Bronx
2026 Mid-Year Commercial Real Estate Trends

by Ariel Property Advisors

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Research

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2026 Mid-Year Overview

The Bronx proved one of the city's most resilient investment sales markets in the first half of 2026, totaling over $1.03 billion in dollar volume across 131 transactions, a dollar volume decline of just 5% year-over-year. Where other boroughs leaned on a single asset class, the Bronx's stability rested on an unusual rotation: a $156.6 million casino-anchored land deal carried development, special-purpose volume nearly tripled, and industrial building activity climbed, even as multifamily, historically the borough's backbone, repriced sharply lower.

That bifurcation defined the half. Multifamily dollar volume fell 36% year-over-year to $351.7 million as the Bronx absorbed the steepest rent-stabilized repricing of any borough; yet transaction count actually rose 10% to 66, meaning more buildings traded, just at dramatically reset prices. Against that, development climbed 14% to $336.8 million on Bally's headline land purchase, special purpose surged 183% to $192.9 million, largely on the back of one trade, and industrial building count jumped more than half to 19 as logistics buyers kept accumulating. Retail rose 41% to $66.2 million, while office (two trades) and hotel (none) were immaterial.

The throughline is a borough being remade by capital that prices out regulatory risk and prices in policy-driven catalysts. The casino, a deep affordable-development pipeline, and institutional logistics demand are pulling capital toward the Bronx's land and infrastructure, even as its vast rent-stabilized stock resets to a new, lower basis. For buyers underwriting the borough's long-term trajectory, that reset is the opportunity.

Volume 1H'26 VS 1H'25

-5`% ↓ **$1.03B** Dollar Volume

-7% ↓ **131** Transaction Volume

-15% ↓ **191** Building Volume

Dollar Volume Comparison

Product Type	1H 2026	1H 2026 VS 2H 2025	2H 2025	1H 2026 VS 1H 2025	1H 2025
Multifamily	$351.71M	13%	$310.74M	-36%	$547.13M
MF-MU 10+ resi units	$313.23M	13%	$277.25M	-38%	$506.40M
MF-MU 6-9 resi units	$10.60M	-15%	$12.43M	-63%	$28.43M
MF-MU Small	$27.88M	32%	$21.06M	127%	$12.30M
Retail	$66.22M	-70%	$220.07M	41%	$47.02M
Ind / WH / Sto*	$80.30M	41%	$57.04M	-16%	$95.88M
Development	$336.81M	154%	$132.76M	14%	$296.13M
Office	$3.93M	40%	$2.80M	-76%	$16.44M
Hotel	$0	N/A	$0	N/A	$10.30M
Special Purpose	$192.94M	116%	$89.20M	183%	$68.12M
GRAND TOTAL	**$1,031.91M**	**27%**	**$812.61M**	**-5%**	**$1,081.02M**

*Ind / Wh / Sto: Industrial / Warehouse / Self Storage

2026 Mid-Year Watchlist

MEGAPROJECT - The Ferry Point casino reshapes the eastern Bronx
Bally's $156.6 million land purchase anchors a planned casino, 500-room hotel, and event complex that should reset land values, hospitality, and infrastructure across the eastern Bronx. Watch for spillover demand into surrounding development and retail.

REGULATED MULTIFAMILY - The deepest rent-stabilized reset in the city
With the Bronx price-per-unit at a series-low ~$98,000 ($69,000 for 75%+ RS), a series-high 8.55% cap rate, and falling net operating income, the borough's regulated stock is repricing faster than anywhere else — distressed and deed-driven trades should accelerate as 2021 loans mature.

AFFORDABLE PIPELINE - A policy-driven development surge
485-x, the City of Yes, FRESH grocery incentives, and state housing subsidies are funding a deep Bronx pipeline — from The 360 to Catholic Homes and charter-school campuses — that will define the borough's delivery cycle through the back half of the decade.

LOGISTICS - Institutions keep building Bronx industrial
Terreno and Realterm both added Bronx logistics this half, and the number of industrial buildings traded rose 54% to 19; with Hunts Point and the South Bronx central to last-mile distribution and supply scarce, expect continued institutional accumulation and a firm floor under industrial land.

POLICY - Rates, a rent freeze, and the maturity wall
The multi-year rent freeze under the Mamdani administration will deepen the Bronx's distress just as the maturity wall peaks; tightening debt spreads and any rate relief are the counterweight that could thaw the borough's stalled mid-market volume.

Transaction Volume Comparison

Product Type	1H 2026	1H 2026 VS 2H 2025	2H 2025	1H 2026 VS 1H 2025	1H 2025
Multifamily	66	14%	58	10%	60
MF-MU 10+ resi units	44	16%	38	16%	38
MF-MU 6-9 resi units	7	-13%	8	-46%	13
MF-MU Small	15	25%	12	67%	9
Retail	14	-44%	25	0%	14
Ind / WH / Sto*	15	15%	13	25%	12
Development	26	-28%	36	-37%	41
Office	2	100%	1	-60%	5
Hotel	0	N/A	0	N/A	2
Special Purpose	8	-11%	9	14%	7
GRAND TOTAL	**131**	**-8%**	**142**	**-7%**	**141**

*Ind / Wh / Sto: Industrial / Warehouse / Self Storage

Multifamily Highlights

- Multifamily dollar volume fell 36% year-over-year to $351.7 million, even as transaction count rose 10% to 66 — the clearest sign yet that the Bronx's regulated stock is clearing, just at sharply lower prices. The decline concentrated in the 10+-unit segment, down 38% to $313.2 million, where the borough's heavily rent-stabilized inventory sits. Small multifamily ran the other way, more than doubling to $27.9 million on two-thirds more deals, as local owner-operators stepped into sub-six-unit buildings at accessible bases.

