

# THE REAL DEAL

March 2012

## Climate change

*With warm weather, brokers report an early spring activity bump*

By Leigh Kamping-Carder

**W**hen Adina Azarian first opened her boutique rental firm, Adina

### RESIDENTIAL MARKET REPORT

Equities, in 2003, a veteran broker called to wish her luck and offer a key piece of advice.

"He told me that February is just an awful month for rentals," recalled Azarian, who still runs her eponymous firm and also works at Keller Williams NYC as its "cultural ambassador."

He recommended that she take an annual vacation during the cold, dreary days of the year's shortest month.

But this year, she didn't take

that holiday. And lo and behold, Adina Equities had the highest number of deals closed and new exclusives signed than during any other year in its history, she said, adding, "I will take it as a good sign."

The firm's strong performance was due in large part to the much-discussed boom in the rental market that has continued almost un-

abated through the usually sluggish winter months. But another reason for the activity was last month's warm temperatures.

On all but four days in February this year, temperatures were higher than their historical averages, according to AccuWeather, a

mate affecting market activity.

"With the unusually warm weather that we're experiencing, we're seeing a lot of homebuyers coming to the market before they normally would," said Daniel Hedaya, president of Platinum Properties. "Typically, winter is a tough

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**Daniel Hedaya, Platinum Properties**

national meteorological service.

Some other brokers have also noticed the relatively balmy cli-

mate for buyers to look at properties, with snow and cold. However, the warmth has brought them out earlier than anticipated."

Furthermore, acceptances to the city's elite private schools began to come out early last month. As a result, "we are seeing increased activity among buyers for large residences," compared to the previous month, said Beth Fisher, the senior managing director of Corcoran Sunshine Marketing Group.

While Punxsutawney Phil may have seen his shadow on Groundhog Day, forecasting six more weeks of winter, brokers anticipate the mild weather will contribute to a springtime surge in activity.

"There is going to be a boom in the spring," predicted Ariel Cohen, a senior vice president at Prudential Douglas Elliman. "The weather change is going to make an impact on the morale of the market."

Brokers said that other factors portend a more-than-seasonal uptick in activity this spring.

For one, the city's (currently low) inventory levels are expected to rise, perhaps dramatically, possibly paving the way for an increase in sales as buyers are confronted with more options.

When it comes to newly constructed condominium buildings, this may already be taking place. In StreetEasy's inaugural monthly report on the Manhattan condo market, the listings provider found that among new developments, inventory was up 36 percent between January 2011 and January 2012. But inventory for all condos was down 3.2 percent in the same period.

James Malone, an agent at Bond New York, explained that more favorable economic news — for example, better jobs numbers and stock market growth reported in recent weeks — increases sellers' hopes for getting a return on

Continued on page 96

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## Residential market from page 16

their original property investment. "This, coupled with the pent-up desire for a new apartment, could produce a really lively spring selling season," he said.

Additionally, some brokers said that banks are beginning to loosen their purse strings, which could help boost activity in the spring.

"Financing is more readily available and people will be looking to take advantage of that," Platinum's Hedaya said.

As a result, deals without mortgage contingencies have begun to appear again, and are even "once again finding a place of prominence," said Tom Postilio, a managing director at Core.

As far as Azarian is concerned, she plans to follow up a busy February with a busy March.

"I am growing my agent roster again in preparation for the coming months of spring [and] summer renting madness," she said. "I have every intention of taking full advantage of the market." **TRD**