



Q1–Q3
2026

New York City Report Highlights

by Ariel Property Advisors
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Investment Sales
Capital Services
Research

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Q1–Q3 2026 • NEW YORK CITY

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Q1-Q3 2026 AT A GLANCE

Q1-Q3 2026 New York City

OVERVIEW

New York City's investment sales reached \$23.69 billion across 1,914 transactions¹ and 2,496 properties in the first three quarters of 2026, up 9%, 8% and 9% respectively from a year earlier. The first half did the heavy lifting, with first- and second-quarter dollar volume up 36% and 31% year-over-year, before a summer in which the 10-year Treasury climbed from 4.44% at midyear to above 5% in September, its highest level since 2007, and the Federal Reserve raised rates on September 16.

The third quarter totaled \$6.73 billion across 614 transactions, the third consecutive quarter-over-quarter decline since the \$13.91 billion peak in the fourth quarter of 2025, and down 25.2% from the third quarter of 2025 even as deal count rose 0.7%. The 25.2% decline is mostly the result of a few very large trades last year, led by the \$1.08 billion sale of 590 Madison Avenue, and excluding trades of \$250 million or more from both quarters, volume rose 4.0%².

Capital stayed concentrated. Multifamily, development and office together accounted for nearly three-quarters of the city's dollar volume in the first nine months of the year. Multifamily remained the largest class at \$6.99 billion, up 7.9% year-over-year, driven by smaller buildings, while development rose 10% to \$5.24 billion as builders raced to assemble sites under 485-x, and office, at \$5.20 billion, sat just 3% below last year's strong pace but more than double its level two years ago. Special purpose was the biggest mover of the first three quarters, up 88% to \$1.93 billion on a handful of large ground-lease and institutional trades.

NYC Volume

Q1-Q3 '26 VS Q1-Q3 '25

Dollar volume

\$23.69B

▲ 9.1% vs 2025

Transaction volume

1,914

▲ 7.9% vs 2025

Property volume

2,496

▲ 8.9% vs 2025

ASSET CLASS	Q1-Q3 2026 VOLUME	VS Q1-Q3 2025	TRANSACTIONS	VS Q1-Q3 2025	PROPERTIES	VS Q1-Q3 2025	SHARE OF TOTAL
Multifamily	\$6.99B	+7.9%	1,044	+11.5%	1,337	+14.8%	29.5%
MF-MU 10+ resi units	\$5.00B	+5.7%	319	+9.2%	555	+15.6%	21.1%
MF-MU 6-9 resi units	\$678.5M	+4.3%	239	-2.8%	253	-3.4%	2.9%
MF-MU Small	\$1.31B	+19.7%	486	+22.1%	529	+25.1%	5.5%
Development	\$5.24B	+9.7%	326	-0.3%	493	-0.6%	22.1%
Office	\$5.20B	-2.8%	95	+5.6%	117	-0.8%	22.0%
Retail	\$2.27B	+2.5%	220	+7.3%	268	+9.8%	9.6%
Industrial / WH / Storage	\$988.3M	+3.5%	158	+10.5%	186	-0.5%	4.2%
Hotel	\$1.08B	+18.4%	15	+15.4%	17	-22.7%	4.6%
Special Purpose	\$1.93B	+88.4%	56	-6.7%	78	+27.9%	8.1%
Grand Total	\$23.69B	+9.1%	1,914	+7.9%	2,496	+8.9%	100%

Q1-Q3 2026 includes projected closings. Multifamily includes the three MF-MU rows indented beneath it. Share of total: share of Q1-Q3 2026 dollar volume.

Q1-Q3 2026 • FEATURED ASSET CLASS

Multifamily

Q1-Q3 dollar volume	Q1-Q3 transactions	Q3 dollar volume	Q3 transactions
\$6.99B	1,044	\$1.84B	342
▲ 7.9% vs Q1-Q3 '25	▲ 11.5% vs Q1-Q3 '25	▼ 23.3% vs Q3 '25	▲ 5.6% vs Q3 '25

Multifamily remained the city's largest asset class, with dollar volume up 7.9% year-over-year to \$6.99 billion across 1,044 transactions, up 11.5%, and 1,337 properties, up 14.8%. Smaller buildings, those with fewer than 10 units, drove the growth, rising 14% to \$1.99 billion, while larger buildings rose 6% to \$5.00 billion. The third quarter was the only quarter to trail 2025, as dollar volume fell 23.3% to \$1.84 billion, its lowest since the first quarter of 2024, with four trades of \$50 million or more against eight a year earlier, even as transactions rose 5.6%.