- The Bronx now carries the deepest regulatory discount in the city. With nearly its entire 10+-unit market shaped by HSTPA and the Rent Guidelines Board reporting a decline in Bronx net operating income, owners facing 2021-vintage loan maturities are selling into a market with few willing lenders. The result is a steady stream of distressed and deed-driven trades, alongside heavy refinancing volume as longer-term holders extend rather than sell.

- Pricing tells the story in full. The Bronx multifamily price-per-unit fell to roughly $98,000 ($69,000 for 75%+ RS), the lowest in our eight-year series and down from $172,000 in 2019. Price-per-square-foot slipped to about $98 and the gross rent multiplier compressed to 5.42. The capitalization rate climbed to a series-high 8.55%, up from 8.24% a year ago and more than 300 basis points above its 2019 level. Yields that wide have not been available in the Bronx in over a decade, and they are precisely what is drawing value buyers back.

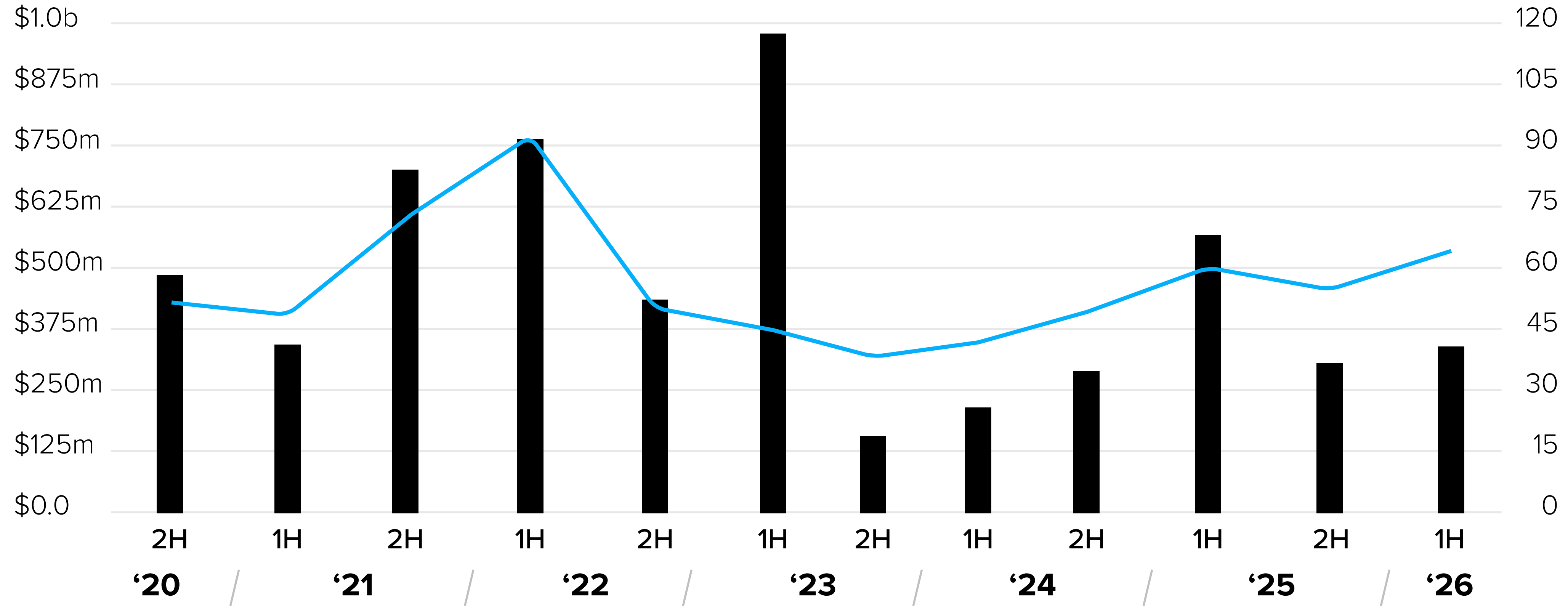
- The half's signature multifamily trade ran against that grain: Fetner Properties and PGIM's roughly $64 million acquisition of Arbor, the 127-unit Riverdale rental at 3260 Henry Hudson Parkway, from Columbia University, which deemed the faculty-leased asset non-core. At well above $500,000 per unit, the deal is a reminder that the Bronx's free-market, transit-rich pockets, Riverdale chief among them, still command institutional pricing even as the regulated market resets.

