



MULTIFAMILY REPORT

Queens Interrupted

Summer 2020

COVID-19 Hits Employment Sectors

Investment Activity Falls Sharply

Deliveries Trail US Average

QUEENS MULTIFAMILY



Coronavirus Hits Borough Hard

The pandemic started taking a heavy toll on New York's economy—and rental market—soon after the coronavirus arrived in the U.S. As of July, Queens rents were down 0.8% on a trailing three-month basis, well below the -0.1% U.S. figure. Lifestyle rates slid 1.8%, as the pandemic pushed renters to leave the city or search for more affordable options, forcing landlords to offer concessions.

As the health crisis turned the metro into a global epicenter in April, unemployment skyrocketed. The jobless rate in the New York-Northern New Jersey-Long Island area jumped from 3.8% in March to 17.0% in June, according to preliminary data from the U.S. Bureau of Labor Statistics. Job losses were widespread, with leisure and hospitality shedding 455,700 positions for a 64% contraction in the 12 months ending in May. At the end of June, the economy slowly started its long road to recovery, and, as of July 20 all of New York's 10 regions were in the final reopening phase.

Following last year's 4,059-unit cycle peak for completions, developers added only 742 units to the borough's inventory this year through July, with an additional 8,075 apartments underway. At the same time, transaction activity dampened significantly. Considering the slump in investor confidence, and the typical pause in transaction activity that usually occurs ahead of presidential elections, deal volume could remain low for a while.

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Recent Queens Transactions

The John Adams



City: New York City
Buyer: Nelson Management Group
Purchase Price: \$27 MM
Price per Unit: \$236,607

Belcrest House



City: New York City
Buyer: Parkoff Org.
Purchase Price: \$22 MM
Price per Unit: \$211,905