



REBNY Research:

Real Estate Broker Confidence Index

Q1 2020

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Executive Summary

The Real Estate Board of New York (REBNY) regularly surveys its residential and commercial brokerage members to measure their confidence in the New York City real estate market now and six months from now. Survey results are published quarterly with a maximum index of 10.

SPECIAL NOTE: REBNY Broker Confidence Index tracks broker confidence on a quarterly basis. Given the unprecedented public health and economic crisis as a result of the Coronavirus (COVID-19) global pandemic, this quarterly report also includes snapshot data to coincide with two major public announcements: the first, a March 13 declaration of a national emergency and the second, a March 20 New York State stay-at-home order for all workers of non-essential businesses.

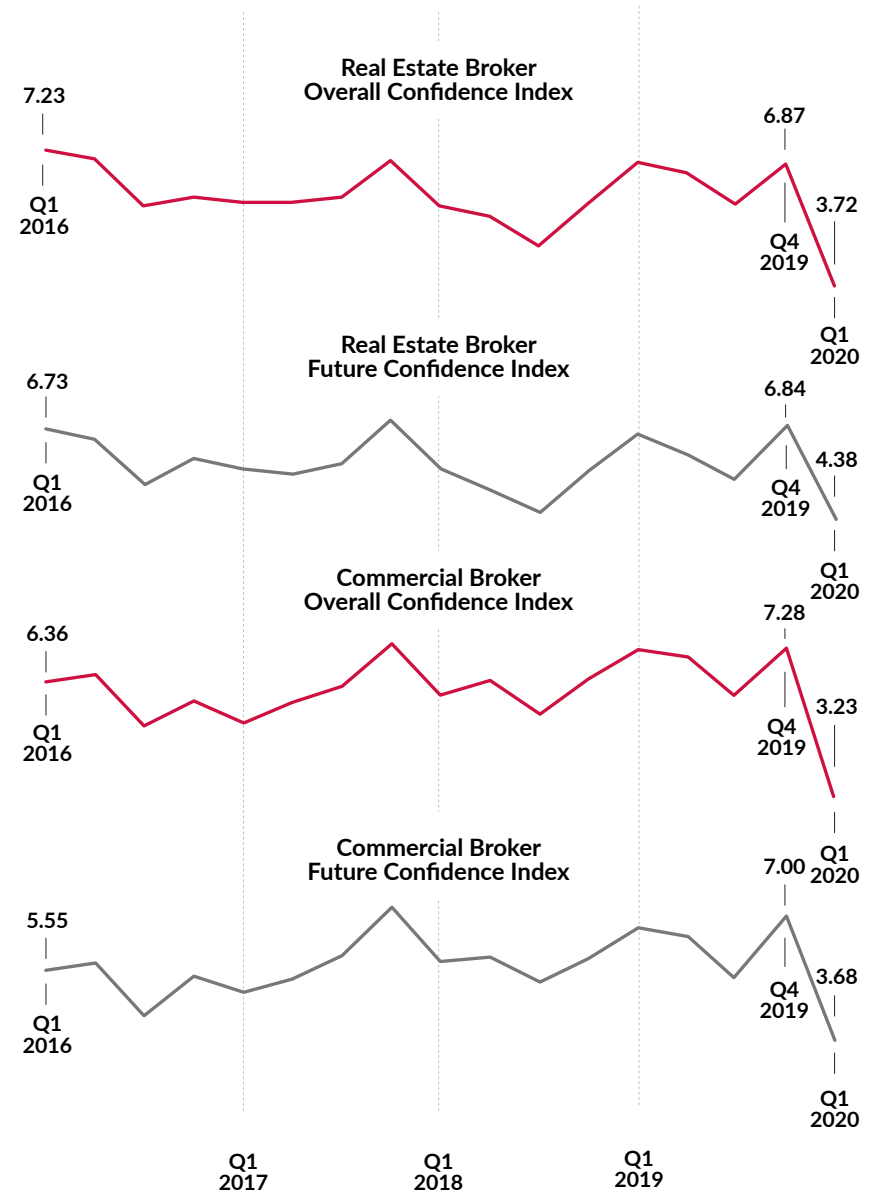
REAL ESTATE BROKER CONFIDENCE INDEX

Overall Real Estate Broker Confidence Index for the first quarter of 2020 was 3.72 out of 10, a 46% decrease since brokers were last surveyed about the fourth quarter of 2019, and the lowest broker confidence on record.

