

Yardi® Matrix

# Manhattan's Increased Pace

Multifamily Report Winter 2019

Construction Sees Year-End Uptick

Price Per Unit Reaches Cycle Peak

Rent Growth Accelerates After Slow 2017

# MANHATTAN MULTIFAMILY

Yardi® Matrix

## Market Analysis

Winter 2019

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## The Coveted Borough Regains Momentum

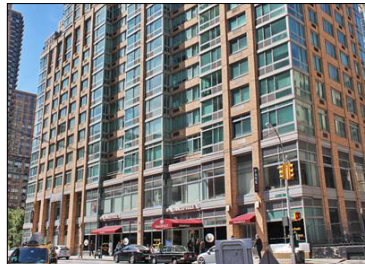
Manhattan's rent growth has once again picked up speed, with a 2.0% increase, following almost an entire year of contraction. The average rent is approaching the \$4,200 mark. Construction has slowed despite continued high demand.

A need for highly skilled labor will stay elevated through 2019 and beyond, especially given Amazon's selection of nearby Long Island City as one of its HQ2 sites and Google's subsequent decision to expand in Manhattan. Google unveiled plans to invest \$1 billion in a 1.7 million-square-foot campus in Hudson Square, while Amazon's new location is expected to add some 25,000 jobs. New York City's current administration rolled out a \$24 billion, 10-year program that includes selling unused air rights to developers. The aim is to deliver a swath of much-needed repairs to the NYC Housing Authority's portfolio, serving some 175,000 residents across the city.

Construction activity picked up toward the year's end, with some 9,000 units under construction and another 30,500 in the planning and permitting stages. Developers in Manhattan also follow the national trend of focusing on Lifestyle properties, although construction of much-needed Renter-by-Necessity product has picked up compared to recent quarters, when virtually no workforce-level housing was delivered in Manhattan.

### Recent Manhattan Transactions

101 West End Ave.



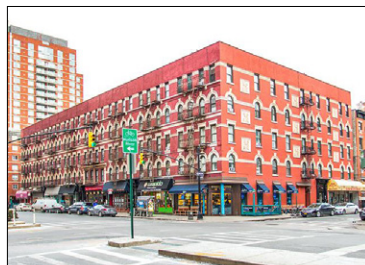
City: New York  
 Buyer: Dermot Co.  
 Purchase Price: \$416 MM  
 Price per Unit: \$820,710

838 West End Ave.



City: New York  
 Buyer: Akelius RE Management  
 Purchase Price: \$72 MM  
 Price per Unit: \$1,043,478

104 - 114 Eighth Ave.



City: New York  
 Buyer: Dalan Management  
 Purchase Price: \$83 MM  
 Price per Unit: \$813,725

222 E. 56th St.



City: New York  
 Buyer: Lalezarian Developers  
 Purchase Price: \$25 MM  
 Price per Unit: \$416,666