Q2 2026 Multifamily Quarter In Review New York City

by Ariel Property Advisors
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Research

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Q2 2026 Multifamily Highlights

VOLUME

Q2 2026 vs Q2 2025

25% ↑	$2.46B	Dollar Volume
-4% ↓	298	Transaction Volume
-11% ↓	367	Property Volume

- *In Q2 2026, dollar volume of $2.46 billion rose 25% year-over-year and held essentially flat (−1%) against a strong first quarter*
- *Transaction volume (298) fell 4% YoY and 15% quarter-over-quarter, while property volume fell 11% year-over-year to 367. Fewer but larger deals defined the quarter.*
- *Larger buildings drove the market with $1.94 billion, up 43% year-over-year, while the mid-market segment (6–9 units) fell 42% to $149.6 million and small multifamily (below 6 units) held steady at $372.2 million, up 3%, evidence that institutional-scale product, not the middle market, is absorbing the returning capital.*
- *Activity underscored a market of distinct contrasts with free market assets commanding premium pricing, rent-stabilized assets clearing at deep discounts, and affordable housing delivering consistency.*
- *First-half 2026 dollar volume reached $4.94 billion, up 21% from the first half of 2025.*

Free Market

- Free market fundamentals remain exceptionally strong: Manhattan median rents reached roughly $96 per square foot in early 2026, up about 10% year-over-year, against a vacancy rate of just 2.44%*. That backdrop kept a deep, diverse buyer pool competing for supply-constrained, predominantly deregulated product, and buyers wrote materially larger checks: free market assets captured 65% of large-building dollar volume on just 40% of transactions, with volume more than doubling year-over-year on a nearly identical trade count.

Transaction Breakdown by Building Unit Mix

TIER	% OF $ VOLUME	% OF TXN COUNT
PREDOMINANTLY FREE MARKET		
FM (incl. 421a)	65%	39.5%
25–50% RS	5.2%	6.2%
PREDOMINANTLY RENT-STABILIZED		
50–75% RS	1.5%	4.9%
75%+ RS	11.3%	42%
REGULATORY		
Reg. agreement	17%	7.4%

Reflects larger, institutional-scale buildings (see note 1). Percentages may not sum to 100% due to rounding.

- Transactions reveal sellers' are at a capital crossroad and buyers attracted to value and growth: Carmel Partners acquired MetLife's 49% interest in a five-building, 710-unit Upper West Side rental portfolio along Columbus and Amsterdam Avenues for $241.3 million, a price made possible by stepping into in-place Fannie Mae financing at a 2.6% rate through 2031. The majority owner UDR stayed in the deal to retain the below-market debt.The trade valued the portfolio around $485 million, a significant markdown from 2012, when UDR and MetLife acquired the complex for $635 million from Stellar Management and the Chetrit Group.
- Sellers are meeting demand from a position of strength rather than distress: In an estate-driven sale, S&H Equities monetized a seven-building prewar portfolio held since 2000 (140 units across the Lower East Side, East Village, and West Village), selling to TARGO Capital Partners for $80.8 million, or $1,060 per square foot, proof that even when the timing is dictated by circumstance rather than choice, prime free market product commands premium pricing.
- Average pricing followed the demand. With $1.47 billion in total multifamily volume, 60% of the citywide total, Manhattan saw free market product average $892 per square foot, up slightly from last year's $886. Valuations remain below pre-pandemic levels, still 14% below the 2017 peak, the pricing arbitrage that continues to pull buyers into the segment.

Rent Stabilized

- Rent-stabilized buildings accounted for 42% of transactions but just 11% of dollar volume, highlighting a sustained decline in market values. With the expense squeeze now entrenched, the pressure has shifted to the maturity wall: 2021 loans are coming due at roughly double their original rates, and

*Source Douglass Elliman Report

Q2 2026 Multifamily Highlights Continued

NYC Transaction Activity Summary	2Q 2026	2Q 2026 vs. 1Q 2026	1Q 2026	2Q 2026 vs. 2Q 2025	2Q 2025
Dollar Volume Comparison	$2,459,042,378	-1%	$2,484,189,079	25%	$1,972,439,091
Transaction Volume Comparison	298	-15%	350	-4%	312
Building Volume Comparison	367	-25%	491	-11%	413
Total Units	6,844	-38%	11,015	-19%	8,452

lenders are forcing sales rather than extending and pretending, accelerating the handoff from longtime owners to a new generation of buyers.