COMMERCIAL BROKER CONFIDENCE INDEX

Overall Commercial Broker Confidence Index (which focuses only on the commercial brokerage member responses) in the first quarter of 2020 was 3.23, a 56% decrease since REBNY surveyed brokers in the fourth quarter of 2019.

- On March 13, President Trump declared a national emergency. In the week that followed, overall commercial broker confidence fell to a 2.40.
- On March 20, New York State issued a stay-at-home order for workers of non-essential businesses. For the remainder of the quarter, overall commercial broker confidence fell to 1.89.
- From March 20 onward, commercial broker future confidence (six months from now) was 2.04.

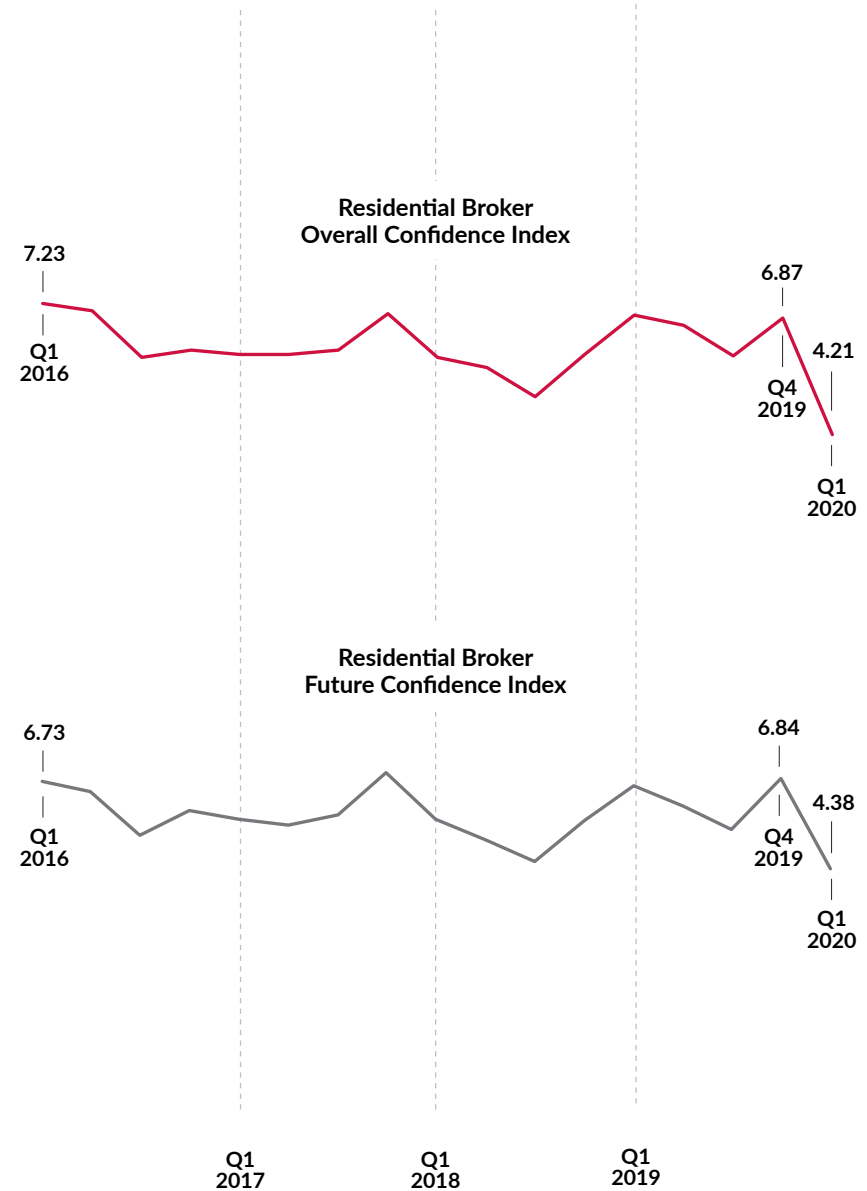


Executive Summary

RESIDENTIAL BROKER CONFIDENCE INDEX

Overall Residential Broker Confidence Index (which focuses only on the residential brokerage member responses) in the first quarter of 2020 was 4.21, a 35% decrease since REBNY surveyed brokers in the fourth quarter of 2019.

