

Yardi® Matrix

Fine-Tuning Queens

Multifamily Report Fall 2019

Construction Boom Lingers

Occupancy Rate Tops Nation

Workforce Housing Rents Surge

QUEENS MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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New Rental Laws Derail Investment Plans

Unrestrained by this summer's new statewide regulations, Queens rents rose sharply over the past two quarters. At 5.3% year-over-year through August, rent growth in the borough's working-class Renter-by-Necessity segment was the highest across the metro. The average RBN rate surpassed the \$2,000 mark for the first time this summer, reaching \$2,031.

New York City added 111,500 jobs in the 12 months ending in August, marking a 1.5% increase. Long Island City continued to be Queens' main development engine, with several large-scale projects underway. The borough's pipeline also includes Flushing Commons, a 1.8 million-square-foot megaproject, and the 17-acre Willets Point redevelopment. Furthermore, Queens' airports are undergoing major revamps. Apart from the \$8 billion LaGuardia overhaul, American Airlines and British Airways announced a \$344 million investment at JFK's Terminal 8.

Queens is on track to score a new development cycle peak, as more than 2,000 units already came online this year through August. Investment sales of larger assets, however, have shifted down a gear due to regulatory uncertainties before June, and might linger while investors weigh the effects of policy changes. With new supply and demand in relative balance, we expect the average New York City rent to increase just 1.3% in 2019.

Recent Queens Transaction

Parker Towers



City: New York City

Buyer: LivCor

Purchase Price: \$475 MM

Price per Unit: \$357,950