- The quarter's exits spanned every seller motivation. At 66–72 East 190th Street in Fordham Manor, a 40-unit rent-stabilized building purchased for $4.7 million in 2021 went through foreclosure at $2.35 million ($59,000 per unit), half its basis in five years; a single legacy owner liquidated nine Bronx buildings totaling 580 units across seven trades for $37.3 million (roughly $64,000 per unit); and the Cohen family's discretionary exit from 1000 Ocean Parkway, a 122-unit Midwood elevator building held for decades, brought $23.5 million ($193,000 per unit), still far below pre-HSTPA benchmarks. Whatever the trigger, pricing is tracking rent levels: lower-rent products are resetting at lower valuations, while buildings with higher in-place rents are commanding a meaningful premium.
- Citywide average pricing now sits 43% below its 2019 pre-HSTPA level, at approximately $149,000, and 49% lower per square foot, at $201. The most affected area is the Bronx, which on average traded at $69,000 per unit (59% below pre-HSTPA) and $76 per square foot.

Affordable Housing Multifamily

- Buildings with regulatory agreements accounted for 17% of the Q2 2026 multifamily dollar volume and 7% of the transactions. Contracted rental streams, tax abatements, and agency financing insulated this segment from elevated interest rates and the rent-freeze debate.
- Ariel Property Advisors arranged both of the segment's marquee trades:
  - In Hamilton Heights, Metropolitan Realty Group acquired the Hudson View II and III portfolios, four buildings with 129 Project-Based Section 8 units and 11 commercial units, for a combined $45.0 million ($315 per square foot) on June 30.
  - On the Upper West Side, Ariel Property Advisors also represented the sale of the 126-unit Manhattan Valley Apartments, which sold for $75.0 million, or approximately $595,000 per unit, in June. The sale ranks among the quarter's largest affordable trades and offers further evidence of the depth of mission-driven and institutional demand for regulated product with durable contract income.

WATCHLIST

- The 0% Rent Freeze Passed. The city's rent-stabilized multifamily market remains fundamentally and structurally challenged, with no viable economic or legislative solution in sight. The underlying math is simply unworkable: a roughly 40% surge in operating expenses over five years against just 16% of cumulative allowed rent growth. The Rent Guidelines Board's recent confirmation of a city-wide rent freeze serves as a stark anecdote of this broken system, shifting a political risk into a permanent financial reality. This ongoing imbalance guarantees further building deterioration, keeps tens of thousands of vacant units offline, and drives a forced sale pipeline that the free-market inventory will continue to bypass.
- Free Market Rent Keeps Rising. Free-market multifamily assets are entering H2 2026 as a major safe haven for institutional and cash-rich private buyers. While entry-level or highly leveraged properties are facing a squeeze due to borrowing costs, high-end, free-market portfolios in Manhattan and Brooklyn are projected to see continued rent growth through the summer and fall, maintaining strong investor demand.
- Direct Collision with the "Maturity Wall". The wall of 2021-vintage five-year loans hit their maturity and rate-reset dates. Because traditional banks have heavily restricted multifamily originations—especially following the political pressure and the actualization of the RGB rent freeze—refinancing options became scarce. For the second half of 2026, expect a wave of sales, "cash-in" refinancings (where landlords must inject out-of-pocket equity just to secure new debt balances) and recapitalizations. For well-capitalized institutional players on the sidelines (the "Capital Bench"), the next two quarters will represent a prime window to acquire deeply discounted portfolios from motivated or distressed sellers through bankruptcy courts or forced debt restructurings
- The 200,000-Unit Affordability Gap. The Mayor's Block by Block plan could require as much as $150 billion in total capital over a decade to build 200,000 new units of housing. The five-year public commitment is $22 billion. The gap doesn't close without private capital — which the same administration is making more expensive through prevailing-wage mandates on city-assisted projects.