- For the week of March 13 - March 19, overall residential broker confidence fell to 3.77.
- For the period of March 20 onward, overall residential broker confidence fell to 3.39.
- From March 20 onward, residential broker future confidence (six months from now) was 3.42.



Coronavirus Crisis: March 2020 Analysis

QUESTION 1

What is your assessment of the residential/commercial real estate market?

QUESTION 2

What is your expectation of the residential/commercial real estate market six months now?

QUESTION 3

What is your assessment of the current financing market for residential/commercial real estate sales?

QUESTION 4

What is your expectation of the financing market for residential/commercial real estate sales six months now?

QUESTION 5

What is your assessment of the current residential/commercial real estate leasing market?

QUESTION 6

What is your expectation of the residential/commercial real estate leasing market six months now?

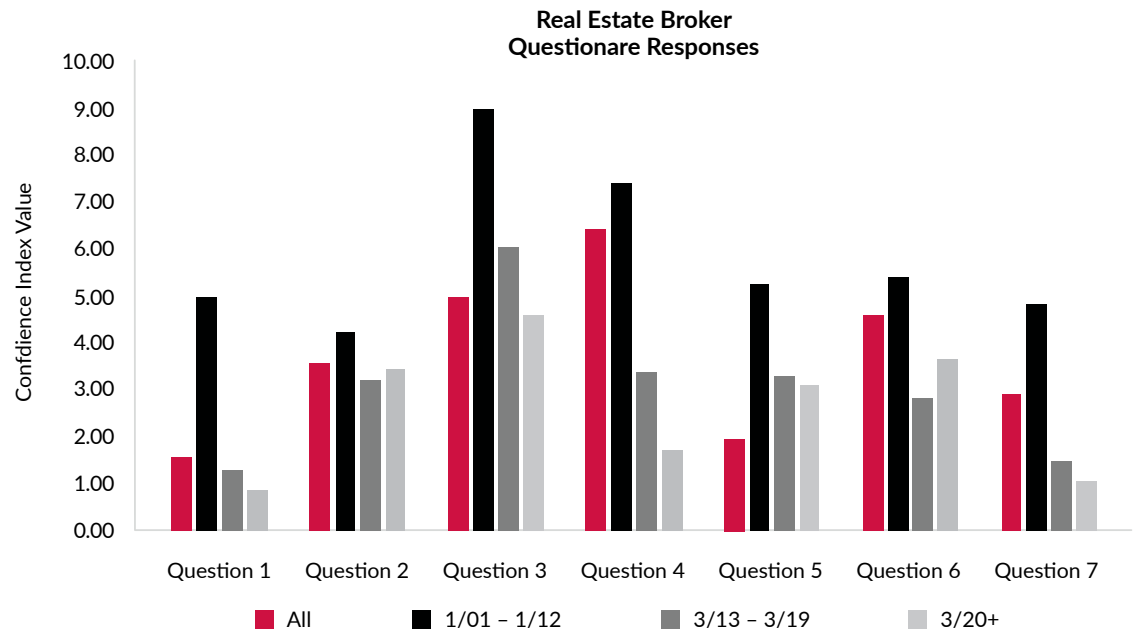
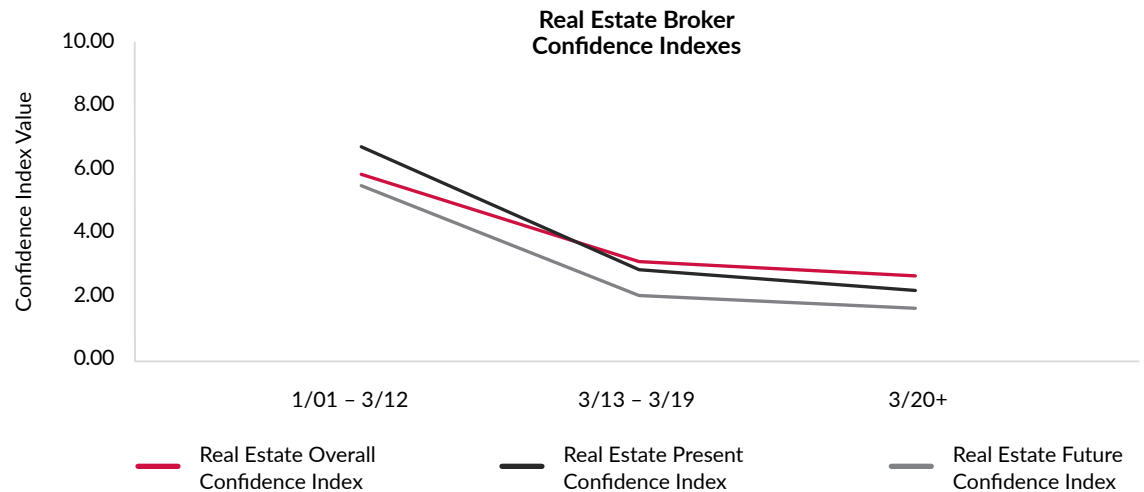
QUESTION 7

