



MULTIFAMILY REPORT

Manhattan Fights Back

May 2022

Inventory Expansion Remains Sluggish

Rent Growth Just Under US Average

Job Market Up, Still at Deficit

MANHATTAN MULTIFAMILY



Overcoming Two Tough Years

Following what have been two very difficult years for the market, Manhattan's rental sector seems to have stabilized. Rent growth ended the first quarter of 2022 at 0.5% on a trailing three-month basis as of March, 20 basis points lower than the national rate of improvement. Given the borough's average asking rent, at \$4,280, increases are still very significant in absolute numbers.

New York's employment market has faced some of the strongest headwinds in the nation throughout the pandemic, with improvement underway, but slightly underpowered. The metro added some 389,600 jobs in the 12 months ending in February, but further acceleration is necessary if full recovery is to be achieved. The city's leisure and hospitality sector has been the most embattled, but even significant gains over the past year—some 155,400 jobs—leave the sector at a 125,000 job deficit since 2020 levels.

Traditionally slow to add rental stock, Manhattan's multifamily pipeline looks more robust, with 6,897 units under construction, the bulk of which is targeting the upscale segment, which has driven improvement in both rents and occupancy. Meanwhile, transaction activity in 2022 has already outpaced 2020's total, mostly on the back of the sale of the American Copper Buildings to Black Spruce Management. Improvement should endure in 2022, with Yardi Matrix expecting rent growth to reach 5.1% by year-end.

Market Analysis | May 2022

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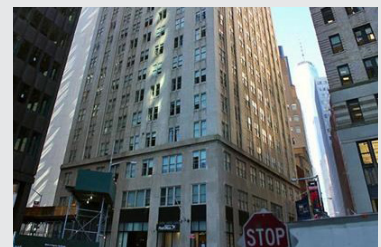
Recent Manhattan Transactions

American Copper Buildings



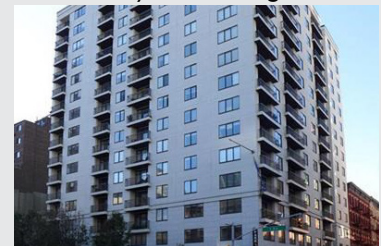
City: New York City
Buyer: Black Spruce Management
Purchase Price: \$837 MM

116 John Street



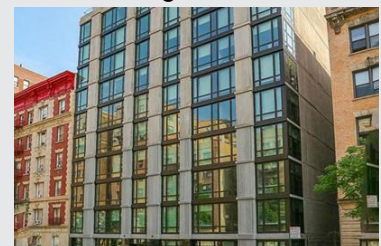
City: New York City
Buyer: Silverstein Properties
Purchase Price: \$248 MM

The Cole by Stonehenge



City: New York City
Buyer: Stockbridge Capital Group
Purchase Price: \$128 MM

Monarch Heights



City: New York City
Buyer: The Moinian Group
Purchase Price: \$84 MM