

Manhattan's Strength

January 2026



YoY Rent Gains Lead Nation

Supply Still on Track

Employment Growth Solid

MANHATTAN MULTIFAMILY



Rent Gains Strong, Supply on Track

Manhattan neared the end of 2025 with sustained performance across fundamentals, albeit in the context of a slower economy. Average advertised asking rents were down 0.5%, on a trailing three-month basis through November, to \$5,607, 20 basis points below the U.S. figure. This was a sudden seasonal downshift, preceded by strong performance. New York City rents were up 5.7% year-over-year through November, ahead of all other markets tracked by Yardi Matrix by a significant margin.

NYC's employment growth remained solid, at 1.5% year-over-year through August, 70 basis points ahead of the nation and slightly down from previous quarters. Over the 12-month period ending in August, the city added 113,400 net jobs, with education and health services (92,400) and leisure and hospitality (14,200) leading gains. The new administration promises to focus on affordability and a lower cost of living but will have to work with the policy and infrastructure foundations set by the previous one, such as City of Yes and the 467-m tax program. Conversions continue to play a pivotal role in the city, with the two largest such developments in the U.S. both in Manhattan.

Overall supply remained within historical margins, with developers adding 2,678 units year-to-date through November. A total of 13,234 units were under construction, along with 45,000 in the planning and permitting stages.

Market Analysis | January 2026

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Recent Manhattan Transactions

800 Fifth Ave.



City: New York, N.Y.
Buyer: Naftali Group
Purchase Price: \$810 MM
Price per Unit: \$3,894,231

Riverbank



City: New York, N.Y.
Buyer: J.P. Morgan Asset
Management
Purchase Price: \$244 MM
Price per Unit: \$582,536

250 W. 85th St.



City: New York, N.Y.
Buyer: Benchmark Real Estate
Group
Purchase Price: \$66 MM
Price per Unit: \$528,000

10 Rutgers

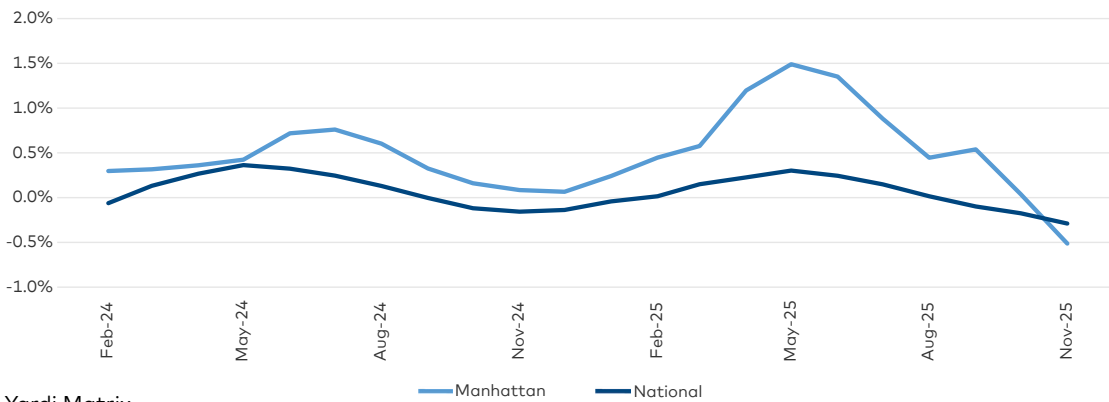


City: New York, N.Y.
Buyer: Tokyu Land US Corp.
Purchase Price: \$56 MM
Price per Unit: \$677,711

