



MULTIFAMILY REPORT

Manhattan's Momentum

May 2026

Asking Rent Gains Lead Nation

Employment Growth Slows

Construction Pipeline Ramps Up

MANHATTAN MULTIFAMILY



Rent Gains Solid, Pipeline Heats Up

Although Manhattan fundamentals softened at the end of 2025, performance in the first quarter of 2026 points to another relatively solid year. Advertised asking rents were up 0.6%, on a trailing three-month basis through March, to an average of \$5,479, far outpacing the national average. Year-over-year, both Manhattan and NYC overall continued to lead the 30 markets tracked by Yardi Matrix, with rent growth of 4.5% and 4.2%, respectively. Following two years of solid supply expansion, the borough's average occupancy in stabilized assets clocked in at a solid 98.2% as of February.

NYC employment growth stood at 1.2% through December, double the U.S. average. However, the figure marked a slowdown, with the rate declining 70 basis points throughout 2025. Unemployment clocked in at 5.2% in February, according to preliminary data from the Bureau of Labor Statistics. Job growth was almost wholly attributable to a single sector, as NYC added 29,200 net positions in 2025. Education and health services gained 81,300 jobs, while five sectors lost a combined 54,600 positions.

Manhattan's supply momentum remains significant, with 16,559 units under construction as of March, alongside an additional 44,000 apartments in the planning and permitting stages. Conversions continue to play a pivotal role, comprising a significant share of the pipeline.

Market Analysis | May 2026

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Recent Manhattan Transactions

Henry Hall



City: New York City
Buyer: Amstar
Purchase Price: \$129 MM
Price per Unit: \$573,333

250 East Houston



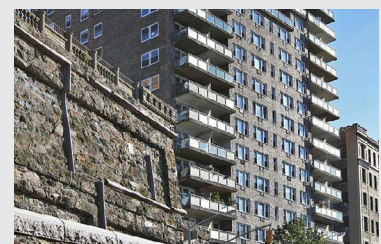
City: New York City
Buyer: Atlas Capital Group
Purchase Price: \$112 MM
Price per Unit: \$861,538

The Caroline



City: New York City
Buyer: Jonathan Rose Cos.
Purchase Price: \$51 MM
Price per Unit: \$401,887

1380 Riverside Drive

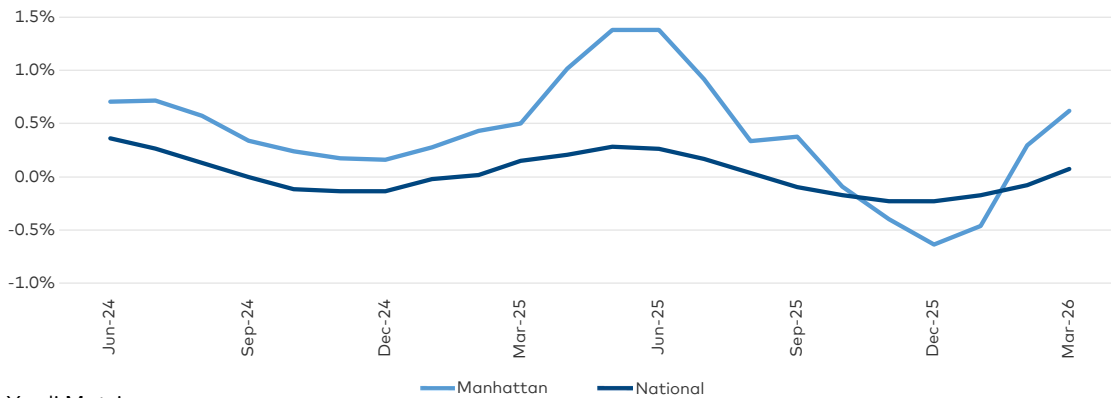


City: New York City
Buyer: FM Capital
Purchase Price: \$24 MM
Price per Unit: \$174,288

