

Yardi® Matrix

Manhattan: At A Crossroads

Multifamily Report Fall 2019

Rent Growth Rebounds

Investment Sales Slow Down

Job Gains Remain Below US Average

MANHATTAN MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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Rent Growth Picks Up

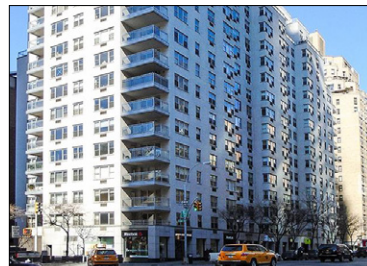
Looking past this summer's new statewide rent regulations that managed to shake investors and raise more questions about the city's proverbial housing crisis, Manhattan's multifamily sector is on an upswing. The borough's year-over-year rent growth as of August surpassed the U.S. figure for the first time in many years. Meanwhile, at 98.5% as of July, occupancy in stabilized assets remained flat over 12 months.

New York City gained 111,500 jobs in the 12 months ending in June, with education and health services accounting for nearly two-thirds of this total. While developing at a slower pace than late-cycle bloomers such as Austin, Phoenix or Las Vegas, New York remains one of the country's top economic engines, as well as a primary destination for international migration and the main target for institutional and cross-border capital.

The borough had some 8,200 units underway as of August, with almost 1,400 apartments completed in the first eight months of the year. Meanwhile, the multifamily transaction volume dropped across the city, partially due to investors' precaution following the latest statewide rent regulations. Considering the relative balance between supply and demand, as well as the metro's affordability issues, we expect rent growth to slightly dampen across New York City by year-end, falling behind the U.S. average.

Recent Manhattan Transactions

The Hanley New York



City: New York City
Buyer: CIM Group
Purchase Price: \$210 MM
Price per Unit: \$ 1,381,579

Stonehenge 86



City: New York City
Buyer: Pan Am Equities
Purchase Price: \$91 MM
Price per Unit: \$1,810,000

25 E. 67th St.



City: New York City
Buyer: Black Spruce
Purchase Price: \$70 MM
Price per Unit: \$1,320,755

725 W. 184th St.



City: New York City
Buyer: Newcastle Realty Services
Purchase Price: \$23 MM
Price per Unit: \$295,570