

Yardi® Matrix

Manhattan Bounces Back

Multifamily Report Summer 2019

Upscale Assets Drive Rent Growth

Investment Activity Remains High

Job Gains Decelerate

MANHATTAN MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Construction Ramps Up, Demand Lingers

Although it remains a poster child for the country's affordability crisis, Manhattan's rental market is powering through, bracing for sustained development while rates continue to inch up. The average Manhattan rent was up 1.0% year-over-year through April, mainly driven by gains in upscale assets, while occupancy remained among the highest in the U.S.

New York City job gains decelerated and trailed the U.S. average in the 12 months ending in March. Nonetheless, employers still added 103,300 positions during this time, with more than half in education and health services. While smaller, non-coastal tech metros across the U.S. continue to expand at a much faster rate than in New York City, the city remains one of the country's top economic juggernauts and, at the same time, one of the most stable and relatively safest real estate havens.

Manhattan remained a top destination for institutional and crossborder investors looking to deploy large sums, and the multifamily sector is no stranger to this. More than \$1 billion in multifamily assets traded in the first quarter of 2019, following last year's \$3.4 billion. With 12,150 apartments slated to come online across the metro this year amid regulatory uncertainties and already deep affordability issues, we expect the average overall New York City rent to advance only 0.7% in 2019.

Recent Manhattan Transactions

Truffles



City: New York City
Buyer: Related Cos.
Purchase Price: \$260 MM
Price per Unit: \$893,471

800 Sixth



City: New York City
Buyer: Greystar
Purchase Price: \$238 MM
Price per Unit: \$892,857

The Hanley New York



City: New York City
Buyer: CIM Group
Purchase Price: \$210 MM
Price per Unit: \$1,381,579

Stonehenge 86



City: New York City
Buyer: Pan Am Equities
Purchase Price: \$91 MM
Price per Unit: \$1,810,000