Volume 1H'26 VS 1H'25

-36% $351.7M Dollar Volume

10% 66 Transaction Volume

Real Estate Timeline



Property Value Metrics - Multifamily*

Year	2020	2021	2022	2023	2024	2025	1H 2026
$/SF	$182	$172	$195	$169	$186	$119	$98
$/Unit	$162k	$153k	$168k	$142k	$152k	$105k	$98k
Cap Rate	5.74%	5.97%	5.85%	6.48%	7.49%	8.24%	8.55%
GRM	10.28	9.18	9.55	8.38	6.89	6.08	5.42

*reflects multifamily transactions of 10+ residential units

1H'26 Featured Transaction

Riverdale

3260 Henry Hudson Pkwy E

Buyer:
Fetner Properties / PGIM
Seller:
Columbia University
Sale Amount:
$64.0M
Size:
242,697 SF
Units:
127

Retail Highlights

- Retail dollar volume rose 41% year-over-year to $66.2 million on a flat 14 transactions, although the number of buildings traded increased by 25% to 20, a quietly constructive half for a sector that often struggles in the borough. With this jump in dollar volume, we also saw the price per square foot increase by 22% from 2025 to $525/SF. Activity centered on necessity and community-serving retail along the Bronx's dense commercial corridors, the kind of daily-needs space that holds value through cycles. Leasing reinforced the floor, with nonprofits and health-and-wellness tenants, Mercy Center at La Central among them, taking space across the borough.

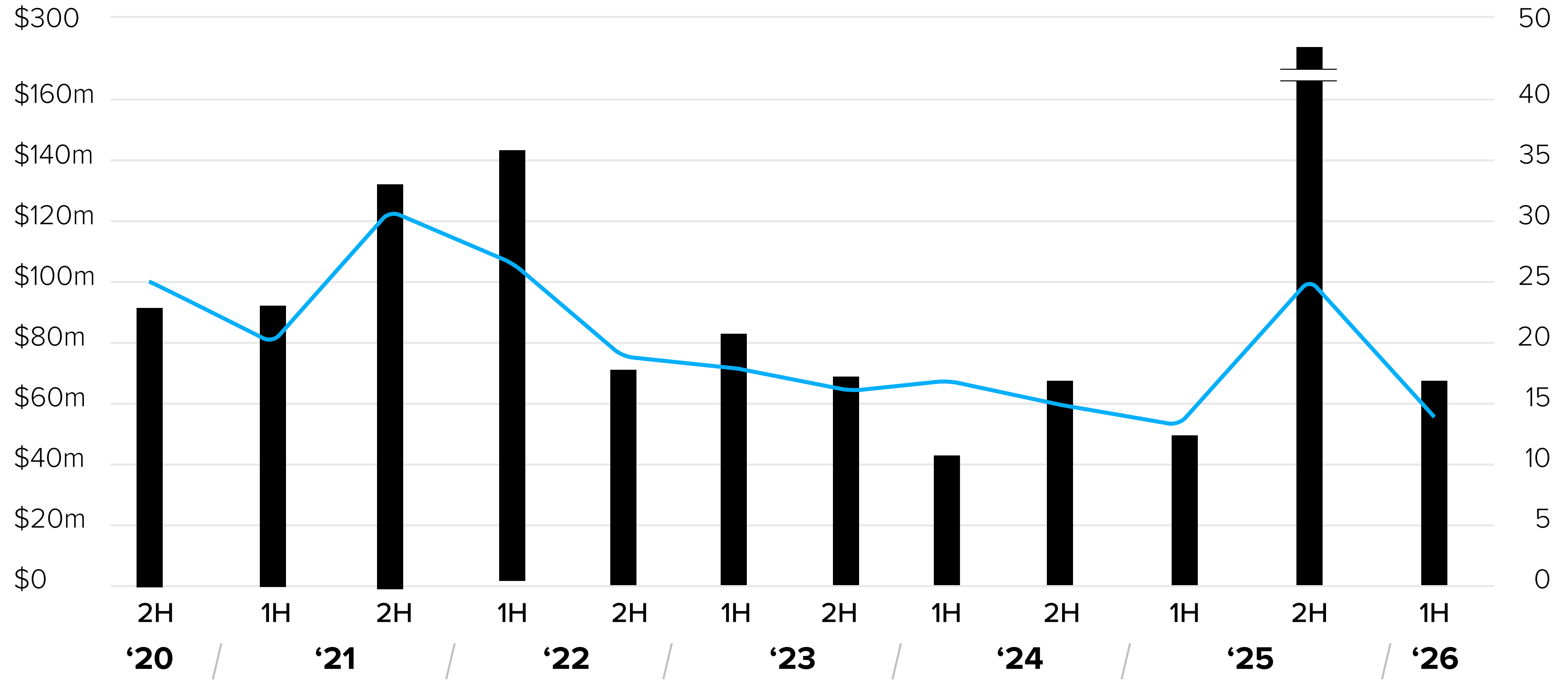
- The half's largest retail trade was the $16.25 million sale of 2244-2248 Westchester Avenue, a roughly 30,000-square-foot Unionport asset that traded at a 6.1% cap rate, a yield that captures the steady, cash-flowing profile drawing private capital to Bronx retail.

Volume 1H'26 VS 1H'25

41% ↑ **$66.2M** Dollar Volume

0% ↕ **14** Transaction Volume

Real Estate Timeline



Property Value Metrics - Retail*

Year	2020	2021	2022	2023	2024	2025	1H 2026
$/SF	$421	$550	$521	$480	$476	$429	$525

*reflects transactions of commercial buildings

1H'26 Featured Transaction

Unionport

2244-2248 Westchester Aveue

Buyer:
Jackson Ht. Roosevelt Development Corp.
Seller:
Arctrust
Sale Amount:
$16.2M
Units:
1
Size:
29,819 SF
Cap Rate:
6.11%

Development Highlights

- Development was a tale of one extraordinary deal and a broad, policy-driven pipeline. Dollar volume rose 14% year-over-year to $336.8 million even as transaction count fell 37% to 26 — the gain came almost entirely from Bally's $156.6 million purchase of 16 acres of city-owned land at Ferry Point, the anchor site for a planned 500,000-square-foot casino, 500-room hotel, and 2,000-seat event center after the firm secured one of the downstate gaming licenses. Strip that single trade out, and the borough's land market is a high-frequency flow of smaller, affordability-driven sites.

