



MULTIFAMILY REPORT

Manhattan: Ready to Bounce Back

Spring 2021

Rent Contractions Decelerate

Unemployment Levels Steadily Improve

New York State to Receive \$100B in Federal Aid

MANHATTAN MULTIFAMILY



Stimulus Bill Underscores Silver Lining

In line with other gateway metros, New York City, which heavily relies on tourism, business travel and service industries, proved particularly vulnerable to the health crisis that ground the city's economy to a near halt in 2020. Year-over-year, the average Manhattan rent was down 14.3% as of March. However, while rents continued to contract, they have done so at a steadily decelerating rate after reaching an October 2020 bottom.

The New York metro area lost more than 1 million jobs in 2020. While the region's main economic engines—including Wall Street, big corporations and the tech industry—have stood the test better than initially anticipated, low-wage workers and small businesses continue to struggle. Glimmers of hope emerged as the American Rescue Plan allocated an estimated \$100 billion to the state, with \$6.1 billion in direct aid carved out for the city government, significantly enhancing New York City's outlook. However, the recovery is going to be a steep climb, according to economists and analysts.

Manhattan had 5,078 rental units under construction as of March, 94% of which are targeting high-income renters. Nearly half the pipeline is slated to come online this year, with an additional 1,647 units expected for delivery in 2022. Meanwhile, some \$932 million in multifamily assets of more than 50 units traded last year, down 40% compared to 2019 and marking the decade's low point.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

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

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Author

Timea-Erika Papp

Senior Associate Editor

Recent Manhattan Transactions

Lands End



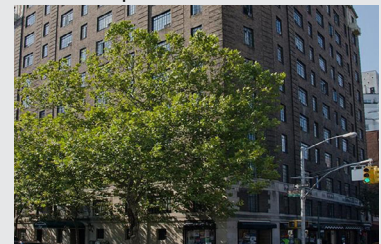
City: New York City
Buyer: Related Cos.
Purchase Price: \$424 MM
Price per Unit: \$867,076

15 Park Row



City: New York City
Buyer: Atlas Capital Group
Purchase Price: \$140 MM
Price per Unit: \$622,222

1 Christopher Street



City: New York City
Buyer: Koeppel Cos.
Purchase Price: \$93 MM
Price per Unit: \$740,800