RENT TRENDS

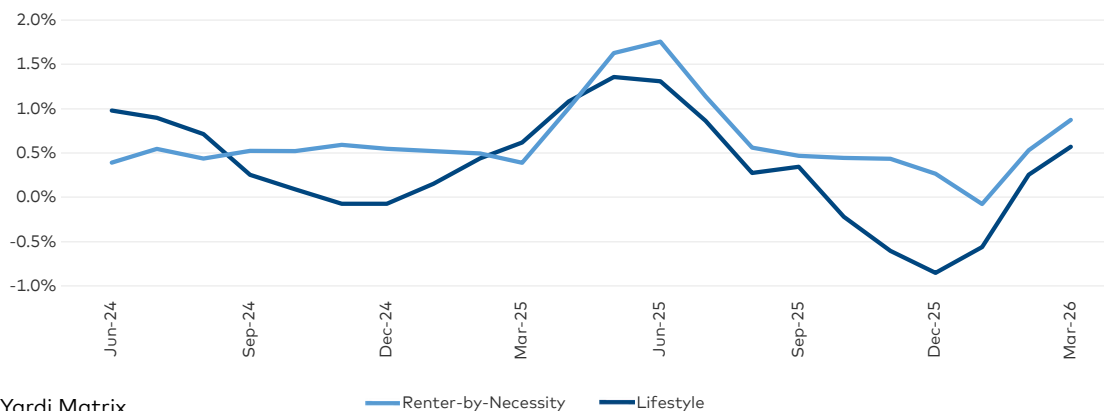
- ▶ Advertised asking rents in Manhattan were up 0.6%, on a trailing three-month (T3) basis through March, a solid 50 basis points ahead of the national figure. The rate picked up following four months of contractions going into 2026. The average rate settled at \$5,479 as of March. Year-over-year, rents were up 4.2%, while the national figure ticked up just 0.1%.
- ▶ Rates in the working-class Renter-by-Necessity segment were up 0.9%, on a T3 basis through March, to \$4,720, while the Lifestyle segment registered a smaller, 0.6% increase, to \$5,651. The winter season's rent contractions were almost wholly due to the Lifestyle segment, which recorded a 0.8% T3 decline for the last quarter of 2025.
- ▶ New York City maintained its lead among the top 30 metros tracked by Yardi Matrix, with advertised rents up 4.5% year-over-year. San Francisco (3.9%) and Chicago (3.4%) rounded out the top three. Growth is expected to soften, however, with NYC's year-over-year rate forecast to reach 3.1% by December 2026.
- ▶ The borough's average occupancy in stabilized assets slid just 20 basis points year-over-year through February, to 98.2%, 390 basis points ahead of the 94.3% national figure. Following two years of solid supply growth, this points to the borough's solid demand for more apartments. Occupancy in Lifestyle assets was down 10 basis points, to 98.6%, while the RBN figure slid 30 basis points, to 97.7%.

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

- ▶ Metro New York City employment growth clocked in at 1.2% last year, double the 0.6% national figure. The rate continued its slow downward trend after peaking at 1.9% in January 2025, when it was also double the U.S. average. Since then, it ticked down roughly 10 basis points every month.
- ▶ New York City unemployment stood at 5.3% as of February, according to preliminary data from the Bureau of Labor Statistics. That was above both the 4.3% national figure and the 4.6% New York state average.
- ▶ NYC added 29,200 net jobs in 2025. However, the strong performance of just one employment sector offset massive losses in many others. Education and health services gained 81,300 positions, followed by 4,500 jobs added in government. Six other sectors recorded a total net loss of 58,500 jobs, with the steepest declines in trade, transportation and utilities (-14,200), construction (-13,500) and leisure and hospitality (-12,300).
- ▶ The Gateway Program, one of the largest ongoing infrastructure projects in the U.S., is set to improve and expand rail service along the Northeast Corridor. The \$16 billion Hudson Tunnel connecting New York and New Jersey is part of its first phase, with construction currently underway.

New York Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	1,723.6	26.4%
90	Government	814.6	12.5%
60	Professional and Business Services	1,046.4	16.0%
50	Information	259.4	4.0%
30	Manufacturing	131.2	2.0%
55	Financial Activities	628.3	9.6%
80	Other Services	241.6	3.7%
70	Leisure and Hospitality	575.4	8.8%
15	Mining, Logging and Construction	199.1	3.0%
40	Trade, Transportation and Utilities	914.1	14.0%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Metro NYC's population has been fluctuating more than usual since the onset of the COVID pandemic.
- ▶ Yet, the latest U.S. Census estimates point to a strong recovery, marking a more than 1.0% increase from 2022 to 2025.