- That pipeline is unusually deep. Ariel Property Advisors brokered Zeta Charter Schools' $29.6 million acquisition of a 181,000-buildable-square-foot Mott Haven site for a 1,000-student campus; the Association of New York Catholic Homes went under contract on a Tremont site for a 251-unit project; and Durgaj Properties and Balfin Group assembled a four-parcel Belmont site for $22.5 million from Triangle Equities, plans for nearly 370 units across Cambreleng Avenue and East Fordham Road. With ground-up rental economics underwritten to 485-x and the City of Yes, and a steady stream of new-building permits across Mott Haven, Morris Park, and Kingsbridge, the Bronx is positioning for a sustained delivery cycle.

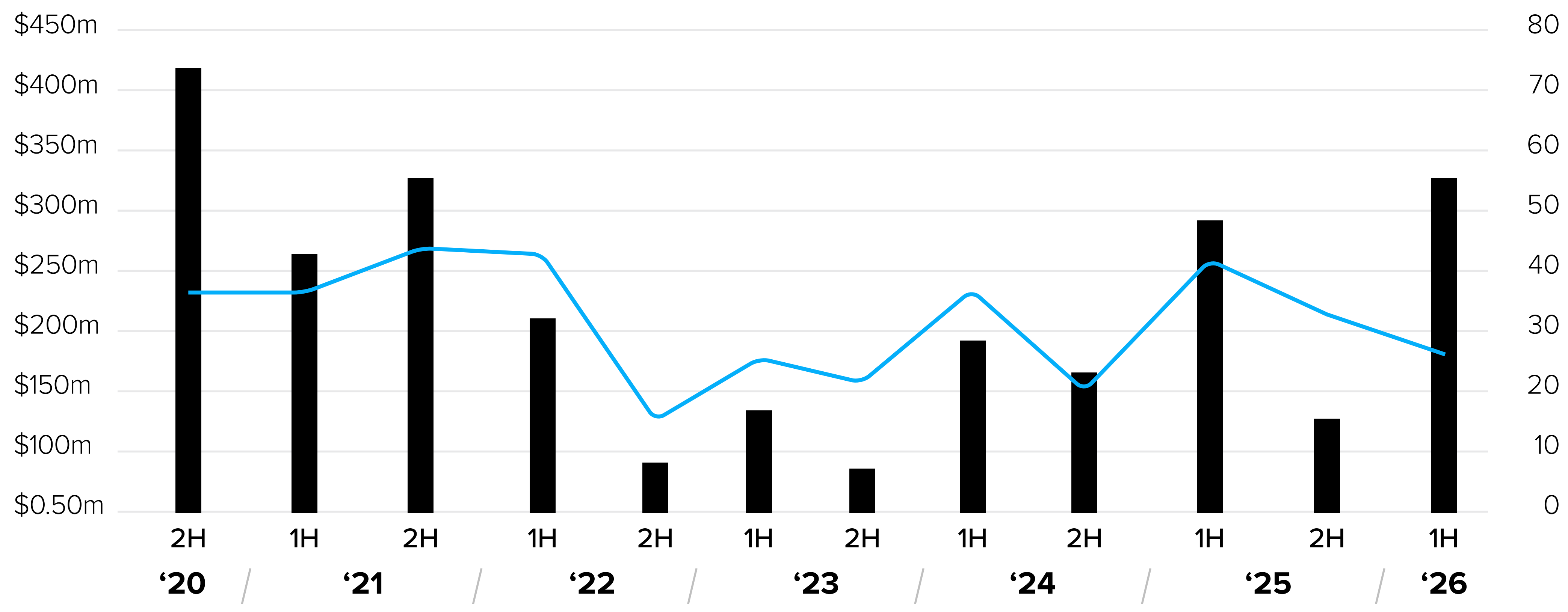
Volume 1H'26 VS 1H'25

14% **$336.8M** Dollar Volume

-37% **26** Transaction Volume

Real Estate Timeline

Dollar Vol | Transaction Vol



Property Value Metrics - Development*

Year	2020	2021	2022	2023	2024	2025	1H 2026
$/BSF (Standard)	$87	$82	$93	$98	$107	$106	$109
$/BSF (MIH / UAP)	-	-	-	-	-	$74	$85

*reflects transactions of vacant land or equivalent development sites

Following the late 2024 City of Yes initiative, we now distinguish between Standard and MIH/UAP pricing. This allows for a direct comparison between market-rate transactions and those utilizing the Universal Affordability Preference (UAP).

