



MULTIFAMILY REPORT

Manhattan Rebounds

August 2023



Rent Growth Stays Strong
Occupancy at Healthy Levels
Construction Starts Match 2022

MANHATTAN MULTIFAMILY



Fundamentals Solid, Rebound Picks Up Pace

Although economic softening has had an impact on most major metros, Manhattan fell back on its strong fundamentals throughout the first half of the year. Rents recovered once more, and growth improved 0.9% on a trailing three-month basis through June—more than double the U.S. pace—to an average of \$4,743. Occupancy in stabilized assets remained high in the borough, at a healthy 97.7% as of June and 270 basis points above the U.S. rate. This highlighted the market's strong return.

New York City unemployment was at 3.9% as of June, according to preliminary data from the Bureau of Labor Statistics, 30 basis points higher than the U.S. figure. Employment growth slowed down from the strong performance recorded last year, but remained solid. The rate was 3.7%, with the city adding 209,600 jobs in the 12-month period through April. Meanwhile, a new tax incentive program, M-CORE, designed to reduce office vacancy and revitalize underperforming assets, will provide resources for building owners. The program will benefit up to 10 million square feet of office space in Manhattan.

Construction activity remained on par with previous years, as Manhattan developers had 8,391 units underway, with an additional 35,000 in the planning and permitting stages. Investment activity for the first half of the year totaled \$342 million, which was 10 times less than the \$3.2 billion recorded in the same period last year.

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Recent Manhattan Transactions

Columbus Townhouse



City: New York
Buyer: Slate Property Group
Purchase Price: \$120 MM
Price per Unit: \$722,891

Mercedes House



City: New York
Buyer: Namdar Realty Group
Purchase Price: \$103 MM
Price per Unit: \$636,872

51 Irving Place



City: New York
Buyer: Global Holdings Management Group
Purchase Price: \$31 MM
Price per Unit: \$548,188