Free market fundamentals kept buyers engaged. Manhattan's median rent on new leases reached \$4,900 in September, the second-highest on record, as listings fell 23%. Rent-stabilized buildings remain under pressure. They now trade at a median 5.2 times gross rents and an 8.8% cap rate, against 14.6 times and 4.1% in 2018, and lenders are exiting, with Cerberus buying OceanFirst's \$1.3 billion rent-regulated loan book at about 92 cents on the dollar. Ariel Property Advisors arranged six affordable sales totaling \$210.5 million, including the \$79.9 million PPSP portfolio in Flatbush.

The largest multifamily trade of Q3 was Mann Group's \$122.5 million purchase of Casa Hope from Clipper Equity, about \$851,000 per unit. The 144-unit building at 118 Hope Street in Williamsburg carries a 35-year 421a abatement, with free market rents of \$3,400 to \$7,500, as new construction continued to set the pace.

FEATURED TRANSACTION



118 Hope Street

Williamsburg, Brooklyn

Buyer	Seller
Mann Group	Clipper Equity
Gross SF	Units
111,363	144
Sale date	
Sep 2026	

Sale amount **\$122.5M**

Development

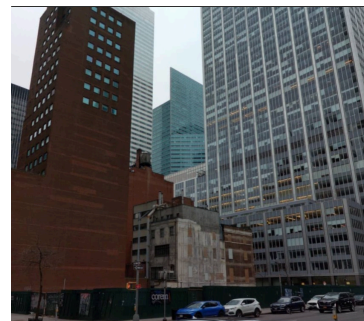
Q1-Q3 dollar volume	Q1-Q3 transactions	Q3 dollar volume	Q3 transactions
\$5.24B	326	\$1.47B	96
▲ 9.7% vs Q1-Q3 '25	▼ 0.3% vs Q1-Q3 '25	▼ 37.0% vs Q3 '25	▼ 16.5% vs Q3 '25

Development dollar volume rose 10% year-over-year, and 27% from two years ago, to \$5.24 billion on 326 transactions, flat with last year, as buyers paid for scale and the average deal grew to \$16.1 million. Brooklyn accounted for approximately 40% of transactions in the first three quarters, and Queens' dollar volume more than doubled to \$1.15 billion. In Manhattan, assemblages represented 40% of dollar volume, more than half of it from Extell's Park Avenue blockfront for a new office tower. In Q3 2026, dollar volume declined 37% year-over-year to \$1.47 billion, largely reflecting a comparison with Q3 2025, which included \$1.5 billion in Manhattan development site sales. Despite the decline, large development sites continued to trade.

Rentals dominate a policy-driven pipeline. Developers filed for 40,067 net new units year to date, up 46% and led by Brooklyn and the Bronx, and 91% of the buildings proposed under 485-x had fewer than 100 units, below the program's wage threshold. Condos have narrowed to luxury sites in Manhattan and brownstone Brooklyn, such as Alchemy Properties' \$58.5 million Tribeca garage at 56 North Moore Street, while Tavros and Atlas paid \$143 million for 304 Pearl Street, one of the last vested 421a sites.

Conversions faded in the third quarter, to 12 deals and \$220.7 million from 15 and \$639.8 million a year earlier. Manhattan still accounted for 24 of the city's 42 conversion deals in Q1-Q3, led by Nathan Berman and Idan Ofer's \$104.5 million purchase of 1 Whitehall Street from LoanCore, which had taken it through foreclosure. Extell assembled the Park Avenue blockfront between 54th and 55th Streets for an office tower, paying \$450.8 million for 405 and 417 Park Avenue and another \$72.7 million for adjacent East 55th Street parcels in the third quarter, and Bally's paid \$156.6 million for 16 acres at Ferry Point in the Bronx for a casino resort. Ariel Property Advisors arranged \$45.7 million of Gowanous site sales, including 604 Union Street for \$11.0 million in Q3, and the \$29.7 million sale of 261 Walton Avenue in Mott Haven.