1H'26 Featured Transaction

Ferry Point Park

300 Hutchinson River Pkwy

Buyer:
Ballys Foundation North America INC

Seller:
The City of New York

Sale Amount:
$156.6M

Financing Overview

The first half of 2026 was defined by adaptation over anticipation. Borrowers who spent the last three years hoping for rate cuts have had to face the current market reality and accept the current interest rate environment. That acceptance, paired with lenders forcing resolutions on vintage debt as the era of "extend-and-pretend" ends, unlocked a pipeline of transactions even as the macro backdrop became more challenging. At its June meeting, the FOMC under new Chairman Kevin Warsh unanimously held the federal funds rate at 3.50%–3.75%, but the accompanying projections marked a decisively hawkish shift: nine of 19 officials now forecast at least one rate hike by year-end (up from zero in March), only one expects a cut (down from 12), and the median 2026 PCE inflation projection jumped to 3.6% from 2.7%. Markets absorbed a substantial shock with the outbreak of the conflict in Iran in late February, which contributed to structurally widened spreads and quadrupled hedging costs. Despite persistent volatility and the recent collapse of early-summer truce agreements, institutional capital flows have remained resilient. Combined CRE securitization issuance rose 19.9% year-over-year in Q1 to $70.8 billion, bank CRE books returned to growth, and New York City investment sales dollar volume jumped 37% year-over-year to $17.3 billion in H1 2026, precisely because the market has stopped waiting and started transacting.

Banks

- Banks delivered renewed growth and more flexible terms. The commercial real estate loan holdings of the top 100 U.S. banks grew 5.0% in 2025 to $1.78 trillion as stabilized rates and stronger balance sheets allowed new deals to clear approval hurdles. This growth concentrated in fundamentally strong asset classes, with multifamily loan holdings expanding 7.7% year-over-year to $451.8 billion and commercial loans rising 7.0% to $1.07 trillion. On the transaction side, increased lender competition is driving borrower-friendly terms. Banks have begun loosening covenants for income-producing multifamily assets and offering incremental underwriting flexibility, pushing average fixed-rate permanent loan LTVs to 64.4% as they pursue cash-flowing properties.
- Regional banks are repositioning around New York rent-regulated exposure. Following the June 1 merger of OceanFirst Bank and Flushing Financial, the newly combined bank agreed to sell approximately $1.4 billion of multifamily loans largely backed by rent-stabilized properties in the New York metro area, eliminating the majority of its exposure to rent-regulated housing. Shortly thereafter, the bank completed a secondary sale in June, unloading a $327 million small-balance CRE portfolio.

Agency Lenders

- Agency lending carried its 2H 2025 momentum straight into 2026. This momentum aligns directly with the Federal Housing Finance Agency's (FHFA) expansionary framework for the year, which raised the 2026 multifamily loan purchase caps by 20.5% to $176 billion. Lenders aggressively utilized this runway out of the gate, with Fannie Mae generating $17.1 billion and Freddie Mac generating $13.0 billion in multifamily loan volume during Q1 2026 alone, marking massive year-over-year gains of 45% and 30%, respectively.
- Two policy items bear watching. FHFA Director Bill Pulte's appointment as acting head of national intelligence has raised concern about timeline delays for Fannie Mae and Freddie Mac recapitalization efforts, given his split administrative focus. Meanwhile, a major legislative hurdle for the single-family rental space was resolved with the enactment of the ROAD to Housing Act. While an earlier Senate-added provision threatened to force institutional build-to-rent (BTR) owners to divest within seven years, which briefly caused the agencies to pause originations, the final law stripped this requirement entirely, clearing the way for both Fannie and Freddie to resume lending on BTR properties.

CMBS

- The securitization market set a post-GFC first-quarter record in Q1 2026. Combined issuance across private-label CMBS, CRE CLOs, and agency deals reached $70.8 billion, a 19.9% year-over-year increase. This growth was led by agency paper (+77.8%) and CRE CLOs (+73.6% to $14.5 billion), while private-label CMBS fell 12.4% to $32.9 billion, largely reflecting a lapping of 2025's exceptional conduit pace rather than weak demand. Single-asset, single-borrower deals dominated at roughly 75% of private-label volume, pushing year-to-date U.S. CMBS issuance to $62.8 billion by mid-June. This activity highlights structural resilience in the face of geopolitical volatility.

Alternative Lenders

- Private credit went from filling gaps to setting the pace. Debt funds and other alternative credit platforms accounted for 53% of all non-agency commercial loan closings in Q1 2026, a dramatic surge from their roughly 25% market share in 2025. Superior execution speed and structural adaptability successfully won the refinancing pipeline that conventional banks, constrained by conservative leverage limits, were unable to service. This expansion tracks the broader institutionalization of the global private credit market, which grew to $2.1 trillion at year-end 2025 and is projected to scale past $2.3 trillion by the end of 2026.
- The capital base behind the strategy keeps setting records. High-yield real estate debt funds reached record highs for the fourth straight year, with $75.2 billion closed (up 5%) and a record $56.5 billion of dry powder across 82 managers. Crucially, these vehicles continue to deliver robust risk-adjusted performance, with high-yield CRE debt returning 9.07% on a rolling 12-month basis (Giliberto-Levy G-L2) against a default rate of just 0.97%. A survey of 196 high-yield lenders found that most expect to increase financing volumes in 2026, underpinned by strong institutional demand for subordinate debt products.

