

Yardi® Matrix

Manhattan Grows In Size, Not Value

Multifamily Report Spring 2018

Rents Continue
To Dwindle

Inventory Expansion
Hits Cycle Peak

2018 Sales Strong
Out of the Gate

MANHATTAN MULTIFAMILY

Yardi® Matrix

Market Analysis

Spring 2018

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Diluted Inventory Moderates Growth

Due to a quick increase in development of both rental units and condos, rents and per-square-foot prices are sliding in the prohibitively priced Manhattan market. Inventory is projected to join the nation in having a new cycle peak for expansion, meaning that rents will likely maintain their trend of moderation.

Employment growth continued in 2017 for all five boroughs, in relative sync with the national rate, as Manhattan continued to rely heavily on its financial sector. Construction is still having a moment in New York County, where megadevelopments are edging closer to completion. The World Trade Center redevelopment site has yet to add two new buildings—2 WTC and 5 WTC—while Essex Crossing, a redevelopment project that's been 50 years in the making, is finally underway. The 1.7 million-square-foot master plan is set to add roughly 1,000 new units once all buildings are completed.

With a robust multifamily pipeline of more than 10,000 units underway and an additional 27,000 in the planning and permitting stages, Manhattan is likely to maintain its fast-paced inventory expansion. As rents in the Lifestyle segment continue to slide, the New York County average rate will likely maintain its downward trend. Overall, New York City rents are bound to drop 1.0% in 2018.

Recent Manhattan Transactions

The Vogue



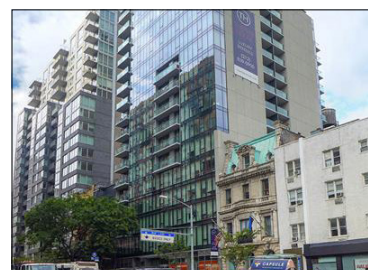
City: New York
Buyer: Vanbarton Group
Purchase Price: \$316 MM
Price per Unit: \$987,500

Polyclinic



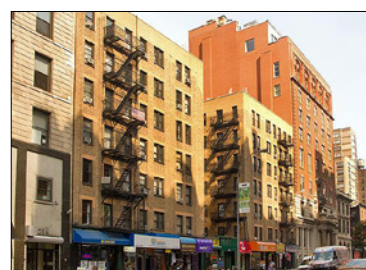
City: New York
Buyer: Housing Partnership
Purchase Price: \$110 MM
Price per Unit: \$730,132

Theater House



City: New York
Buyer: Gilar Realty
Purchase Price: \$110 MM
Price per Unit: \$1,047,619

Chelsea



City: New York
Buyer: Akelius Real Estate Mgmt.
Purchase Price: \$100 MM
Price per Unit: \$408,163