



REBNY Research

# Real Estate Broker Confidence Index

Q1 2021

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# Executive Summary

The Real Estate Board of New York (REBNY) surveys its residential and commercial brokerage members quarterly, measuring their present and six-month forecasted confidence in New York City's real estate market. Brokers reflect on their professional dealings and report their outlook on the future on an index of 0 to 10. The Commercial Broker Confidence Index covers all forms of commercial real estate, including but not limited to office, retail and industrial space. The Residential Broker Confidence Index reflects both the residential sales and rental markets.

REBNY issues and collects the survey responses in the last three weeks of each quarter. The most recent survey results for the first quarter of 2021 reveal that the overall commercial and residential real estate broker confidence is 6.66, the highest confidence level since the fourth quarter of 2019. This represents a 53% increase from last quarter (Q4 2020) and a 79% increase year-over-year.

The first quarter of 2021 represents the second consecutive increase in overall broker confidence following an all-time low in the third quarter of 2020.

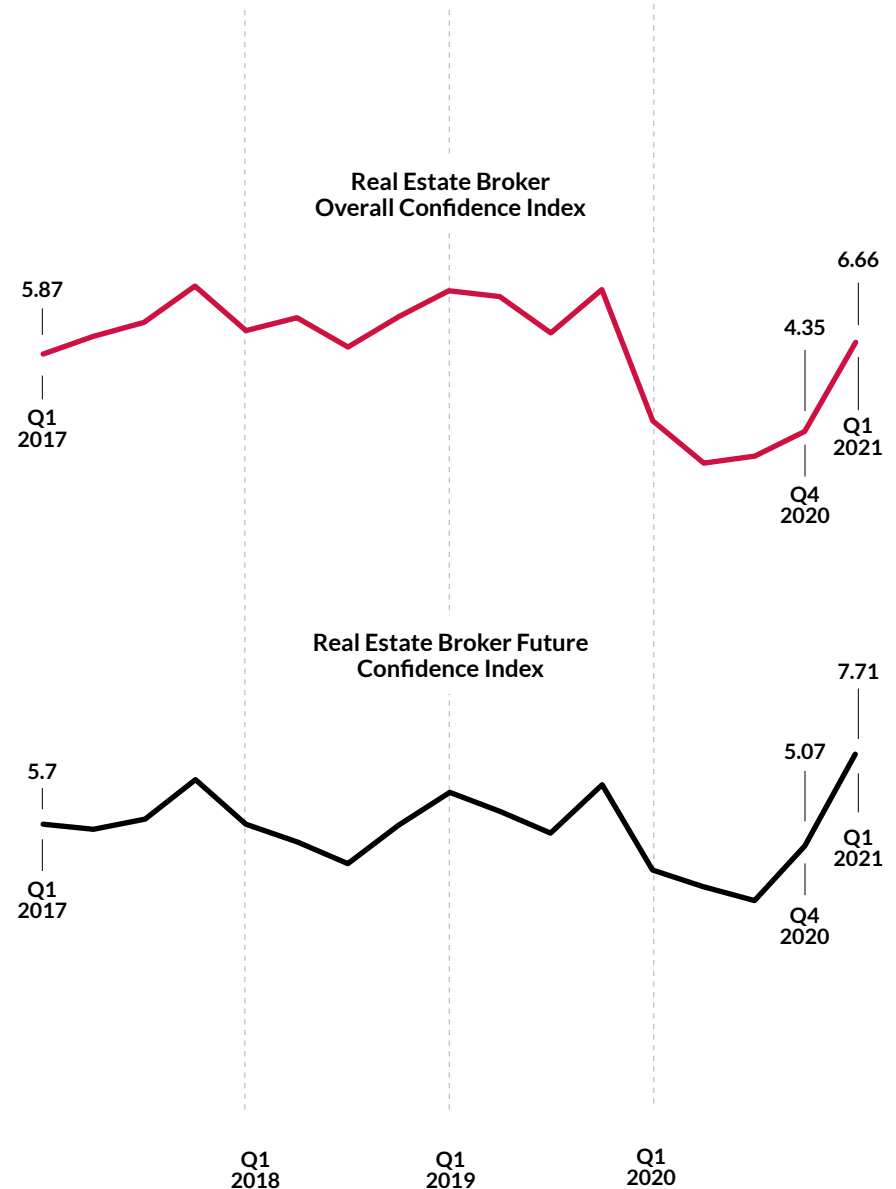
Commercial broker confidence was 5.65 out of 10, a 96% increase since the fourth quarter of 2020 and a 75% increase year-over-year. The confidence level of 5.65 is the highest level since the fourth quarter of 2019.

