

Yardi® Matrix

Building Queens

Multifamily Report Winter 2019

Occupancy Remains High

Rent Growth Recovers

Deliveries Hit Strong Cycle Peak

QUEENS MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Deliveries Accelerate, Absorption Responds

Continuing to benefit from Manhattan's spillover effect and steady job gains, the Queens multifamily market ended 2018 on a positive note. Rent growth recovered slightly, at 0.5% year-over-year as of January, with the average rate at \$2,195. And although deliveries hit a strong cycle peak, absorption kept up pace.

New York added 87,200 jobs in the 12 months ending in November, with education and health services leading growth (46,600). While Amazon's heavily debated HQ2 campus project is effectively gone, there are other projects underway that are aiming to reshape parts of the borough. One example is local authorities' push to finalize a decade-old plan to redevelop Queens' Iron Triangle into a 17-acre hotbed for new development.

More than 3,200 units came online in Queens last year and an additional 8,724 were underway as of January, preparing the borough for another banner development year. Although deliveries have accelerated sharply, Queens' occupancy rate in stabilized properties maintained a healthy 98.5% in 2018. Considering the metro's deepening affordability issues, uncertain rental policies and relatively stable supply-demand balance, we expect New York City rents to advance only 0.7% in 2019.

Recent Queens Transactions

Parker Towers



City: New York City
Buyer: Blackstone Group
Purchase Price: \$475 MM
Price per Unit: \$357,950

29-32 Beach Channel Drive



City: New York City
Buyer: Coney Realty & Management
Purchase Price: \$19 MM
Price per Unit: \$178,505