NYC Sub-Market Overview: Manhattan

VOLUME

Q2 2026 vs Q2 2025

315% ↑ **$1.47B** Dollar Volume

21% ↑ **46** Transaction Volume

67% ↑ **72** Property Volume

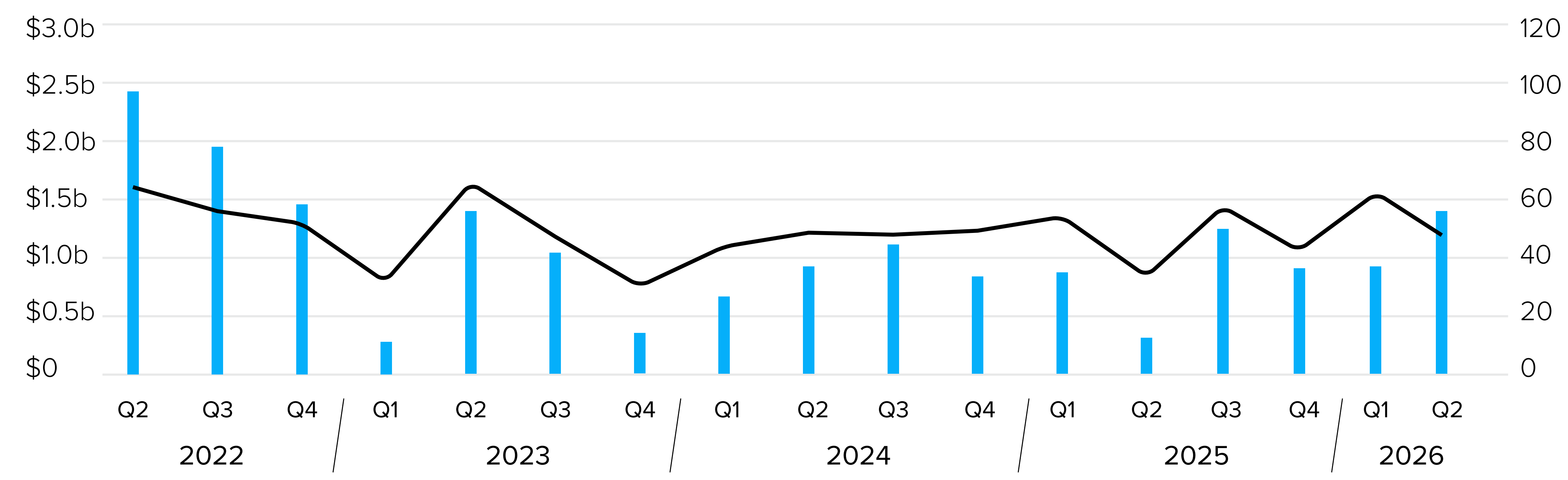
Transaction Activity Summary

Manhattan	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
Transaction Vol	46	-26%	62	21%	38
Building Vol	72	-16%	86	67%	43
Dollar Vol (in $M)	$1,466.2	60%	$918.6	315%	$353.7
Total Units	2,659	74%	1,530	374%	561

Transaction Breakdown by Building Unit Mix MF-MU 10+ resi units

Category	% Dol Vol	% Trans Vol	Avg $/SF*	Avg $/Unit*
FM (including 421a)	72%	67%	$892	$732,709
25% - 50% RS	7%	15%	$801	$544,796
50% - 75% RS	0%	0%	N/A**	N/A**
75%+ RS	1%	11%	$399	$183,010
Buildings w Reg Agreement	20%	7%	N/A**	N/A**

Multifamily Real Estate Activity Timeline



Dollar Volume Comparison (amounts are in $M)

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	$1,361.1	98%	$685.7	606%	$192.8
MF-MU 6-9 resi units	$36.8	-54%	$79.5	-33%	$55.2
MF-MU Small	$68.3	-55%	$153.3	-35%	$105.6

Transaction Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	32	0%	32	78%	18
MF-MU 6-9 resi units	5	-55%	11	-50%	10
MF-MU Small	9	-53%	19	-10%	10