FEATURED TRANSACTION



417 Park Avenue

Midtown, Manhattan

Buyer	Seller
Extell Development	Corem Property Group & GDS
Sale date	
Apr 2026	

Sale amount **\$251.7M**

Q1-Q3 2026 • FEATURED ASSET CLASS

Office

Q1-Q3 dollar volume	Q1-Q3 transactions	Q3 dollar volume	Q3 transactions
\$5.20B	95	\$1.70B	33
▼ 2.8% vs Q1-Q3 '25	▲ 5.6% vs Q1-Q3 '25	▼ 31.4% vs Q3 '25	▲ 22.2% vs Q3 '25

Year-to-date (YTD) office sales totaled \$5.20 billion, down 3% year-over-year but more than double the volume recorded during the same period two years ago. Transactions increased 6% to 95. In Q3 2026, dollar volume declined 31% year-over-year to \$1.70 billion, largely reflecting the \$1.08 billion sale of 590 Madison Avenue in Q3 2025, while transactions increased from 27 to 33.

Leasing kept buyers engaged. Manhattan availability fell to 13.7% in the third quarter, its lowest since 2020, as net absorption stayed positive for a ninth straight quarter, sublease space reached a three-year low and AI and law firms led large-block demand (CBRE). Buyers paid for occupancy and below-market rents. Meadow Partners bought the 95%-leased 10 East 53rd Street from SL Green for \$310 million, an L&L Infinite-led group paid \$245 million for 600 Third Avenue, and 60 Guilders and Sentry Realty paid \$238 million for 1441 Broadway.

Financing returned to office acquisitions: 61% of deeded sales through Q3 closed with a same-day mortgage³, up from 45% in each of the prior two years, at a median of about 65% of the purchase price. Regional banks made the most loans, while debt funds, life companies and CMBS financed larger trades, including Park Avenue Tower's \$480 million CMBS loan.

The largest office trade of Q1-Q3 was SL Green's \$730 million purchase of Park Avenue Tower at 65 East 55th Street from Blackstone and George Klein in January, financed with a \$480 million CMBS loan.

Retail

Q1-Q3 dollar volume	Q1-Q3 transactions	Q3 dollar volume	Q3 transactions
\$2.27B	220	\$589.8M	66
▲ 2.5% vs Q1-Q3 '25	▲ 7.3% vs Q1-Q3 '25	▼ 23.3% vs Q3 '25	▼ 14.3% vs Q3 '25

Year to date, retail dollar volume rose 2.5% year-over-year to \$2.27 billion across 220 transactions, up 7.3%, with properties traded up 9.8% to 268. Demand was concentrated in the city's strongest corridors, where luxury tenants increasingly bought their own buildings.

Prime Manhattan retail space kept tightening in the third quarter. Ground-floor availabilities across the borough's 16 premier corridors fell 11% from the prior quarter to 151, pushing average asking rents up 4% to \$707 per square foot, and tenants in the tightest corridors paid above asking. Leasing volume fell 22% year-over-year, held back by the shortage of space rather than demand. (CBRE)

Buyers looked past the year's headline retail distress, including Saks Global's Chapter 11 filing, toward well-located streetfront and repositioning plays. The largest retail trade of Q3 was 675 Hudson Street in the West Village, acquired for \$100 million by private club operator Caprice Holdings with \$165 million of HSBC financing to fund the purchase and renovation.

FEATURED TRANSACTION



65 East 55th Street

Midtown, Manhattan

Buyer	Seller
SL Green	Blackstone & George Klein
Gross SF	Sale date
621,000	Jan 2026

Sale amount **\$730.0M**

FEATURED TRANSACTION



675 Hudson Street

West Village, Manhattan

Buyer	Seller
Caprice Holdings	Robert Cayre
Gross SF	Units
29,300	13
Sale date	
Jul 2026	

Sale amount **\$100.0M**

Q1-Q3 2026 • FEATURED ASSET CLASS

Industrial

Q1-Q3 dollar volume	Q1-Q3 transactions	Q3 dollar volume	Q3 transactions
\$988.3M	158	\$384.7M	53
▲ 3.5% vs Q1-Q3 '25	▲ 10.5% vs Q1-Q3 '25	▲ 29.9% vs Q3 '25	▲ 17.8% vs Q3 '25

Industrial, warehouse and storage dollar volume rose 3.5% year-over-year to \$988.3 million, with transactions up 10% to 158. Queens accounted for more than half of dollar volume, and third-quarter volume rose 30% to \$384.7 million.