What is your expectation of total commissions six months now?

LEGEND

March 13: Deceleration of national emergency.

March 20: New York State stay-at-home order for all non-essential businesses



Comments About the Market

COMMERCIAL QUOTES:

1. COVID-19 has crushed commercial real estate. The retail market was slow before coronavirus, and this enhances and expedites the upcoming recession.
2. With low to zero occupancy of retail and office spaces, it is very hard to have any confidence in the market.
3. Large majority of retail tenants will be behind rent or forced to vacate. The retail vacancies will significantly impact the value of buildings. The amount of vacancies will bring down asking rents and projected rents, lowering investors' projections.
4. Hotel occupancy is at 0%. New York City is experiencing something unheard of.
5. It's anticipated to see much more work from home activity which will severely slow down office leasing
6. The federal stimulus package will be essential in aiding struggling small businesses to recover lost revenue and operating costs to begin recovery.

RESIDENTIAL QUOTES:

1. It is impossible to do deals while our businesses are closed, it's left the real estate market broken.
2. COVID-19 has left our entire industry in a state of confusion with an expectation of a recession.
3. The luxury market is still priced too high, is moving slowly, and needs to provide discounts if we expect prices to move.
4. The downturn in the NYC residential market is a combination of purchasers viewing an overvalued and bearish market combined with a huge number of condos on and coming to market.
5. The FED lowering interest rates to the zero bound and reopening emergency lending facilities should aid in stabilizing the real estate market when businesses are able to reopen.
6. Agents are adapting by conducting virtual tours, online board interviews, and other online resources that will positively impact the future real estate market.

