



MULTIFAMILY REPORT

Manhattan Fundamentals Still Solid

Summer 2020

Private-Sector Jobs Rebound

Rental Assistance to Ease Hardship

Construction Resumes, Developers Press On



MANHATTAN MULTIFAMILY



Methodical March Toward Recovery

Despite being one of the hardest-hit markets amid the COVID-19 pandemic, on July 20 New York City entered Phase 4 of Gov. Andrew Cuomo's reopening plan—the final phase in a meticulous strategy toward recovery. Even though renters fled the city in droves, driving up vacancies, rental rates in Manhattan were down only 0.1% on a trailing three-month basis through June, while national rents slid 0.2%. The overall Manhattan average stood at \$4,103, nearly three times the \$1,546 U.S. figure. As part of national rental relief efforts, a new \$100 million rental assistance program was launched in mid-July, aimed at supporting financially burdened New Yorkers.

As of June, unemployment in New York City stood at 20.4%. Job losses were widespread, with face-to-face sectors hit the hardest as of May—leisure and hospitality (-455,700 jobs) and trade, transportation and utilities (-231,300). According to a Resilient and Vulnerable Cities report by Unison, resilient cities have higher job concentrations in financial services and information technology. New York City ranked third in resilience, after Boston and D.C.

Despite stringent lockdown measures, Manhattan's multifamily market remained sturdy. Developers added more than 1,100 units to inventory in the first months of 2020—94% above the decade's cycle low in 2012—and plan on delivering another 2,700 by year-end, although delays will most likely occur.

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Recent Manhattan Transactions

Instrata NoMad



City: New York City
Buyer: Global Holdings
Management Group
Purchase Price: \$381MM
Price per Unit: \$961,111

Tower West



City: New York City
Buyer: Jonathan Rose Cos.
Purchase Price: \$94 MM
Price per Unit: \$919,965

The Allen House



City: New York City
Buyer: Stonehenge Partners
Purchase Price: \$66 MM
Price per Unit: \$576,070

1314 Riverside Drive



City: New York City
Buyer: Pragma Investments
Purchase Price: \$10 MM
Price per Unit: \$158,594