Building Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	57	10%	52	159%	22
MF-MU 6-9 resi units	6	-54%	13	-40%	10
MF-MU Small	9	-57%	21	-18%	11

Q2 ’26 Featured Transaction

UWS Multifamily Portfolio

Unit Mix: **Free Market**
Gross SF: **660,054**
Sale Date: **5/7/2026**
Sale Price: **$241,250,000**

Manhattan Valley Apartments

Unit Mix: **Affordable Housing**
Gross SF: **143,101**
Sale Date: **6/17/2026**
Sale Price: **$75,000,000**

*Pricing Metrics Using Trailing 6-Month Data Due to Low Sales Activity | **Due To Low Dollar Volume Pricing Metrics Are Unavailable

NYC Sub-Market Overview: N. Manhattan

VOLUME

Q2 2026 vs Q2 2025

83% ↑ **$90.56M** Dollar Volume

-29% ↓ **10** Transaction Volume

-35% ↓ **13** Property Volume

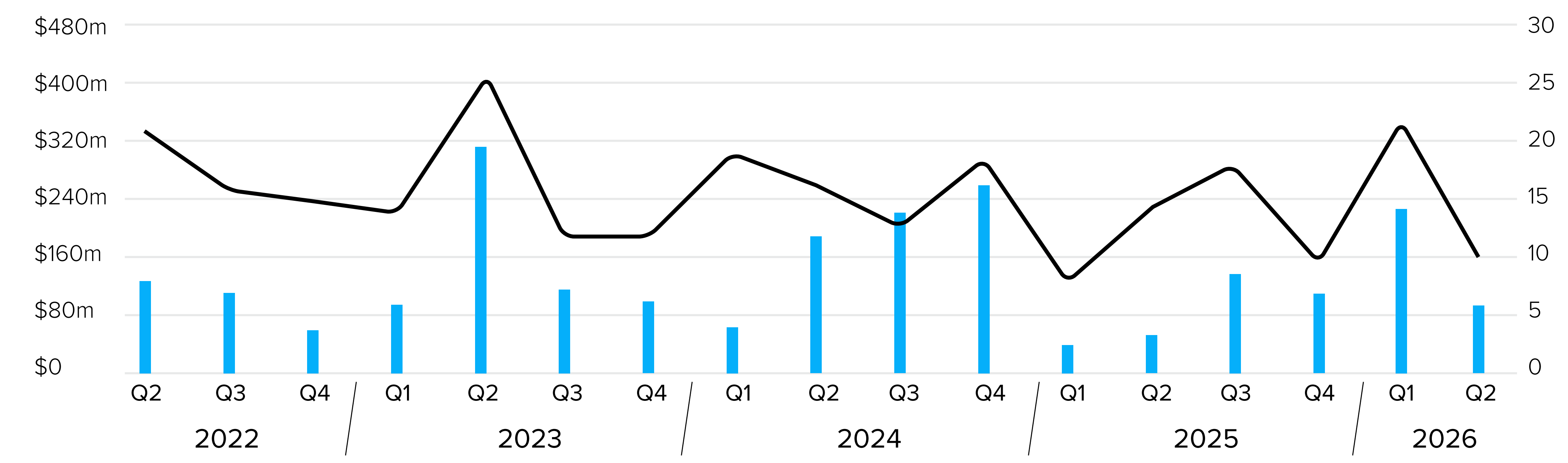
Transaction Activity Summary

N. Manhattan	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
Transaction Vol	10	-55%	22	-29%	14
Building Vol	13	-63%	35	-35%	20
Dollar Vol (in $M)	$90.6	-61%	$229.5	83%	$49.6
Total Units	407	-76%	1,720	24%	328

Transaction Breakdown by Building Unit Mix MF-MU 10+ resi units

Category	% Dol Vol	% Trans Vol	Avg $/SF*	Avg $/Unit*
FM (including 421a)	0%	0%	N/A**	N/A**
25% - 50% RS	0%	0%	N/A**	N/A**
50% - 75% RS	11%	25%	N/A**	N/A**
75%+ RS	28%	50%	$159	$120,684
Buildings w Reg Agreement	61%	25%	N/A**	N/A**