Construction Lenders

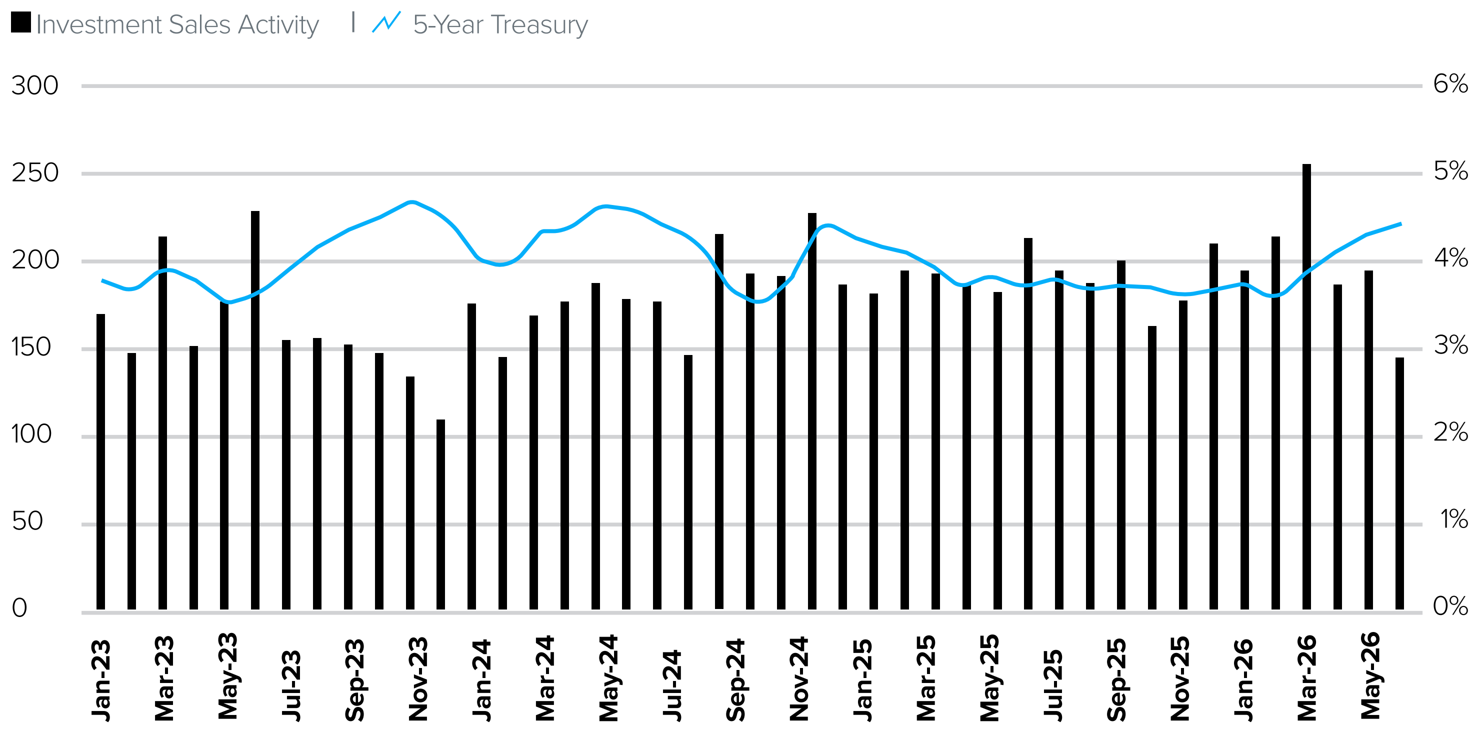
- Bank construction lending continues to contract - alternative and foreign capital sources are filling the void. A sharp divide defines the 1H 2026 construction lending market as domestic bank credit remains restricted. While top-tier domestic institutions limit development exposure to insulate themselves from multi-year macro forecasts, alternative lenders and foreign banks are aggressively stepping up. Foreign banks grew their U.S. construction books 12.6% and alternative lenders continue to compete on structure, offering longer initial terms as competition for well-capitalized sponsors intensified.
- New York's residential pipeline is reawakening, powered by 485-x and 467-m. Capital flows into ground-up rentals and office-to-residential conversions have surged following the implementation of the 485-x and 467-m tax programs, which restored the underwriting metrics needed to offset high financing costs. This regulatory runway has unlocked massive capital allocations across the boroughs.Preferred Equity / Mezzanine

Preferred Equity / Mezzanine

- Subordinate capital has completed its evolution from rescue tool into a standard component in the capital stack. 2025 marked a clear transition year; lenders are no longer simply extending loan terms. Instead, they are forcing resolutions on the $875 billion in CRE debt maturing in 2026 and $652 billion coming due in 2027, a massive wave of maturities that is actively driving new origination and transaction activity. Preferred equity and mezzanine debt have emerged as the primary vehicles bridging the gap between conservative senior lending limits and the total leverage required to retire these legacy, low-rate loans.

