



The Gramercy Park Insider

Summer 2020 Edition

By: Rajan D. Khanna

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CHALLENGING TIMES



Every so often life throws us a curved ball and we are paralyzed with fear, apprehension and despair. The global effects of the COVID-19 pandemic have created a health and economic crisis of a magnitude the world has not seen in a very long time. This reality check of our collective mortality, combined with concerns about the impact to our own economic security, has understandably left many of us dealing with a feeling of uncertainty and helplessness. We are living in difficult times which makes important decision making challenging. The events unfolding globally in a minute by minute way have us all on the edge of our seats and when we watch the news we are unable to avoid any number of variations of doom and gloom.

To me, time, experience and the perspective it brings are helpful in processing what all of this may mean. In my 18 years of real estate in Manhattan I have come to recognize that home ownership is a bold commitment people make and it requires keeping the long term view of our lives in mind. The record shows that regardless of a particular moment in time, smart purchasers in NYC have always been able to see that difficult moments are not forever and the future should be viewed with optimism. Why is that? Well, we New Yorkers are a resilient group. We may be knocked down for a little while

but we are never out. The aftermath of the unfortunate events of 9/11 left us in shock, fear and disbelief that such an act could be committed. Yet we look back and see a period where as a city, we hunkered down, weathered the storm and bounced back in early 2002 with a 6 year “bull-market run” which saw great gains in the real estate market in the city. Then came the crash of 2008, Lehman Brothers collapsed, and so did real estate markets nationwide. Yet and, another big return to market health that exceeded expectations. In both instances, savvy buyers relatively soon saw through the tough situation, realized opportunities like these come along so rarely, and we had another buying surge that included buying second and third homes, and homes for their adult children. Many people saw immense value in those moments. Although at this moment, I believe we should pause and work to get a handle on a difficult global situation I think we will look back the period after COVID-19 as the beginning of a third strong market opportunity. History shows that periods of uncertainty create excellent opportunities for the brave since they offer flexibility in prices, low interest rates, and a chance to act while demand is low. In retrospect, time and again the Bricks and Mortar of NYC has proved to be an incredibly reliable investment when judged against the highly volatile equity markets.

As with all crisis, this too shall pass. As New Yorkers we can and do overcome all adversities with our steely determination and come out stronger on the other end. Time is on our side.

Be safe and well. My thoughts and prayers are with all of you and your families.

MARKET BEAT

It has been ten days since we entered Phase 2 of reopening in New York City. Here's how the Manhattan real estate market has reacted thus far:

- 161 New Contracts were Signed
- 1,100 New Listings came to Market
- 7,300 = Total Number of Apartments Currently on the Market, a number consistent with the past two Julys
- Home Buying is up 44% Nationwide
- Mortgage Applications are at record highs.

In sum, consumer confidence is high as people begin to realize that this downturn is not the same as the 2008 crisis, which took down two major banks and set the economy into a tailspin.

CURRENT LISTINGS



32 Gramercy Park South, 3G

\$975,000 | 1 Bedroom | 1 Bath

Web# 20210479



7 Lexington Avenue, 5B

\$2,700/month | Studio | 1 Bath

Web# 20177849

HOME

My early memories of home are from when I was 12 years old living in Mumbai, India. One afternoon, after school, my father sent our family car to bring me to his office. My father owned his own business and was always at work so this was a rare treat for me to spend the afternoon with him, especially on a mystery adventure. While riding in the car I noticed a briefcase placed on the seat between us, but did not think much of it since my father always went to work carrying it. Soon, the car came to a stop at what I could see was a construction site. My father motioned me to follow him and at that point I asked him where we were going. “We are going to buy an apartment which will be our home.”, he replied.

We went up a hoist and stopped at a partially finished apartment. This, my father explained, was going to be our future home. He said it would have a bedroom for me, one for my parents, a dining and living room. He continued to tell me more, the truth is my father lost me after mentioning the living room. I was so excited to have a new bedroom that I did not care about the rest of the apartment. As I sat there decorating my bedroom in my head my father and the on-site salesperson went into a lengthy discussion at the end of which my father opened his briefcase. To my surprise it was full of money. He handed all of the money in the briefcase over to the man and led me back to the car. I was fascinated with the amount of money that had changed hands, it seemed like he had given away his life savings. When I questioned him on the wisdom of giving away all that money for an apartment he told me, “Son, we bought a home. It, will provide us with shelter and comfort in good times and bad, above all it is ours. We will own it, and it will be the best investment I have made in my entire life.”

Years later those words resonated with me when I heard our CEO explain the benefits of owning a home. She said, “A home provides you with shelter, comfort and security. It is the best investment one can make. At the end of the day, it has real utility and when you sell it and get your money back, it was a good financial investment. If, you make a profit it was an excellent investment.” As a broker, in my conversations with my customers, I realize, we often don’t make enough points to express the practical and emotional aspects of owning a home. When I am asked by a client looking to buy a home how much it will appreciate in say 5 years I smile and remember my late fathers’ words, “*We will own it, and it will be the best investment I have made in my entire life.*”



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