

Yardi® Matrix

Made in Manhattan

Multifamily Report Fall 2017

Transaction Volume Tumbles

Supply Moderates Sale Price, Rent Growth

Employment Expansion Pushes Through

MANHATTAN MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2017

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Supply Compresses Rent Growth

Manhattan rents are gradually fizzling amid significant supply increases and high prices, which have left many tenants unable to afford typical rates. Although rents have fallen 2.5% year-over-year, the decrease has done little to address the market's dearth of affordable apartments. Meanwhile, investment activity has also started to slow: Some investors have begun balking at consistently high prices, befitting the borough's status as a top core market in the U.S.

Employment growth persisted this year, despite some significant losses in the information and manufacturing industries. Development at Hudson Yards and Waterline Square continues to generate construction activity, while public transit on the island received a boost at the beginning of the year from the opening of the Second Avenue subway line, an East Side project nearly one century in the making.

Roughly 11,500 rental units are under construction in Manhattan, and another 24,000 units are in the planning and permitting stages, pointing to continued inventory expansion. Meanwhile, condo and co-op sales surged in 2017, with new supply compressing prices and pushing more household creation through both renting and owning. As New York City keeps expanding and affordable housing units start hitting the market in areas like Hell's Kitchen and East Harlem, we predict that rents will continue to moderate, decreasing by 1.0% for the year.

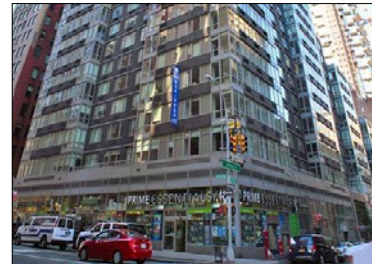
Recent Manhattan Transactions

Kips Bay Court



City: New York
Buyer: Blackstone Group
Purchase Price: \$620 MM
Price per Unit: \$695,512

88 Leonard Street



City: New York
Buyer: Jamestown
Purchase Price: \$242 MM
Price per Unit: \$683,898

63 Wall Street



City: New York
Buyer: Rockpoint Group
Purchase Price: \$239 MM
Price per Unit: \$502,341

67 Wall Street



City: New York
Buyer: Rockpoint Group
Purchase Price: \$182 MM
Price per Unit: \$551,032

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