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

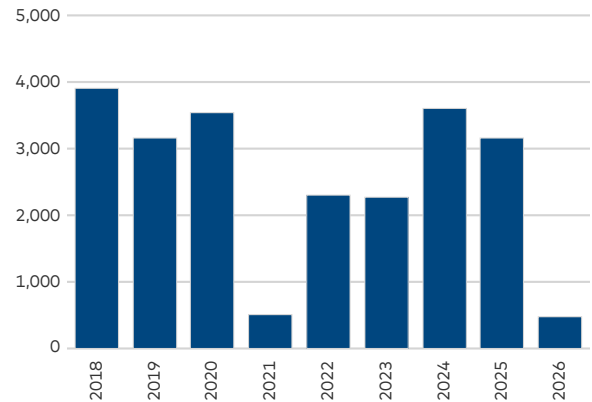
Source: U.S. Census

SUPPLY

- ▶ Manhattan developers had 16,559 units under construction as of March, along with an additional 44,000 apartments in the planning and permitting stages. More than three-quarters of the under-construction pipeline consisted of units in Lifestyle developments, while 10.5% of the total were in fully affordable projects.
- ▶ Three properties came online in the first quarter, totaling 465 units, slightly more than the 378 units completed in the previous quarter, but fewer than the 716 units completed in the first quarter of 2025. Last year, developers completed 3,149 units across the borough, which was 0.9% of stock and significantly above the 2,796-unit annual average recorded since 2018. On par with nationwide trends, Manhattan deliveries in the past two years hit a high mark, with 6,742 units completed in 2024 and 2025 combined. Unlike the nation at large, however, the borough's pipeline is growing.
- ▶ Developers started work on 3,420 units across 11 properties in the first three months of the year, more than three times the 1,132 units that started construction in the same period of 2025.
- ▶ Conversions comprise a major portion of the pipeline. The Financial District was the most ac-

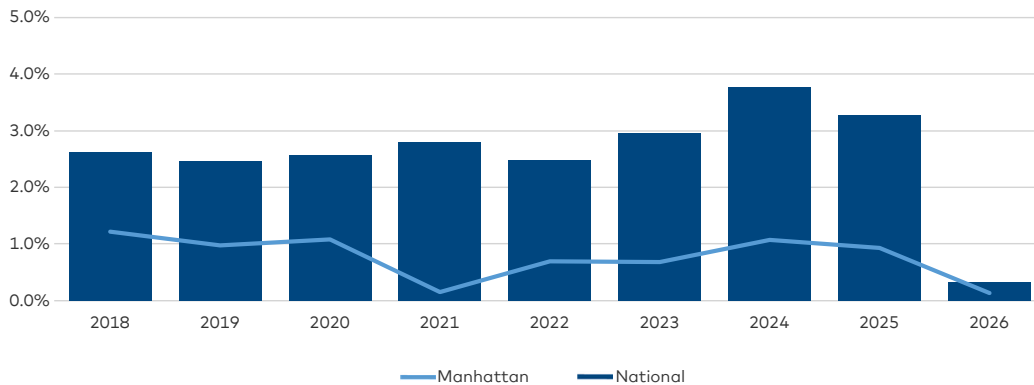
tive submarket, with 6,520 apartments under construction across 11 projects. Nine of these are office-to-residential conversions, comprising 5,808 units. The largest of these is MetroLoft's 111 Wall St., which is set to be transformed into a 30-story luxury residential community comprising 1,568 units. In December, MetroLoft and InterVest Capital Partners secured \$867 million for the project.

Manhattan Completions (as of March 2026)



Source: Yardi Matrix

Manhattan vs. National Completions as a Percentage of Total Stock (as of March 2026)

