

MULTIFAMILY REPORT

Moderating Manhattan

January 2023

Supply Remains Minimal

Professional, Business Services Lead Job Gains

Growth Moderates, Rents Still Highest in US

MANHATTAN MULTIFAMILY



Manhattan Multifamily Levels Off

After a sharp drop and a swift recovery, New York City multifamily is now looking ahead toward more sustainable levels of growth. Hit by a double whammy of seasonal deceleration and inflation woes, the market is slowing down though not dramatically. Manhattan rents were flat on a trailing three-month basis as of November, at \$4,504, while the U.S. average dropped 10 basis points, to \$1,719. The borough's occupancy growth has also slowed significantly, at just 20 basis points in the 12 months ending in October.

Despite a slower start, New York City's economic recovery remained in full swing. The metro added 359,200 jobs in the 12 months ending in September 2022, with all but one sector gaining positions. That accounted for a 5.8% rise, outperforming the national rate of growth. Professional and business services (83,200 jobs), leisure and hospitality (81,600) and education and health services drove growth, while construction contracted by 400 jobs. Meanwhile, the unemployment rate dropped to 4.1% as of October 2022, above the state but trailing the national figure.

Nearly \$3.9 billion in multifamily assets traded in Manhattan in the first 11 months of 2022, marking the strongest year for deals since 2016. Meanwhile, the borough's pipeline slowed down, as Manhattan had 7,528 apartments under construction, with only 1,529 of them in projects that kicked off in 2022.

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Recent Manhattan Transactions

160 Riverside Blvd.



City: New York City Buyer: A&E Real Estate Holdings Purchase Price: \$415 MM Price per Unit: \$912,088

780 Greenwich St.



City: New York City Buyer: Stonehenge Partners Purchase Price: \$80 MM Price per Unit: \$893,711

66 Avenue A



City: New York City Buyer: Derby Copeland Capital Purchase Price: \$64 MM Price per Unit: \$842,105

The Nathaniel



City: New York City Buyer: Westover Cos. Purchase Price: \$57 MM Price per Unit: \$667,647