Residential broker confidence reached 7.66 out of 10 in the first quarter of 2021, its highest level since the first quarter of 2016. This confidence level is a 32% increase since the fourth quarter of 2020 and an 82% increase year-over-year.

## REAL ESTATE BROKER CONFIDENCE

In the first quarter of 2021, the present situation real estate broker confidence was 5.25 out of 10, a 55% increase since brokers were last surveyed in the fourth quarter of 2020 and an 85% increase since the same time last year. Present broker confidence has not been this high since the fourth quarter of 2019.

The survey results similarly indicated optimism that the market would continue to improve in the future. The forward-looking indicator that tracks expectations six months from now stood at 7.71, a 52% increase from the fourth quarter of 2020 and a 76% increase since the same time last year. Future broker confidence has not been this high since the third quarter of 2015.

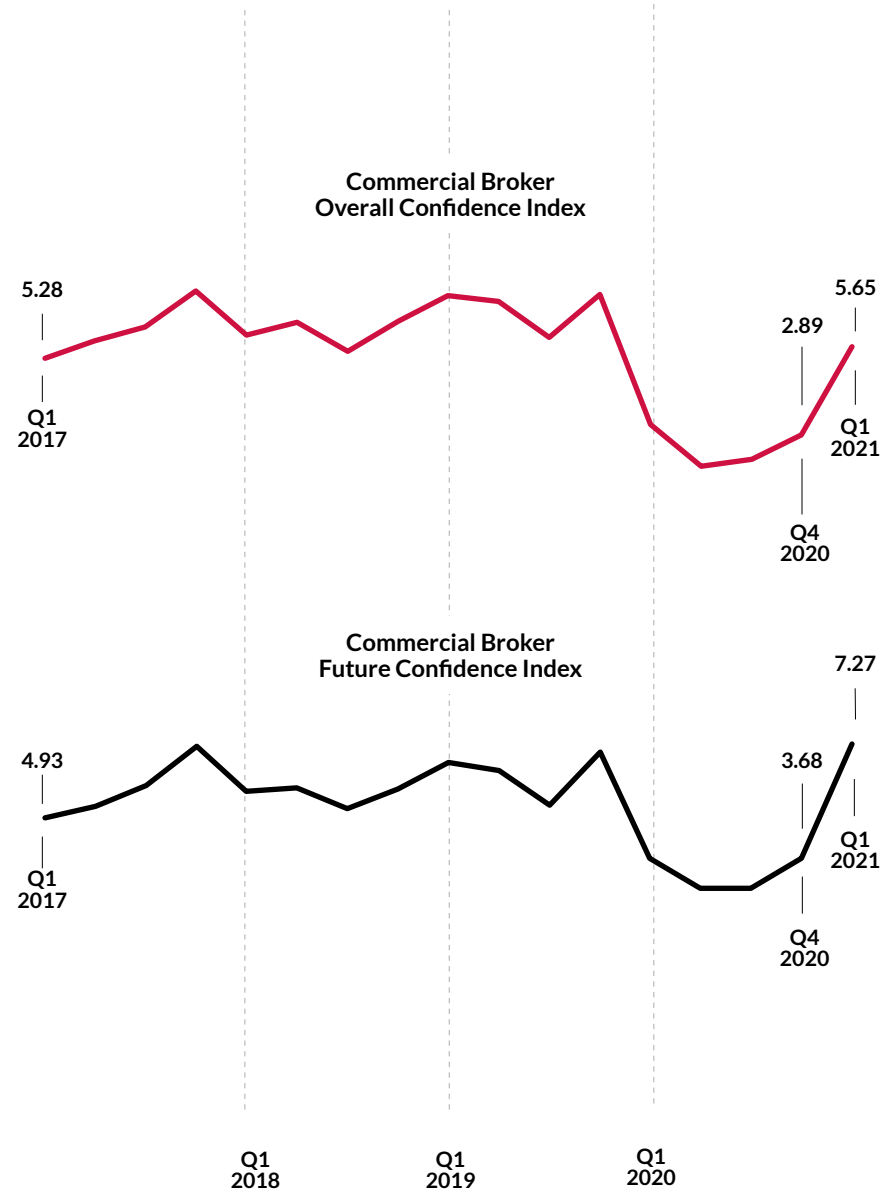


# Executive Summary

## COMMERCIAL BROKER CONFIDENCE INDEX

The present situation commercial broker confidence Index for the market was 3.49, representing a 91% increase since the last quarter and a 33% increase since the same time last year. Present commercial broker confidence has not been this high since the fourth quarter of 2019.

The commercial broker confidence index for the market six months from now was substantially higher at 7.27, which increased 98% from last quarter and increased 98% since the same time last year.