RENT TRENDS

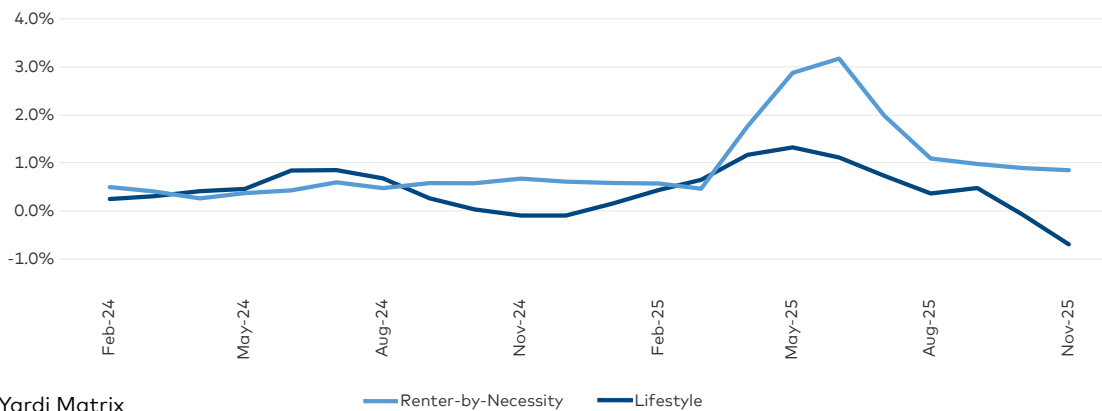
- ▶ Advertised asking rents across Manhattan were down 0.5%, on a trailing three-month (T3) basis through November 2025, to an average of \$5,607, while the national figure ticked down 0.3%. The shift in rent movement followed healthy performance through the spring and summer leasing seasons, when the T3 rate was well above the national figure.
- ▶ Rent development diverged across individual quality segments. Average advertised asking rates for upscale Lifestyle assets were down 0.7%, on a T3 basis through November, to \$5,735, as the supply pipeline heavily favored this type of property, further pressuring gains. On the other hand, rates for the working-class Renter-by-Necessity segment were up 0.9%, to \$4,826.
- ▶ New York City's rent gains continued to lead the nation, as the average advertised asking rate was up 5.7%, year-over-year through November last year, while the U.S. figure dipped 0.2%. The metro remained ahead of all other major markets tracked by Yardi Matrix, with Chicago (3.8%) and the Twin Cities (3.2%) rounding out the top three. Strong supply gains and a new administration that promises to alleviate affordability issues will likely result in a slower, but still healthy, performance in 2026. Yardi Matrix expects year-over-year rent gains for NYC to average out to 4.5% in December.
- ▶ Manhattan's average occupancy for stabilized assets ticked up 10 basis points year-over-year and clocked in at a whopping 98.3% in October, 360 basis points above the U.S. figure.

Manhattan vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Manhattan Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ New York City unemployment reached 5.1% in September, according to data from the BLS, down 40 basis points year-over-year, but following a three-month uptick trend. The figure was higher than both the state (4.2%) and the national average (4.4%).
- ▶ NYC is slowly catching up, however, as job growth year-over-year through August stood at 1.5%, 70 basis points ahead of the nation. This was still a slowdown compared to the first quarter, when employment stood in the 1.8%-1.9% range.
- ▶ Over the 12-month period ending in August, NYC added 113,400 net jobs. The largest sector—education and health services—continued to dominate, up 92,400 positions, followed by leisure and hospitality (14,200) and government (10,900). Construction and financial activities lost a combined 13,800 jobs.
- ▶ While NYC's previous administration developed the physical and policy pipeline, Mayor Zohran Mamdani promises to shape how it will be used and who will benefit. The office-to-residential boom is one such legacy, comprising several massive projects that will add thousands of new units, of which a significant share will have to be affordable. Public-private partnerships continue to play a pivotal role, such as the SPARC Kips Bay development, which is set to add 15,000 jobs and have a \$42 billion economic impact.

New York Employment Share by Sector

| Code | Employment Sector | Current Employment | |
|------|-------------------------------------|--------------------|---------|
| | | (000) | % Share |
| 70 | Leisure and Hospitality | 608.4 | 9.4% |
| 90 | Government | 835.4 | 12.9% |
| 50 | Information | 260 | 4.0% |
| 80 | Other Services | 249.1 | 3.9% |
| 40 | Trade, Transportation and Utilities | 879.9 | 13.6% |
| 30 | Manufacturing | 131.7 | 2.0% |
| 60 | Professional and Business Services | 1021 | 15.8% |
| 55 | Financial Activities | 628.7 | 9.7% |
| 15 | Mining, Logging and Construction | 210 | 3.3% |
| 30 | Manufacturing | 235 | 6.8% |

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ NYC's population contracted 0.5% from 2021 to 2022, down 103,217 residents. The broader trend remains positive, however.
- ▶ Meanwhile, the U.S. population grew 0.4% in the same time frame.