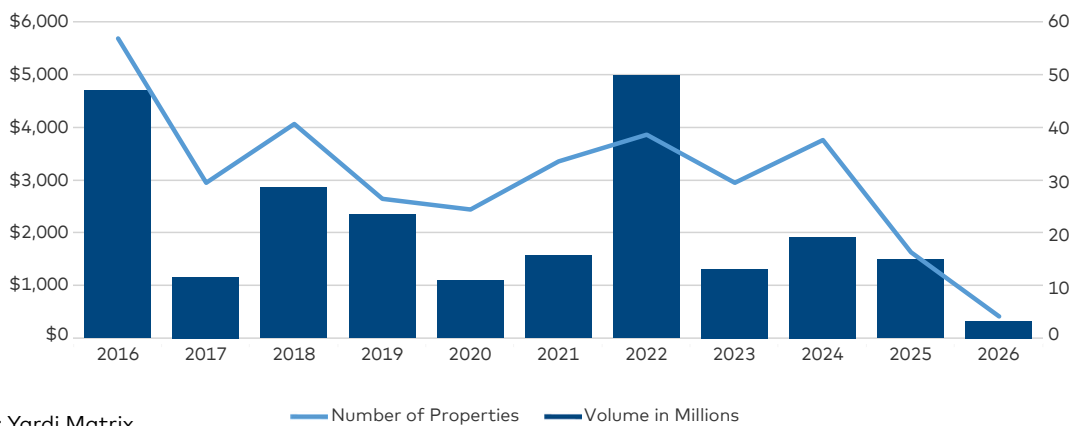


Source: Yardi Matrix

TRANSACTIONS

- ▶ Manhattan investors traded \$325 million in multifamily assets in the first quarter, 70% more than the total for same period last year. This points to an uptick in investor confidence following 2025's low volume (\$1.5 billion), which was significantly below the \$2.3 billion average of the last 10 years. The decade peak remained 2022, when nearly \$5 billion in assets changed hands.
- ▶ Five properties of more than 50 units changed hands in the first quarter, bringing the per-unit average to \$462,218. Last year, 17 such assets traded for an average of \$401,276 per unit. The per-unit figure fluctuated a lot over the decade, peaking in 2022 at \$759,103, while the low point was 2024, at \$318,528.
- ▶ A single Lifestyle asset traded in 2026's first quarter, and the transaction was also the largest in the quarter. Amstar paid \$129 million for the 225-unit Henry Hall, a 2017-completed community. Shorenstein sold the property at \$573,333 per unit.

Manhattan Sales Volume and Number of Properties Sold (as of March 2026)



Source: Yardi Matrix

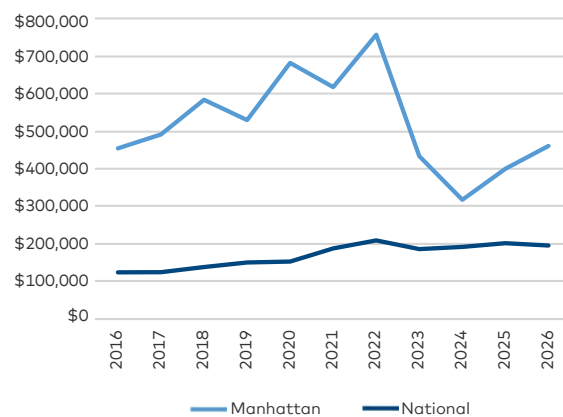
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Lenox Hill	810
Hell's Kitchen	373
East Village	112
Upper West Side	70
Inwood	60
Washington Heights	58
Two Bridges	56

Source: Yardi Matrix

¹ From April 2025 to March 2026

Manhattan vs. National Sales Price per Unit



Source: Yardi Matrix



NYC's Multifamily Market: Waiting to Exhale

By Diana Firtea

New York City's multifamily sector is at another inflection point. With a new administration and active debates around property taxes, rent regulation and housing rules, investors and developers are rethinking risk, underwriting and new development. Danny Fishman, co-founder and CEO of GAIA Real Estate, explains what "policy clarity" means for multifamily feasibility, how capital is reacting and where activity could return first if conditions improve.

When policy priorities shift, which underwriting assumptions do you revisit first?

Fishman: Manhattan historically had the lowest cap rates in the U.S. and was considered one of the safest investment markets. The current environment signals a significant shift from that long-standing perception of stability.

What would count as a positive signal that the market is becoming more predictable under the new administration?

Fishman: Consistency between political messaging and actual implementation, particularly around taxes and rent policy, would be the clearest signal. Real estate development is an inherently long-cycle business and built over a span of 5 to 10 years or more. Because of that, investors and developers are less concerned with whether policy is perfectly favorable and more concerned with whether the rules of the game are clear, durable and applied consistently.



How do you separate policy headlines from decision-useful signals when evaluating whether to pursue or pause a deal?