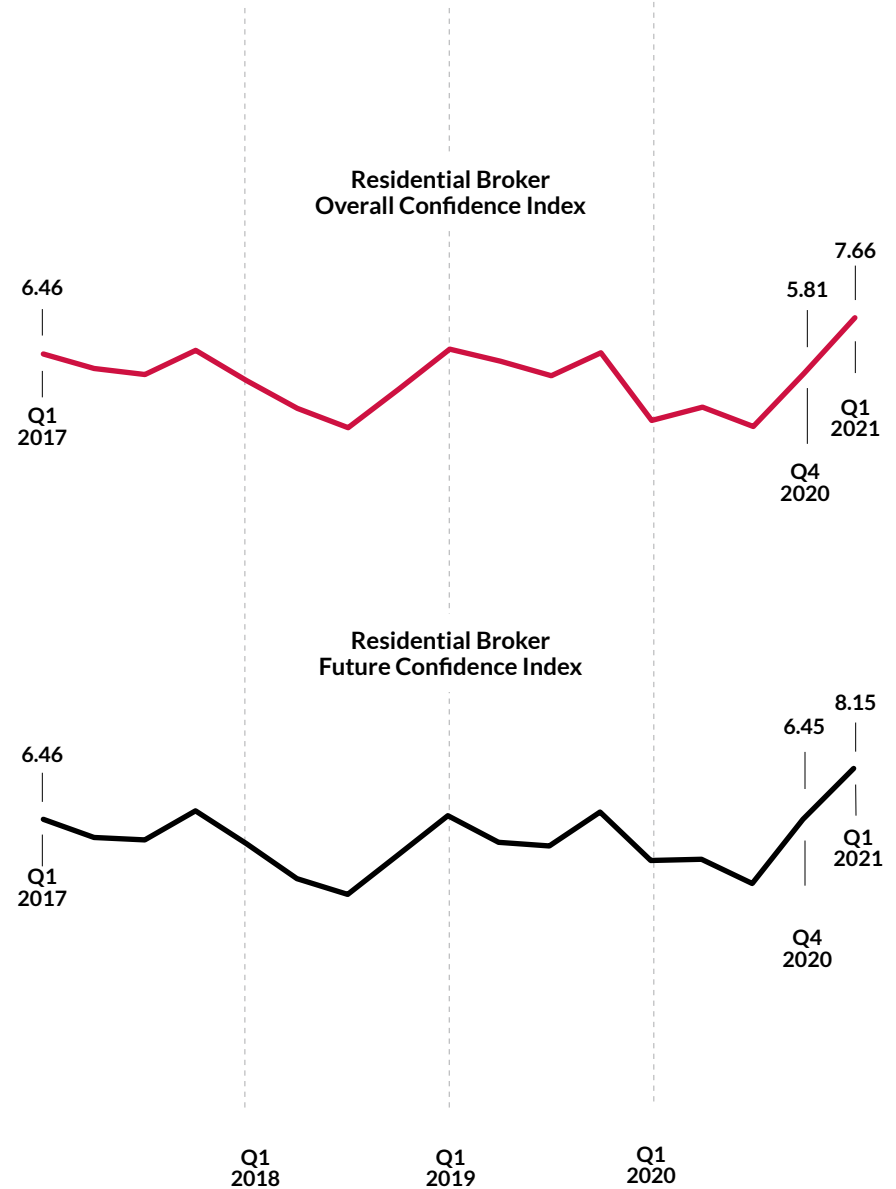


# Executive Summary

## RESIDENTIAL BROKER CONFIDENCE INDEX

The present situation residential broker confidence Index was 7.01, a 42% increase since the fourth quarter of 2020 and a 128% increase since the first quarter of 2020. Present residential broker confidence has not been this high since the second quarter of 2016.

The future confidence index for the residential market was 8.15, a 26% increase from the fourth quarter of 2020 and a 61% increase since the first quarter of 2020. Future residential broker confidence has not been this high since the first quarter of 2015.



# Comments About the Market

## COMMERCIAL QUOTES:

1. The current real estate market provides a good opportunity for commercial investment. As soon as the economy recovers, I believe businesses will confidently return.
2. People are beginning to return to office space due to the vaccine rollout. I believe that the commercial market will continue in a positive direction over the next 12 months.
3. The combination of increased vaccination rates causing higher consumer confidence, better weather and increased employment are boosting the commercial real estate market.
4. Landlord and tenant expectations are in a rare moment of alignment. There is a lot of activity in the restaurant and service industries.
5. Tenants are currently looking to strike deals now that the pandemic seems to be ending, and landlords are willing to make deals.

## RESIDENTIAL QUOTES:

1. We are making slow but steady progress toward recovery due to the vaccination rollout and businesses reopening.
2. There are positive trends occurring in both the sales and rental markets. There is a flurry of activity for well-priced properties and people are hopeful for the future and returning back to New York City. The vaccine is helping to boost the market.
3. Open house attendance is now back to 2019 levels in many neighborhoods, and time on the market is much shorter.