Manhattan vs. National Population

| | 2019 | 2020 | 2021 | 2022 |
|-----------|-------------|-------------|-------------|-------------|
| National | 324,697,795 | 326,569,308 | 329,725,481 | 331,097,593 |
| NYC Metro | 19,294,236 | 19,261,570 | 20,011,812 | 19,908,595 |

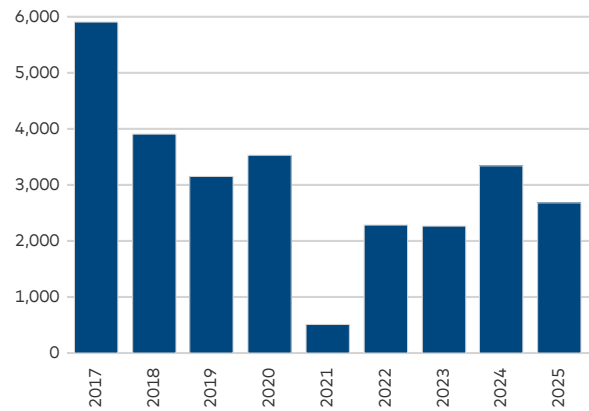
Source: U.S. Census

SUPPLY

- ▶ Manhattan developers had 13,234 units under construction in November, along with an additional 45,000 in the planning and permitting stages. The borough's share of units under construction in fully affordable projects, at 12.3%, continued to lag the national average (16.8%). Meanwhile, just under 80% of units underway were in Lifestyle developments.
- ▶ A total of 2,678 units, or 0.8% of existing stock, came online across Manhattan year-to-date through November, 200 basis points behind the U.S. average. This was 424 units less than the amount recorded in the same period in 2024 and relatively within historical averages. Developers completed about 3,100 units per year since 2017. While at the national level, the trends suggest a steady decline in deliveries this year, Manhattan is projected to accelerate, as more than 6,000 units are forecast to come online.
- ▶ This was reflected in construction starts as well—6,468 units broke ground year-to-date through November across 16 projects, a significant increase from the 4,848 units across 19 developments that started construction in the same period in 2024.

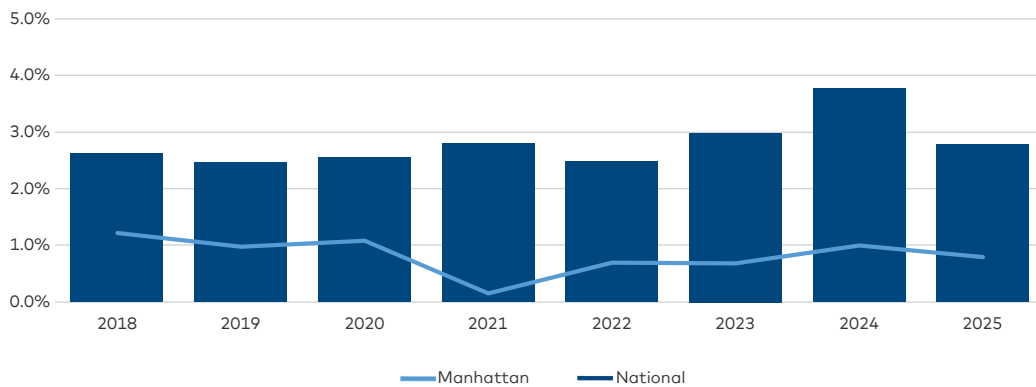
- ▶ Conversions continue to play a pivotal role in Manhattan's supply pipeline, as the two largest such projects in the U.S. are here, bolstered by the 467-m tax exemption bill and other incentives. Metro Loft Developers and David Werner Real Estate Investments are converting Pfizer's former headquarters and the adjacent building into a 1,602-unit community. Metro Loft is also part of the trio of developers behind SoMa, another such project at 25 Water St., which is planned to add 1,320 units upon completion.

Manhattan Completions (as of November 2025)



Source: Yardi Matrix

Manhattan vs. National Completions as a Percentage of Total Stock (as of November 2025)