Scarce land in the country's most expensive industrial market keeps buyers focused on small infill buildings and outdoor storage yards, while demand is broadening beyond last-mile logistics to robotaxi depots in Long Island City and the South Bronx and robotics firms at Industry City.

The largest industrial trade of Q3 was Prologis' \$49 million purchase of a 116,725-square-foot industrial property at 153-44 South Conduit Avenue in Springfield Gardens, near JFK Airport, while Terreno Realty added a Red Hook warehouse at 659 Court Street for \$26.25 million after its \$92 million College Point purchase in the first quarter. Manhattan Mini Storage's \$2.125 billion CMBS refinancing of its 16-property portfolio in September showed lenders' conviction. Earlier in the year, Ariel Property Advisors arranged Piece of Cake Moving & Storage's \$18 million purchase of The Rawson, a 104,000-square-foot office and self-storage building at 33-02 Skillman Avenue in Queens that the company already occupied, and in Q3 the firm sold 425 Devoe Avenue, a West Farms warehouse, for \$10.75 million.

Hotel

Q1-Q3 dollar volume	Q1-Q3 transactions	Q3 dollar volume	Q3 transactions
\$1.08B	15	\$279.9M	6
▲ 18.4% vs Q1-Q3 '25	▲ 15.4% vs Q1-Q3 '25	▼ 31.3% vs Q3 '25	▲ 100.0% vs Q3 '25

Hotel dollar volume rose 18% year-over-year to \$1.08 billion across just 15 transactions, the highest average deal size of any class at \$72.0 million. Third-quarter volume fell 31% to \$279.9 million, led by the \$96.6 million sale of 52 East 41st Street.

Demand keeps buyers engaged. New York posted the nation's highest hotel occupancy in 2025 at 84%, and this summer it led major markets as room rates rose 6.8%. Luxury specialists and operators set the pace: Gencom has spent more than \$1 billion on hotels in New York and Miami, and Meliá paid \$203 million for the NoMad hotel it already ran, eliminating a rising rent. Sellers are exiting as a new union contract lifts wages by more than 50% and operating costs by about 15%, as DiamondRock's sale of the Courtyard Fifth Avenue at a 13.3% cap rate showed.

The signature trade of Q1-Q3 was Gencom's acquisition of the 253-key Ritz-Carlton New York, Central Park at 50 Central Park South from Westbrook Partners and Millennium Partners, recorded at \$269.7 million, Gencom's third New York hotel purchase in 16 months.

FEATURED TRANSACTION



153-44 South Conduit Avenue

Springfield Gardens, Queens

Buyer	Seller
Prologis	Peter Levine
Gross SF	Sale date
116,725	Sep 2026

Sale amount **\$49.0M**

FEATURED TRANSACTION



50 Central Park South Hotel

Midtown, Manhattan

Buyer	Seller
Gencom	Westbrook Partners & Millennium Partners
Gross SF	Keys
243,836	253
Sale date	
Feb 2026	

Sale amount **\$269.7M**

Q1-Q3 2026 · FEATURED ASSET CLASS

Special Purpose

Q1-Q3 dollar volume	Q1-Q3 transactions	Q3 dollar volume	Q3 transactions
\$1.93B	56	\$457.2M	18
▲ 88.4% vs Q1-Q3 '25	▼ 6.7% vs Q1-Q3 '25	▲ 50.2% vs Q3 '25	▼ 5.3% vs Q3 '25

Special purpose was the biggest mover of Q1-Q3, with dollar volume up 88% year-over-year to \$1.93 billion and up 146% from two years ago, even as transactions dipped to 56. A small number of large ground-lease, health-care and education trades drove the gain, lifting the average deal to \$34.4 million.

Third-quarter volume rose 50% year-over-year to \$457.2 million as schools and health-care operators expanded. Columbia University paid \$122 million for a 313-bed student-housing building on Claremont Avenue, which the sellers had bought as a smaller dorm for \$38 million in 2024, and Hawkins Way Capital paid \$51.5 million for 135 East 12th Street, its third Manhattan student-housing purchase this year. The Geneva School bought the bankrupt Manhattan Country School's building for \$33.2 million, and a 140,000-square-foot medical building in East New York sold for \$89.9 million.