Multifamily Real Estate Activity Timeline



Dollar Volume Comparison (amounts are in $M)

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	$87.6	-60%	$217.4	132%	$37.8
MF-MU 6-9 resi units	$2.9	-60%	$7.3	-75%	$11.8
MF-MU Small	$0	N/A	$4.8	N/A	$0

Transaction Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	9	-40%	15	-10%	10
MF-MU 6-9 resi units	1	-75%	4	-75%	4
MF-MU Small	0	N/A	3	N/A	0

Building Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	12	-57%	28	-14%	14
MF-MU 6-9 resi units	1	-75%	4	-83%	6
MF-MU Small	0	N/A	3	N/A	0

Q2 '26 Featured Transaction

Hudson View II & III Portfolio

Unit Mix: Affordable Housing
Gross SF: **142,690**
Sale Date: **6/30/2026**
Sale Price: **$45,000,000**

153 East 96th Street

Unit Mix: 75% + Rent Stabilized
Gross SF: **37,065**
Sale Date: **5/19/2026**
Sale Price: **$9,375,000**

*Pricing Metrics Using Trailing 6-Month Data Due to Low Sales Activity | **Due To Low Dollar Volume Pricing Metrics Are Unavailable

NYC Sub-Market Overview: Brooklyn

VOLUME

Q2 2026 vs Q2 2025

-33% $561.64M Dollar Volume

-10% 132 Transaction Volume

-17% 150 Property Volume

Transaction Activity Summary

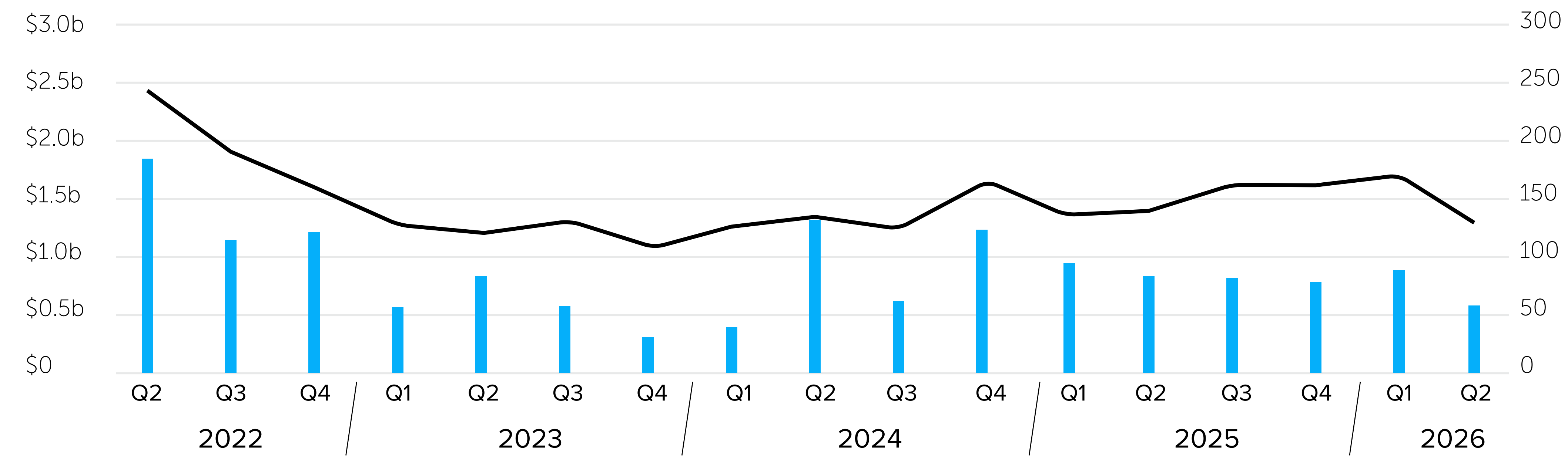
Brooklyn	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
Transaction Vol	132	-21%	167	-10%	146
Building Vol	150	-38%	243	-17%	180
Dollar Vol (in $M)	$561.6	-36%	$873.4	-33%	$836.9
Total Units	1,516	-66%	4,521	-34%	2,308