NYC Monthly Transaction Activity vs. 5-Year Treasury

MORTGAGE CALCULATOR



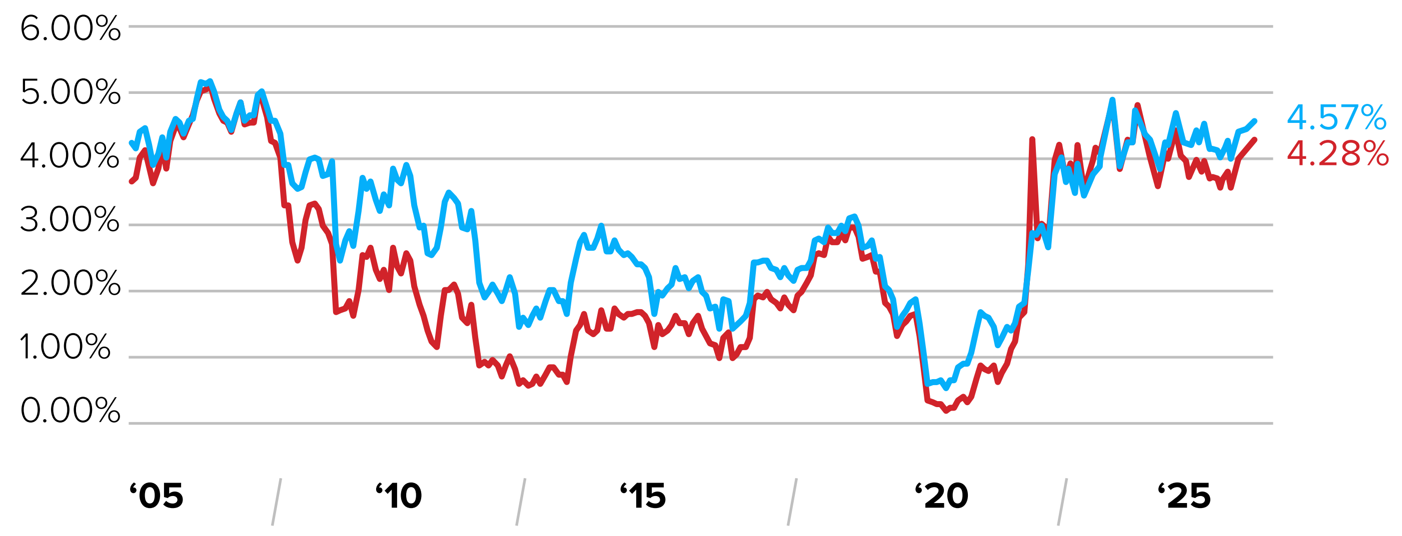
Macro Economic Charts

A number of macro-economic indicators affect the bottom line of commercial real estate investments in New York City and, in turn, the pricing and demand for these assets during any given period. Ariel Property Advisors' Research Division tracks national and local metrics to identify key market drivers influencing the real estate industry.

Financing:

10-Year: 4.57% I 5-Year: 4.28% I As of June 16th, 2026

Treasury Yield Curve Rates 10-year I 5-year

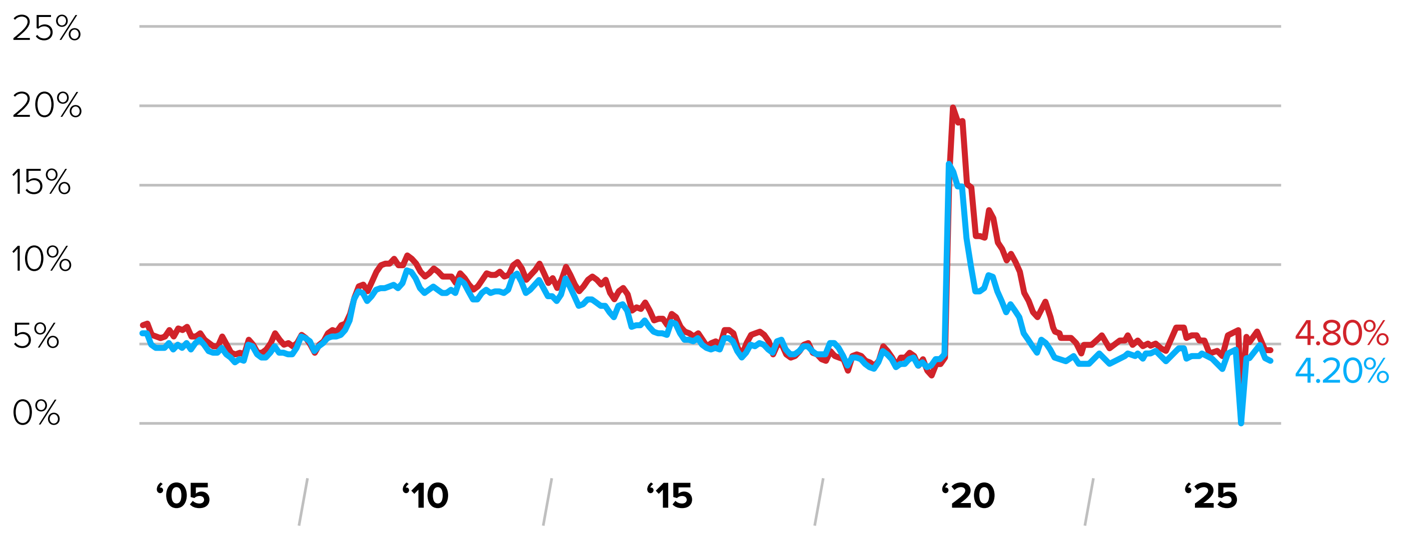


Source: U.S. Department Of The Treasury

Unemployment Timeline:

NYS: 4.20% I NYC: 4.80% I As of May 2026

Unemployment Rate History I **NYS** & **NYC** (Not Seasonally Adjusted)