The largest special purpose trade of Q1-Q3 was Lotte Corporation's \$491.1 million buyout of the Archdiocese of New York's ground lease beneath its Lotte New York Palace hotel, while Emerald Group paid \$296 million for three Brooklyn nursing homes in the first quarter.

FEATURED TRANSACTION



Lotte New York Palace, Madison Avenue & East 50th Street

Midtown, Manhattan

Buyer	Seller
Lotte Corporation	Archdiocese of New York
Sale date	
Apr 2026	

Sale amount **\$491.1M**

Q1-Q3 2026 · LOOKING AHEAD

What We're Watching

RATES

A 5% 10-year meets the year-end calendar

With the 10-year above 5% and the Federal Reserve tightening, fixed-rate refinancing and leveraged acquisitions face higher hurdles. Watch whether September's slowdown in securitization carries into the fourth quarter.

TOUGH COMPARISON

Q4 must match a \$13.91 billion quarter

The fourth quarter of 2025 was the strongest quarter in the timeline since 2021, at \$13.91 billion. Full-year growth depends on whether large office and land trades in the pipeline close before year-end.

OFFICE

A deep listing pipeline

Large Manhattan offerings, including 10 Bryant Park, the 7 Times Square ground lease and the Helmsley Building, test whether record leasing translates into trophy pricing.

RENT-STABILIZED HOUSING

The freeze reaches leases

The rent freeze took effect October 1. Watch for more discounted loan sales by banks and distressed sales of regulated portfolios.

POLICY

The pied-à-terre tax heads to court

The pied-à-terre tax is rolling out while an appeals court reviews how it was implemented, with a ruling due by November 10, and two lawsuits, including one by Wilbur Ross and Steve Wynn, seek to strike it down. First payments are due January 1, 2027, and expiring abatements and November's state election round out the policy backdrop.

WHO WE ARE

About Ariel Property Advisors

Geographic Coverage System

Ariel's unique company structure, with separate groups for Investment Sales, Capital Services and Research, ensures outstanding service for our clients. Whether it's implementing a strategic marketing process, compiling a comprehensive Asset Evaluation, securing financing or providing timely market information, every assignment is served by a team of specialized professionals.

Partners

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NOTES

1. All dollar-volume, transaction and property figures are from Ariel Property Advisors' proprietary transaction database. Q1–Q3 2026 totals incorporate projected closings for the end of the period, and third-quarter 2026 figures are the Q1–Q3 total less the first and second quarters.
2. Ariel Property Advisors analysis of recorded trades of \$250 million or more: five totaling \$3.08 billion in Q3 2025 and two totaling \$568 million in Q3 2026.
3. Ariel Property Advisors analysis of NYC ACRIIS deed and mortgage records, January–September 2024–2026.

SOURCES

Ariel Property Advisors proprietary transaction database; Recorded July transactions, Ariel Property Advisors transaction database; Commercial Mortgage Alert, March 20 – October 2, 2026; Crain's New York Business, September 2026; Ariel Property Advisors Research, July 15, 2026; S&P Global Ratings pre-sale report, January 8, 2026, CMBS ticker SLG 2026-PAT; Manhattan office availability, absorption and sublease space: CBRE Research, Manhattan Office Figures, Q3 2026; Ariel Property Advisors Research, August 11, 2026; Jonathan Miller via The Real Deal, October 2026; Ariel Property Advisors analysis of predominantly rent-stabilized buildings with 10 or more units; Bloomberg, July 2026; Commercial Observer, July 20, 2026; Bloomberg, June 26, 2026; Ariel Property Advisors Research, September 30 and October 7, 2026; CBRE Research, Manhattan Retail Figures, Q3 2026; Ariel Property Advisors Research, September 30, 2026; Crain's New York Business, June 25, 2026; Traded Media; Ariel Property Advisors Research, October 6, 2026; New York State Comptroller via Commercial Observer, July 17, 2026; The Real Deal and The Wall Street Journal, May 2026; DiamondRock Hospitality release, May 8, 2026.

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