Transaction Breakdown by Building Unit Mix MF-MU 10+ resi units

Category	% Dol Vol	% Trans Vol	Avg $/SF*	Avg $/Unit*
FM (including 421a)	64%	53%	$510	$510,653
25% - 50% RS	0%	0%	N/A**	N/A**
50% - 75% RS	7%	13%	$320	$259,334
75%+ RS	27%	27%	$167	$145,735
Buildings w Reg Agreement	2%	7%	N/A**	N/A**

Multifamily Real Estate Activity Timeline

Dollar Vol | Transaction Vol



Dollar Volume Comparison (amounts are in $M)

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	$277.9	-49%	$549.2	-48%	$533.0
MF-MU 6-9 resi units	$86.5	-23%	$112.6	-37%	$136.3
MF-MU Small	$197.3	-7%	$211.5	18%	$167.6

Transaction Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	18	-28%	25	-36%	28
MF-MU 6-9 resi units	38	-21%	48	-28%	53
MF-MU Small	76	-19%	94	17%	65

Building Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	24	-74%	91	-58%	57
MF-MU 6-9 resi units	40	-25%	53	-26%	54
MF-MU Small	86	-13%	99	25%	69

Q2 '26 Featured Transaction

227 Grand Street

Unit Mix: Free Market
Gross SF: **59,930**
Sale Date: **6/15/2026**
Sale Price: **$45,800,000**

The Lefrak Organization BK MF Portfolio

Unit Mix: 75% + Rent Stabilized
Gross SF: **328,200**
Sale Date: **6/24/2026**
Sale Price: **$34,026,000**

*Pricing Metrics Using Trailing 6-Month Data Due to Low Sales Activity | **Due To Low Dollar Volume Pricing Metrics Are Unavailable

NYC Sub-Market Overview: Bronx

VOLUME

Q2 2026 vs Q2 2025

-54% **$204.74M** Dollar Volume

27% **42** Transaction Volume

-34% **55** Property Volume

Transaction Activity Summary

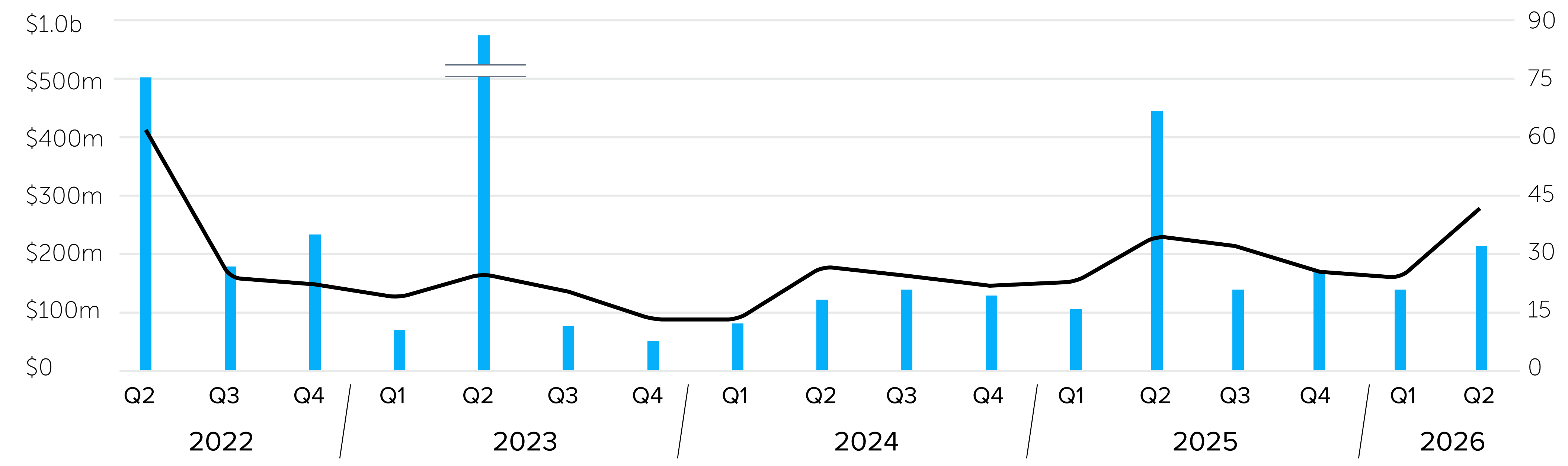
Bronx	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
Transaction Vol	42	62%	26	27%	33
Building Vol	55	49%	37	-34%	83
Dollar Vol (in $M)	$204.7	35%	$151.5	-54%	$445.5
Total Units	1,807	20%	1,508	-55%	3,982

