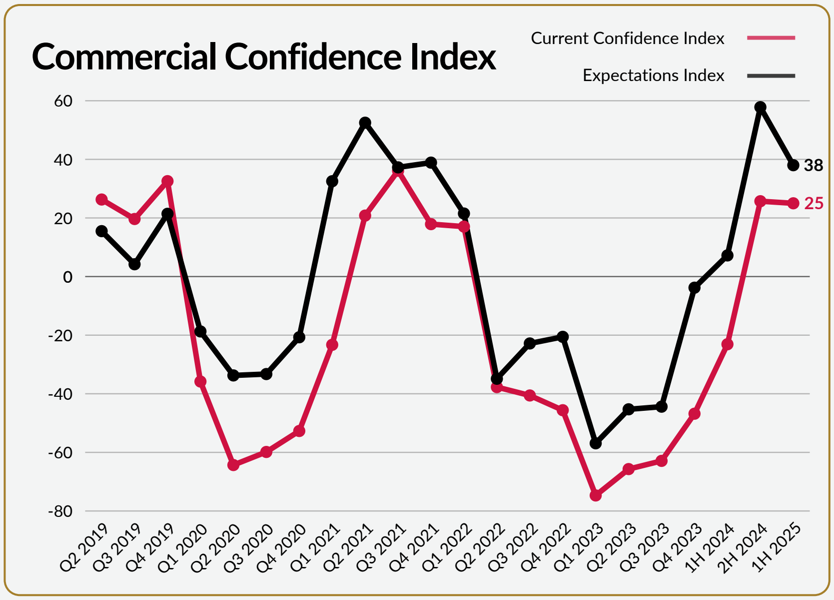
# Real Estate Broker Confidence Index

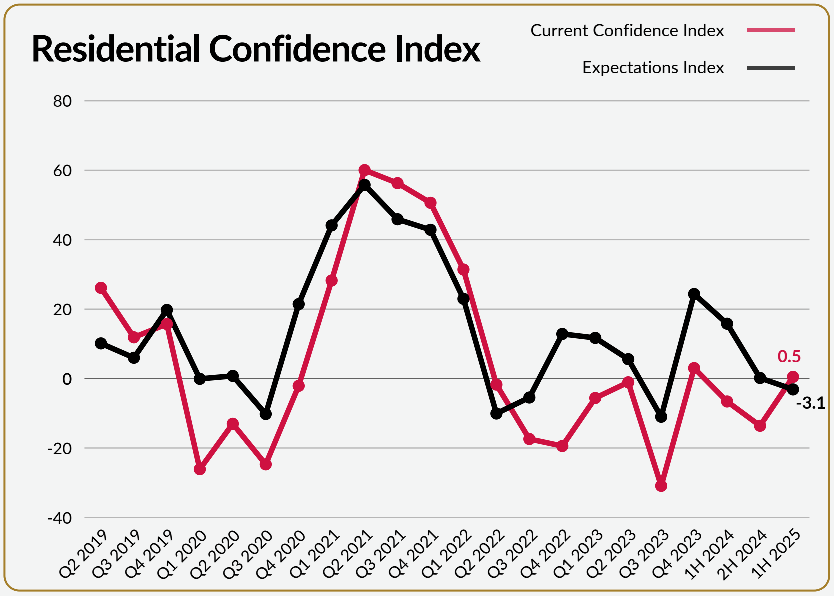
First Half 2025

# Confidence Indexes

REBNY's Broker Confidence Index measures brokers' views on current and future market conditions. Continuing the trend that emerged in H1 2025, commercial brokers were more optimistic than residential brokers. Both shared a wider range of concerns – tariffs, immigration policy and economic uncertainty – than was the case in the last several reports.

The Commercial Current Confidence Index (CCI) was essentially unchanged, dipping from 26 to 25. The six-month outlook (EXI) slipped from 58 to 38, still one of the higher scores in the last several years. Commercial broker sentiment remains positive due to office and retail leasing momentum. Declining availability in Midtown's highest-caliber office buildings is pushing tenants to expand their search.




Concerns about persistently high borrowing costs and shifts in federal policy tempered positive sentiment.

Residential broker sentiment again lagged commercial. The Residential CCI was 0.5, indicating an even split between brokers with a negative or positive view of current conditions, but the score did rise from H2 2024. Residential brokers have less optimism about the six-month outlook. The Residential EXI fell to -3.1, the first negative since 2023. However, brokers were very positive about the leasing market – this offset some of the negative sentiment regarding residential sales and financing. In their comments residential brokers mentioned familiar challenges - stubbornly high mortgage rates, limited inventory, and the FARE Act. But in contrast to prior reports federal policy, geopolitical risk and growing concerns about the strength of the economy were featured more prominently.

# Broker Comments

Under normal market conditions brokers typically focus on a handful of key indicators: borrowing costs, basic supply and demand, and core indicators like employment and equity market that impact the spending power and buyer confidence. Several brokers mentioned these issues, but the last six months have disrupted these patterns. New concerns became front and center: federal policies, bond markets, and geopolitical volatility.