Fishman: GAIA focuses on enacted policy and lender behavior. With the proposed 9.5 percent property tax increases, restrictions on rent growth and increasingly difficult eviction processes, it's difficult to ignore how these factors push investors to demand a higher risk premium. Elevated political risk is causing many deals to no longer pencil, even in otherwise stable markets.

How does your strategy position GAIA during this transition period?

Fishman: By using a lower-leverage approach, which allows GAIA to operate effectively in a high-interest-rate environment, we continue distributing rental income and dividends to investors while reinvesting cash flow into property upgrades and value creation.

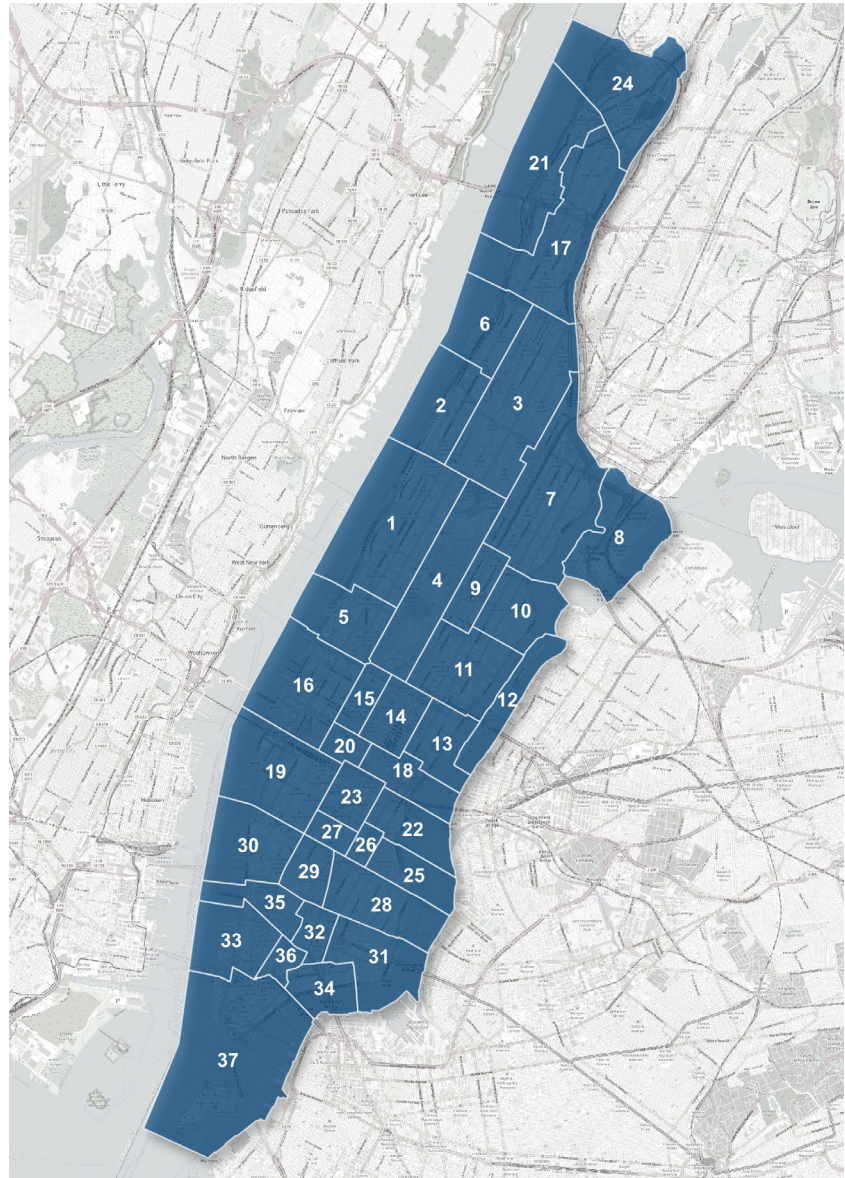
How could the Big Apple regain its historic "safe haven" appeal if policy stabilizes?

Fishman: In New York City, the primary issue is political risk. These factors push investors to demand a higher risk premium. If policy stabilizes, the city could regain its historic "Swiss bank"-level, safe-market appeal.

(Read the complete interview on multihousingnews.com.)

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.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



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