



MULTIFAMILY REPORT

# Manhattan Treads Water

January 2022



Employment Market Faces Slow Recovery

Price per Unit Falls Short of 2020 Figure

Construction Underperforms, Lags Nation



# MANHATTAN MULTIFAMILY



## Ongoing Recovery Lacks Consistency

As the hardest-hit major city in the U.S., New York City's recovery has been less than speedy. Lately, Manhattan in particular saw solid demand, with rents rising during the second half of 2021. Rents were up 0.8% on a trailing three-month basis as of November, just 20 basis points below the U.S. average. Occupancy held strong, with the average rate in stabilized properties at 96.4% as of October. With the impending end of the eviction moratorium drawing close, the market is waiting for the fallout from the measure.

Employment has been New York City's largest problem by far, with unemployment most recently at 9.4%, nearly double the fast-recovering national rate. The market has largely struggled to regain its workforce, as most of the drop in unemployment has mainly been due to large numbers of people leaving the labor force, rather than slow job growth. Programs aiming to boost employment in some of New York City's hardest-hit sectors—such as the \$100 million New York State Tourism Return-to-Work Grant Program—are directly trying to tackle the expansion of the workforce.

At \$1.1 billion last year through November, multifamily investment had already outperformed 2020 totals, signaling some improvement, although a pre-pandemic high seems unlikely. Development largely stalled in 2021, but the pipeline showed some bright spots, with 6,369 units under construction.

### Recent Manhattan Transactions

920 Park Ave.



City: New York City  
Buyer: Stonehenge Partners  
Purchase Price: \$135 MM  
Price per Unit: \$1,949,275

## Market Analysis | January 2022

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