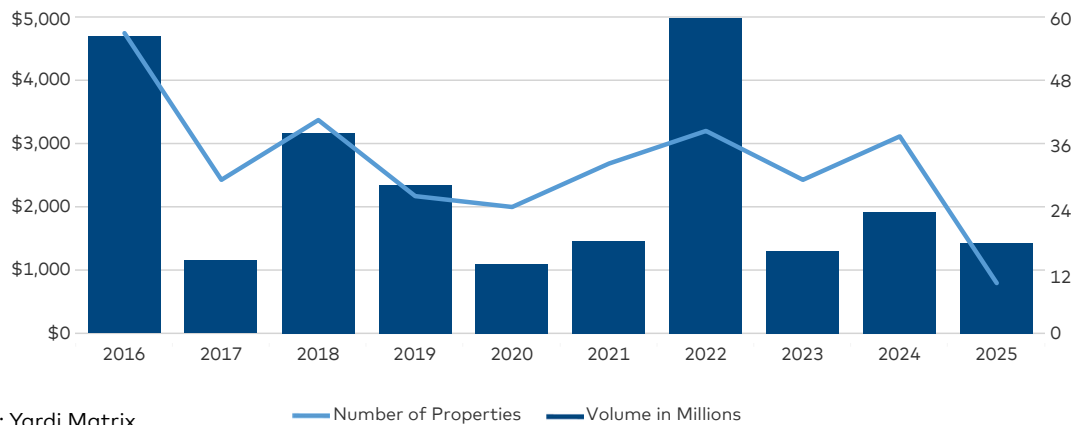


Source: Yardi Matrix

TRANSACTIONS

- ▶ Manhattan investors traded \$1.4 billion in multifamily assets year-to-date through November last year, roughly \$500 million short of the volume recorded in the same period last year. This is on track with nationwide trends, as economic uncertainty around tariffs and interest rates dimmed investment activity in most major metros. An average of \$3.1 billion traded in the borough each year this decade, placing 2024 and 2023 toward the bottom half of that ranking.
- ▶ A total of 11 single-asset transactions closed during 2025's first 11 months. Four involved Lifestyle properties and the remaining seven were RBN. Given the low sample size, the average per-unit price increased 76.3% from 2024's figure, to \$534,659 for 2025's sales.
- ▶ A single transaction accounted for more than half of Manhattan's volume in 2025. Naftali Group paid \$810 million for the 208-unit asset at 800 Fifth Ave. Spitzer Enterprises sold the 1979-completed property.

Manhattan Sales Volume and Number of Properties Sold (as of November 2025)



Source: Yardi Matrix

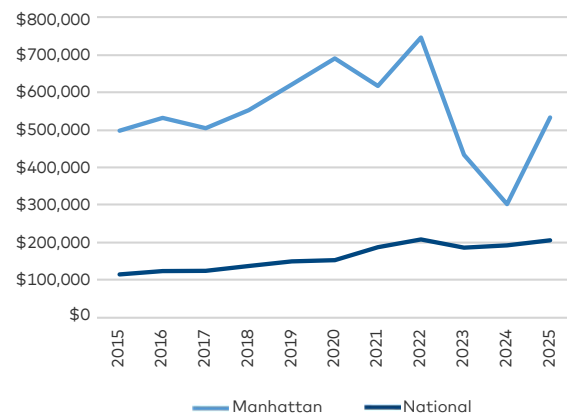
Top Submarkets for Transaction Volume¹

| Submarket | Volume (\$MM) |
|-----------------|---------------|
| Lenox Hill | 890 |
| Hell's Kitchen | 244 |
| Yorkville | 117 |
| Lincoln Square | 86 |
| Upper West Side | 66 |
| Two Bridges | 56 |
| Civic Center | 48 |