Transaction Breakdown by Building Unit Mix MF-MU 10+ resi units

Category	% Dol Vol	% Trans Vol	Avg $/SF*	Avg $/Unit*
FM (including 421a)	50%	16%	$190	$232,741
25% - 50% RS	1%	4%	N/A**	N/A**
50% - 75% RS	0%	0%	N/A**	N/A**
75%+ RS	45%	76%	$76	$68,842
Buildings w Reg Agreement	4%	4%	N/A**	N/A**

Multifamily Real Estate Activity Timeline

Dollar Vol | Transaction Vol



Dollar Volume Comparison (amounts are in $M)

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	$185.4	40%	$132.3	-57%	$428.2
MF-MU 6-9 resi units	$5.1	-8%	$5.5	-61%	$13.0
MF-MU Small	$14.3	4%	$13.7	229%	$4.3

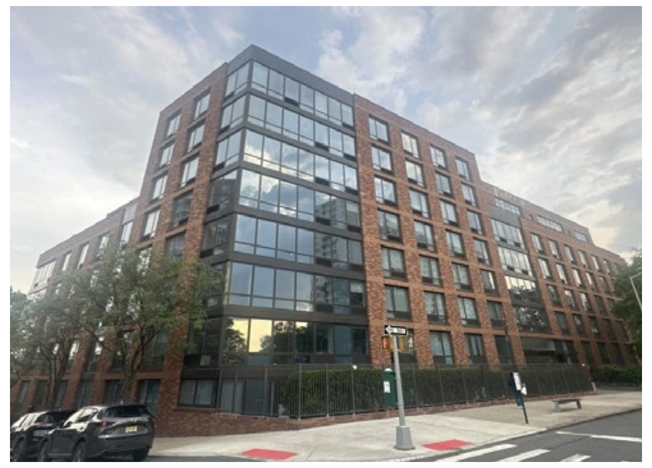
Transaction Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	30	88%	16	25%	24
MF-MU 6-9 resi units	4	33%	3	-33%	6
MF-MU Small	8	14%	7	167%	3

Building Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	38	41%	27	-49%	74
MF-MU 6-9 resi units	4	33%	3	-33%	6
MF-MU Small	13	86%	7	333%	3

Q2 '26 Featured Transaction



3260 Henry Hudson Pkwy E

Unit Mix: Free Market
Gross SF: **242,697**
Sale Date: **4/21/2026**
Sale Price: **$64,000,000**

80 McClellan Street

Unit Mix: 75% + Rent Stabilized
Gross SF: **124,805**
Sale Date: **4/21/2026**
Sale Price: **$7,850,000**

*Pricing Metrics Using Trailing 6-Month Data Due to Low Sales Activity | **Due To Low Dollar Volume Pricing Metrics Are Unavailable