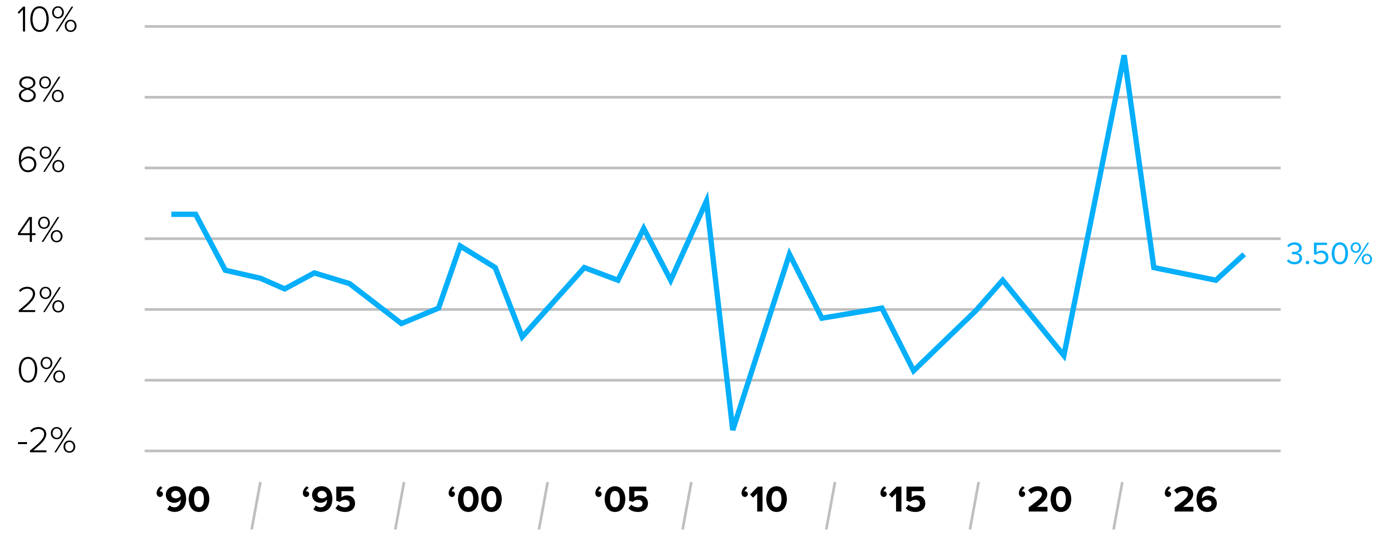


Source: Department Of Labor

Consumer Price Index (CPI):

National CPI

Growth - June 2026 Y-O-Y

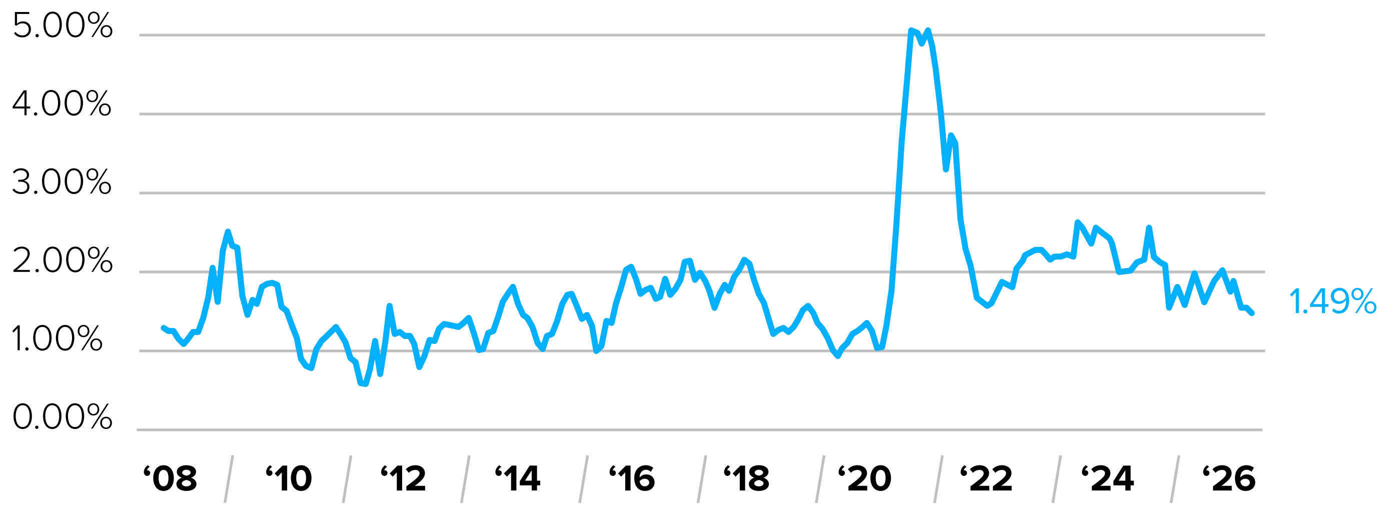


Source: U.S. Bureau Of Labor Statistics

Rental Market / Vacancy:

Manhattan Residential

Rental Vacancy January 2008- June 2026



Source: Corcoran

1H 2026 Featured Research Overview

When seeking information about New York City commercial real estate, our Research Group is your trusted resource. We are committed to ensuring our clients have the right set of facts when making important real estate decisions.

Featured here is a consolidated list of all the research that Ariel Property Advisors recently released. Our goal is to provide you with the most comprehensive and up to date research covering NYC commercial real estate market:

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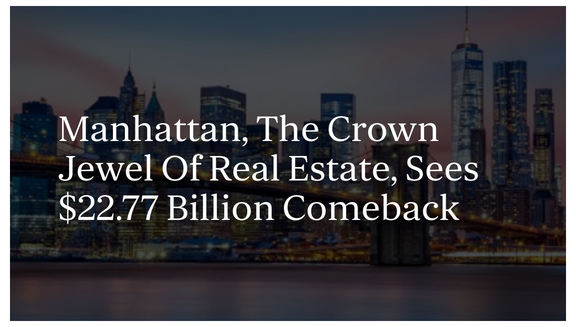

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