4. The New York City residential market is still a buyers' market, and I believe it will stay that way until the economy makes a full recovery and businesses are open.
5. The increase in vaccinations is influencing the market positively and allowing for more opportunities to connect with prospective home buyers.

# 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 1: Real Estate Broker Confidence Index

Quarter	Overall Confidence	Present Situation Confidence	Future Confidence (6 months from now)
Q1 2021	6.66	5.25	7.71
Q4 2020	4.35	3.39	5.07
Q3 2020	3.08	2.50	3.51
Q2 2020	3.30	2.48	3.91
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

# Confidence Index Quarterly Results

**TABLE 2: Commercial Broker Confidence Index**

Quarter	Overall Confidence	Present Situation Confidence	Future Confidence (6 months from now)
Q1 2021	5.65	3.49	7.27
Q4 2020	2.89	1.83	3.68
Q3 2020	2.15	1.40	2.72
Q2 2020	1.94	0.89	2.72
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

**TABLE 3: Residential Broker Confidence Index**

Quarter	Overall Confidence	Present Situation Confidence	Future Confidence (6 months from now)
Q1 2021	7.66	7.01	8.15
Q4 2020	5.81	4.95	6.45
Q3 2020	4.00	3.61	4.30
Q2 2020	4.66	4.06	5.11
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



# 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 2021	2.27	7.32	6.80	8.30	1.40	6.55	7.32	5.65	3.49	7.27
Q4 2020	0.91	3.58	3.93	5.56	0.64	2.63	3.58	2.89	1.83	3.68
Q3 2020	0.43	1.75	3.46	5.49	0.30	1.49	1.75	2.15	1.40	2.72
Q2 2020	0.20	2.47	2.13	4.63	0.36	2.56	2.47	1.94	0.89	2.72
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

# 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 2021	8.47	9.11	9.00	8.55	3.56	6.83	8.11	7.66	7.01	8.15
Q4 2020	5.14	7.77	8.54	8.63	1.18	3.08	6.32	5.81	4.95	6.45
Q3 2020	1.94	4.05	8.03	8.13	0.85	1.77	3.24	4.00	3.61	4.30
Q2 2020	2.43	4.65	6.80	7.52	2.95	4.78	3.47	4.66	4.06	5.11
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