NYC Sub-Market Overview: Queens

VOLUME

Q2 2026 vs Q2 2025

-53% **$135.86M** Dollar Volume

-16% **68** Transaction Volume

-11% **77** Property Volume

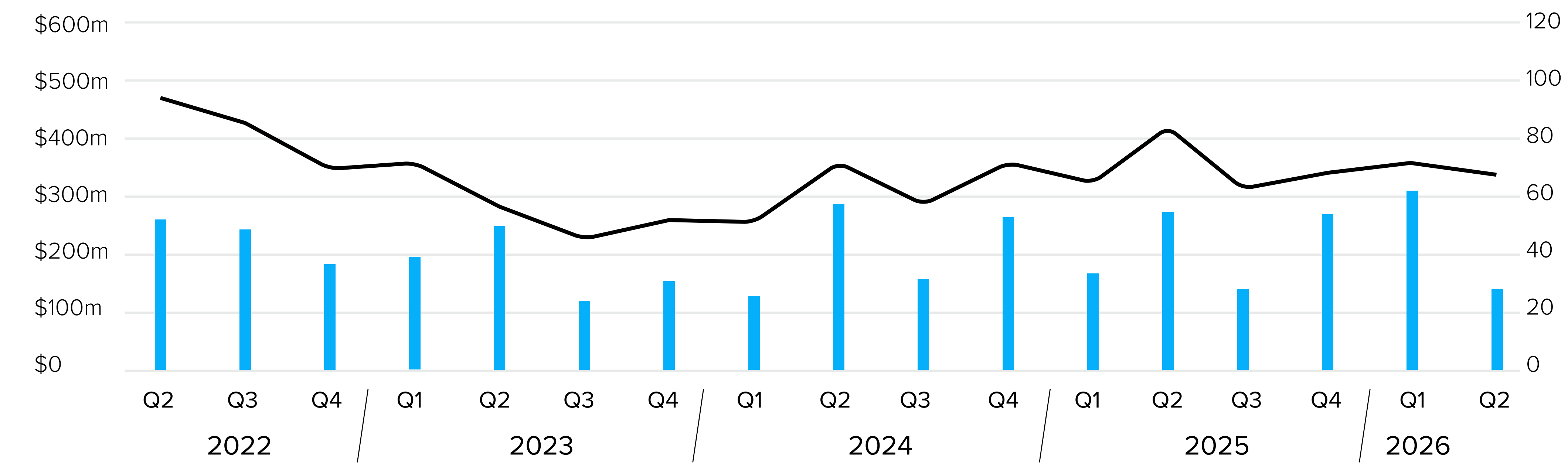
Transaction Activity Summary

Queens	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
Transaction Vol	68	-7%	73	-16%	81
Building Vol	77	-14%	90	-11%	87
Dollar Vol (in $M)	$135.9	-56%	$311.3	-53%	$286.7
Total Units	455	-74%	1,736	-64%	1,273

Transaction Breakdown by Building Unit Mix MF-MU 10+ resi units

Category	% Dol Vol	% Trans Vol	Avg $/SF*	Avg $/Unit*
FM (including 421a)	24%	33%	$272	$241,200
25% - 50% RS	0%	0%	N/A**	N/A**
50% - 75% RS	0%	0%	N/A**	N/A**
75%+ RS	76%	67%	$202	$224,845
Buildings w Reg Agreement	0%	0%	N/A**	N/A**

Multifamily Real Estate Activity Timeline



Dollar Volume Comparison (amounts are in $M)

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	$25.3	-88%	$203.7	-84%	$162.6
MF-MU 6-9 resi units	$18.3	-45%	$33.4	-54%	$39.4
MF-MU Small	$92.3	24%	$74.2	9%	$84.8

Transaction Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	7	-50%	14	-50%	14
MF-MU 6-9 resi units	9	-50%	18	-57%	21
MF-MU Small	52	27%	41	13%	46

Building Volume Comparison

Product type	2Q 2026	vs. 1Q 2026	1Q 2026	vs. 2Q 2025	2Q 2025
MF-MU 10+ resi units	11	-59%	27	-35%	17
MF-MU 6-9 resi units	9	-53%	19	-63%	24
MF-MU Small	57	30%	44	24%	46

Q2 '26 Featured Transaction

45-07 43rd Ave & 41-49 45th St

Unit Mix: **75% + Rent Stabilized**
Gross SF: **23,064**
Sale Date: **4/8/2026**
Sale Price: **$5,000,000**

86-26 85th St & 84-39/84-45 Jamaica Ave

Unit Mix: **Free Market**
Gross SF: **16,125**
Sale Date: **6/3/2026**
Sale Price: **$4,550,000**

*Pricing Metrics Using Trailing 6-Month Data Due to Low Sales Activity | **Due To Low Dollar Volume Pricing Metrics Are Unavailable

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