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Queens Braces For Supply Boom

Multifamily Report Spring 2018

Development to Hit Cycle High

Affordability Issues Persist

Rents Continue to Slip

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Market Analysis

Spring 2018

Contacts
Paul Fiorilla
Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern
Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author
Bogdan Odagescu
Senior Associate Editor

Supply Wave to Further Soften Demand

Following nationwide trends, Queens' expanding multifamily pipeline is set to hit a cycle peak in 2018, with rising affordability issues and possible oversupply in key areas further softening the market in the short term. Queens rents were down 50 basis points year-over-year through March, as job gains across the metro decelerated and demand hit a small bump.

Metro New York added 84,200 jobs in 2017 for a 1.6% expansion, almost on par with the national average. Like Brooklyn, Queens continues to benefit from Manhattan's prohibitive prices as residents are being priced out and some office-using companies choose to settle across the East River. And although most large-scale construction projects are concentrated in Long Island City, several areas further east—including Willets Point, Jamaica and Edgmere—could see significant development in the coming years.

Roughly 1,600 units came online last year, and another 11,000 units were underway as of March. Queens should remain a stable market in the long run, due to New York City's solid fundamentals and because affordability in the outer boroughs, although a pressing concern, is nowhere as pressing an issue as it is in Manhattan. Occupancy in stabilized properties slid 50 basis points in 2017, but at 98.3% as of December, remains above the 95.2% U.S. average. Overall, we expect New York City rents to decline 1.0% in 2018.

Recent Queens Transactions

71-05 37th Ave.

City: New York
Buyer: Persaud Rajmattie
Purchase Price: $32 MM
Price per Unit: $297,170

22-11 New Haven Ave.

City: New York
Buyer: Vincent Ragosta
Purchase Price: $22 MM
Price per Unit: $203,704

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