Source: Yardi Matrix

¹ From December 2024 to November 2025

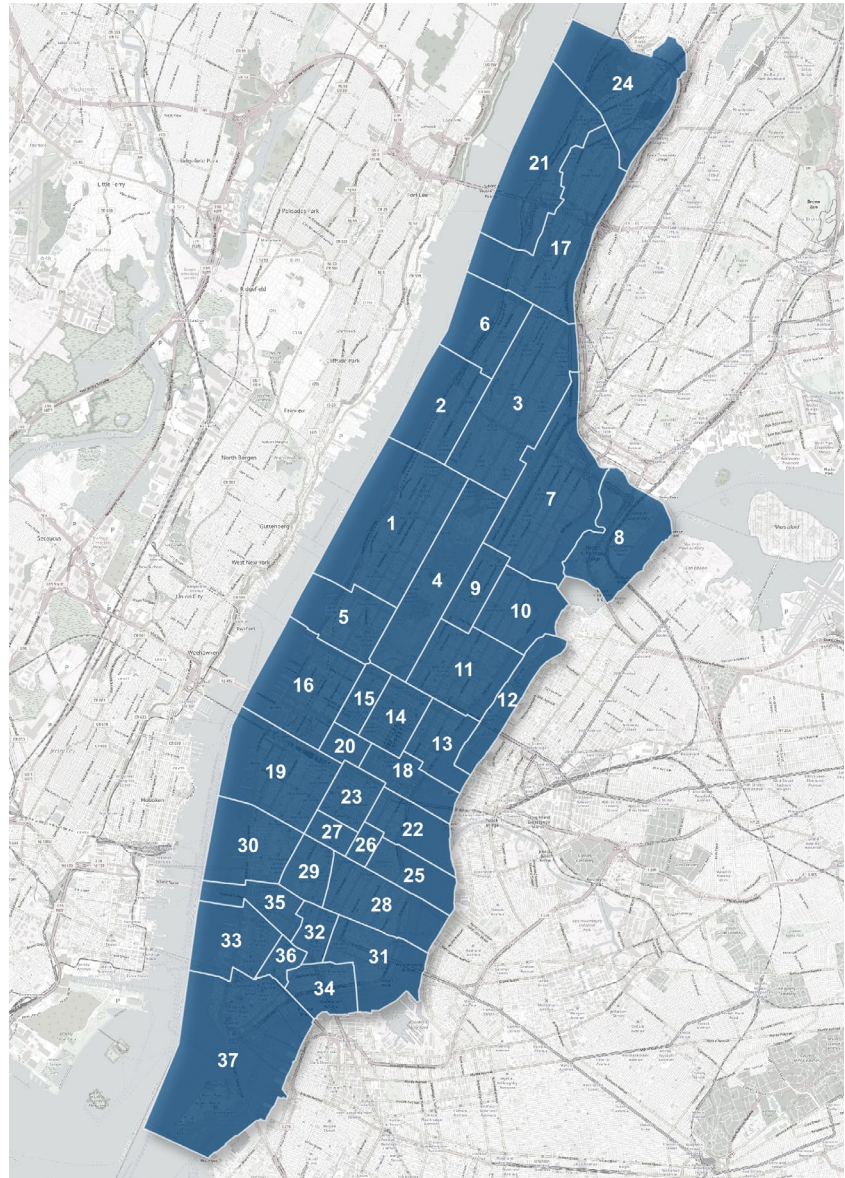
Manhattan vs. National Sales Price per Unit



Source: Yardi Matrix

MANHATTAN SUBMARKETS

| Area No. | Submarket |
|----------|--------------------------|
| 1 | Upper West Side |
| 2 | Morningside Heights |
| 3 | Harlem |
| 4 | Central Park |
| 5 | Lincoln Square |
| 6 | Hamilton Heights |
| 7 | East Harlem |
| 8 | Randall and Ward Islands |
| 9 | Carnegie Hill |
| 10 | Yorkville |
| 11 | Lenox Hill |
| 12 | Roosevelt Island |
| 13 | Midtown East |
| 14 | Central Midtown |
| 15 | Theater District |
| 16 | Hell's Kitchen |
| 17 | Washington Heights |
| 18 | Murray Hill |
| 19 | Chelsea |
| 20 | Garment District |
| 21 | Hudson Heights |
| 22 | Kips Bay |
| 23 | NoMad |
| 24 | Inwood |
| 25 | Stuyvesant Town |
| 26 | Gramercy Park |
| 27 | Flatiron |
| 28 | East Village |
| 29 | Greenwich Village |
| 30 | West Village |
| 31 | Lower East Side |
| 32 | Chinatown |
| 33 | Tribeca |
| 34 | Two Bridges |
| 35 | SoHo |
| 36 | Civic Center |
| 37 | Financial District |



DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- ▶ *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- ▶ *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- ▶ *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- ▶ *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- ▶ *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- ▶ *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

| Market Position | Improvements Ratings |
|-----------------|----------------------|
| Discretionary | A+ / A |
| High Mid-Range | A- / B+ |
| Low Mid-Range | B / B- |
| Workforce | C+ / C / C- / D |

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

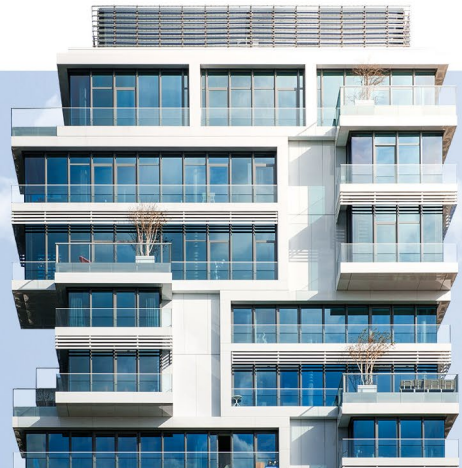
The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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