Confidence Index Quarterly Results

TABLE 1: Real Estate Broker Confidence Index

Quarter	Overall Confidence	Present Situation Confidence	Future Confidence (6 months from now)
Q1 2020	3.72	2.84	4.38
Q4 2019	6.87	6.93	6.84
Q3 2019	5.84	6.37	5.45
Q2 2019	6.64	7.41	6.06
Q1 2019	6.92	7.31	6.63
Q4 2018	5.86	6.09	5.68
Q3 2018	4.75	5.00	4.57
Q2 2018	5.53	6.00	5.18
Q1 2018	5.78	5.87	5.71
Q4 2017	6.99	7.02	6.97
Q3 2017	6.00	6.21	5.85
Q2 2017	5.89	6.32	5.56
Q1 2017	5.87	6.09	5.70
Q4 2016	6.00	6.04	5.97
Q3 2016	5.79	6.46	5.29
Q2 2016	7.04	7.80	6.47
Q1 2016	7.23	7.89	6.73

TABLE 2: Commercial Broker Confidence Index

Quarter	Overall Confidence	Present Situation Confidence	Future Confidence (6 months from now)
Q1 2020	3.23	2.62	3.68
Q4 2019	7.28	7.66	7.00
Q3 2019	5.96	6.78	5.34
Q2 2019	7.06	7.90	6.44
Q1 2019	7.24	7.98	6.69
Q4 2018	6.46	7.28	5.84
Q3 2018	5.53	5.95	5.22
Q2 2018	6.43	7.14	5.89
Q1 2018	6.02	6.34	5.78
Q4 2017	7.41	7.68	7.20
Q3 2017	6.27	6.71	5.94
Q2 2017	5.84	6.59	5.28
Q1 2017	5.28	5.74	4.93
Q4 2016	5.85	6.46	5.39
Q3 2016	5.21	6.41	4.32
Q2 2016	6.57	7.71	5.71
Q1 2016	6.36	7.45	5.55

Confidence Index Quarterly Results

EXPLANATION OF INDEX

- **The Overall Real Estate Broker Confidence Index** includes responses to our eight question survey from REBNY brokers, residential and commercial.
- **The Overall Residential Broker Confidence Index** includes survey responses from only our residential brokers.
- **The Overall Commercial Broker Confidence Index** includes survey responses from only our commercial brokers.
- **The Present Situation Confidence Index** includes broker responses to questions that ask about current market conditions.
- **The Future Confidence Index** includes broker responses to questions that ask about market conditions six months from now.
- All indexes range from zero to 10.
- An index above five indicates that brokers are confident in the market; more brokers responded positive than negative to the survey questions.
- An index below five indicates that brokers are not confident in the market; more brokers responded negative than positive to the survey questions.
- An index of five indicates that the positive and negative responses were equal.

TABLE 3: Residential Broker Confidence Index

Quarter	Overall Confidence	Present Situation Confidence	Future Confidence (6 months from now)
Q1 2020	4.21	3.07	5.07
Q4 2019	6.46	6.20	6.67
Q3 2019	5.72	5.95	5.55
Q2 2019	6.21	6.92	5.67
Q1 2019	6.59	6.64	6.56
Q4 2018	5.25	4.89	5.22
Q3 2018	3.97	4.05	3.91
Q2 2018	4.63	4.86	4.46
Q1 2018	5.54	5.41	5.64
Q4 2017	6.57	6.36	6.74
Q3 2017	5.74	5.72	5.76
Q2 2017	5.94	6.06	5.85
Q1 2017	6.46	6.45	6.46
Q4 2016	6.14	5.61	6.54
Q3 2016	6.37	6.51	6.26
Q2 2016	7.52	7.89	7.23
Q1 2016	8.10	8.33	7.92

