

Yardi® Matrix

MULTIFAMILY REPORT

Manhattan Multifamily Coasts

Winter 2020



Per-Unit Prices Rise

Harlem, FiDi Expand

Development Decelerates

MANHATTAN MULTIFAMILY

Yardi® Matrix

Rent Growth Endures, Pipeline Shrinks

Mirroring nationwide trends, Manhattan's multifamily sector topped off a strong 2019 with a tepid fourth quarter. While the borough remained the country's most expensive rental market, rates were up 1.9% last year and occupancy stood at 98.3% as of November, down just 20 basis points in a 12-month period.

New York City gained 77,300 jobs in the 12 months ending in November 2019, with education and health services accounting for more than 75% of this growth. The metro's economy softened slightly, but a flurry of proposed skyline-altering high rises will join a list of developments including the \$25 billion Hudson Yards, Tishman Speyer's 2.8 million-square-foot The Spiral, Brookfield's \$5 billion Manhattan West and SL Green's 1,400-foot-tall One Vanderbilt. As of mid-January, Manhattan had more than 20 million square feet underway in office projects alone.

Multifamily development shifted down a gear in 2019. Only 2,363 units came online, below the 3,890 apartments that were delivered in 2018 and less than half the 5,893-unit cycle high recorded in 2017. Considering the current pipeline and the borough's strong demand for upscale rentals, we expect rent growth to remain steady, but below the national average, in upcoming quarters.

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Recent Manhattan Transactions

The Heritage Fifth Avenue



City: New York City
Buyer: L+M Development Partners
Purchase Price: \$340 MM
Price per Unit: \$566,667

60 E. 12th St.



City: New York City
Buyer: Alcion Ventures
Purchase Price: \$84 MM
Price per Unit: \$626,754

Harlen Housing



City: New York City
Buyer: Fairstead
Purchase Price: \$76 MM
Price per Unit: \$356,132

201 W. 77th St.



City: New York City
Buyer: Olnick Org.
Purchase Price: \$53 MM
Price per Unit: \$425,600