In 2024, brokers were banking on rate cuts to give residential sales and commercial transactions a boost. As of June 2025 , the average 30-year fixed mortgage was 6.8%, a four-week low but still above the 6.3% average from late last year. Today, far fewer brokers mentioned mortgage rate decreases as a potential boost, and for those who did it was generally just one of multiple issues they raised.

***"Tariff uncertainty, elevated interest rates, and concerns around job stability continue to weigh on the market. If interest rates begin to come down and tariffs are either removed or there's greater clarity around future policy, we can expect a positive impact on market sentiment and activity."***

Residential and commercial brokers repeatedly used terms like "chaos" and "uncertainty" to describe policy at the federal level, but sometimes in response to city regulations.

***"White House administration policies need to be made clear to bring stability to the markets."***

Some brokers, mostly residential, noted that this has caused a slight reduction in transaction activity.

***"There are economic and recession fears holding serious buyers back. I have been a broker for decades and have multiple renovated listings which get basically no traffic. People are much more comfortable renting now although it is easy to get financing for a home."***

This residential broker summed up the wide array of factors that are adding to the hesitation among some would-be buyers:

***"Buyers afraid of buying unrenovated apartments due to tariffs and high construction costs. Equity and bond market volatility, consumer confidence, tariffs, global instability (war, politics)."***

Multiple residential brokers provided detail on how the FARE Act will add confusion and create roadblocks for both brokers and tenants.

***"The FARE Act is going to lead clients to believe broker fees are 'illegal.' Clients misinterpreting the law will make it even more difficult for agents to get clients to agree to tenant representation. Landlords will raise rents. Less listings will be public. This will make it more difficult for agents to find clients and for clients to find apartments."***

Other brokers said that despite the uncertainty, activity was sustained.

***"There is too much chaos for buyers and sellers to focus on large luxury purchases of real estate. Uncertain economy, volatility, tariff issues are affecting the market to some extent, but so far, the Manhattan market show steady activities."***

# Broker Comments

Another residential broker predicted:

***"We are going to lose foreign buyers."***

Of note, while foreign buyers have had a big impact, particularly on new condo sales during the last several cycles, data from Property Shark suggests that they account for approximately 1% of existing home sales in New York City - a far lower percentage than in markets like Miami or Dallas.

Commercial brokers also noted the impact of federal policy changes such as tariffs on retail sales and tourism.

***"If tariffs are implemented from imports China, Canada, Mexico, etc., I feel it will greatly impact market performance."***

It remains to be seen how high tariffs will go, but they are unlikely to be rolled back entirely. Immigration policy and tariffs are already impacting tourism. One broker noted that there is

***"Less tourism because of the current administration's policies will affect the hotel industry and retail."***

The total number of tourists in New York City is estimated to have achieved nearly 65 million visitors in 2024, just below the pre-pandemic record of 66 million in 2019. As of late last year, New York & Company was forecasting New York City to reach a new record of 67.6 million in 2025. In May the company lowered its forecast to 64.1 million. As of April, air travel from Canada was down 30% at JFK.

The majority of survey respondents noted uncertainty. A handful view changes as positive for the economy in the long-term.

***"Cutting waste in Washington will be positive for the economy and the market."***

***"Trump bump."***

A handful of brokers mentioned the critical role that leaders at both the federal level and the future Mayor could play.

***"Policies have the potential to have a very negative impact on NYC, including the residential real estate market. If the SALT tax changes are passed, that could be one positive development. Also, the results of the mayoral primary may have a significant impact."***

Given the wide array of issues that brokers had to focus on over the last six months, some core concerns were largely pushed to the side. One issue that was not mentioned is quality of life. While a few brokers mentioned federal spending cuts as a potential benefit to the economy in the long run, only one mentioned the alternate scenario – steep cuts that impair spending on services that help maintain the city's quality of life.

***"Uncertainty on federal funding and its impact on state and local funding and on not for profits who deliver services. Concerned crime and homeless will increase if feds reduce section 8 subsidies and other programs."***

# Methodology

Gathered during the last several weeks of each half of the year, the Residential Brokerage Confidence Index (RBCI) and Commercial Brokerage Confidence Index (CBCI) are based on surveys completed by brokerage members of the Real Estate Board of New York (REBNY).

Brokers are asked about their sentiment regarding current market conditions (CCI) as well as their expectations for the next six months (EXI) broken out by residential and commercial real estate sectors. The report uses a scale to -100 (meaning uniformly negative responses to all questions) to 100 (uniformly positive responses.) A score of 0 now represents all brokers entering a neutral response, or an equal number of brokers responding with positive and negative sentiment. All historical data in the report has been revised to feature the updated scale, along with the Present Situation and Future Confidence indices being renamed to the Current Conditions Index (CCI) and Expectations Index (EXI).

***Brokers are prompted to select either a positive, neutral, or negative response for the set of questions below:***

1. **What is your assessment of the residential/commercial real estate market?**
2. **What is your expectation of the residential/commercial real estate market six months from now?**
3. **What is your assessment of the current financing market for residential/commercial real estate sales?**
4. **What is your expectation of the financing market for residential/commercial real estate sales six months from now?**
5. **What is your assessment of the current residential/commercial real estate rental market?**
6. **What is your expectation of the residential/commercial real estate rental market six months from now?**
7. **What is your expectation of total residential/commercial commissions six months from now?**