Confidence Index Quarterly Results by Question

COMMERCIAL BROKER CONFIDENCE INDEX SURVEY QUESTIONS

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

TABLE 4: Commercial Broker Confidence Index Results

Quarter	Questions							Overall	Present Situation	Future
	1	2	3	4	5	6	7			
Q1 2020	1.68	2.75	4.16	5.77	2.02	3.47	2.75	3.23	2.62	3.68
Q4 2019	6.61	6.23	8.77	8.00	7.59	7.35	6.23	7.28	7.66	7.00
Q3 2019	5.90	4.56	8.45	6.83	6.00	4.04	4.56	5.96	6.78	5.34
Q2 2019	6.96	5.35	8.94	7.56	7.80	6.52	6.33	7.06	7.90	6.44
Q1 2019	7.56	6.74	8.89	7.73	7.50	6.36	5.93	7.24	7.98	6.69
Q4 2018	7.50	6.06	7.41	5.00	6.94	5.79	6.50	6.14	6.55	5.84
Q3 2018	6.80	6.36	5.22	3.33	5.83	5.42	5.77	5.53	5.95	5.22
Q2 2018	7.02	6.12	7.95	5.68	6.46	5.91	5.87	6.43	7.14	5.89
Q1 2018	5.96	6.19	6.58	5.00	6.49	5.91	6.54	6.02	6.34	5.78
Q4 2017	8.33	7.76	8.00	7.25	6.72	6.53	7.25	7.41	7.68	7.20
Q3 2017	6.98	6.59	6.76	5.41	6.38	5.53	6.22	6.27	6.71	5.94
Q2 2017	6.92	5.38	7.42	6.29	5.43	3.78	5.68	5.84	6.59	5.28
Q1 2017	6.47	5.37	5.33	3.78	5.41	4.79	5.78	5.28	5.74	4.93
Q4 2016	8.28	5.94	4.71	3.33	6.40	5.52	6.77	5.85	6.46	5.39
Q3 2016	6.92	4.44	6.40	3.33	5.90	3.95	5.56	5.21	6.41	4.32
Q2 2016	8.24	5.69	8.33	5.64	6.57	5.00	6.52	6.57	7.71	5.71
Q1 2016	7.43	5.59	7.58	5.81	7.33	4.32	6.47	6.36	7.45	5.55

Confidence Index Quarterly Results by Question

RESIDENTIAL BROKER CONFIDENCE INDEX SURVEY QUESTIONS

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

TABLE 5: Residential Broker Confidence Index Results

Quarter	Questions							Overall	Present Situation	Future
	1	2	3	4	5	6	7			
Q1 2020	1.43	4.37	5.86	7.09	1.92	5.70	3.11	4.21	3.07	5.07
Q4 2019	3.01	4.57	9.11	8.98	6.46	7.58	5.54	6.46	6.20	6.67
Q3 2019	2.12	2.83	9.04	8.50	6.68	6.82	4.06	5.72	5.95	5.55
Q2 2019	2.62	2.94	9.25	9.19	8.90	6.56	4.00	6.21	6.92	5.67
Q1 2019	4.06	5.29	9.25	8.81	6.60	7.04	5.09	6.59	6.64	6.56
Q4 2018	2.69	4.37	7.96	7.25	4.03	5.33	5.14	5.25	4.89	5.52
Q3 2018	2.07	2.89	6.50	5.32	3.57	4.03	3.39	3.97	4.05	3.91
Q2 2018	3.34	3.61	7.08	5.47	4.18	4.26	4.51	4.63	4.86	4.46
Q1 2018	5.22	5.84	7.17	5.64	3.83	5.01	6.07	5.54	5.41	5.64
Q4 2017	6.54	6.69	8.76	7.86	3.78	5.54	6.86	6.57	6.36	6.74
Q3 2017	5.78	6.07	9.18	8.80	2.24	2.86	5.31	5.74	5.72	5.76
Q2 2017	6.37	6.17	8.74	7.99	3.07	3.31	5.92	5.94	6.06	5.85
Q1 2017	7.66	7.64	8.74	7.49	2.94	3.82	6.90	6.46	6.45	6.46
Q4 2016	6.28	7.56	7.85	7.24	2.70	4.55	6.81	6.14	5.61	6.54
Q3 2016	6.23	6.20	8.98	7.82	4.32	4.58	6.45	6.37	6.51	6.26
Q2 2016	8.38	7.40	9.02	8.50	6.28	5.80	7.24	7.52	7.89	7.23
Q1 2016	8.67	7.72	9.01	8.49	7.32	7.36	8.10	8.10	8.33	7.92