

Q2 2025

Multifamily Quarter In Review New York City

by Ariel Property Advisors, GREA Partner
Released July 2025



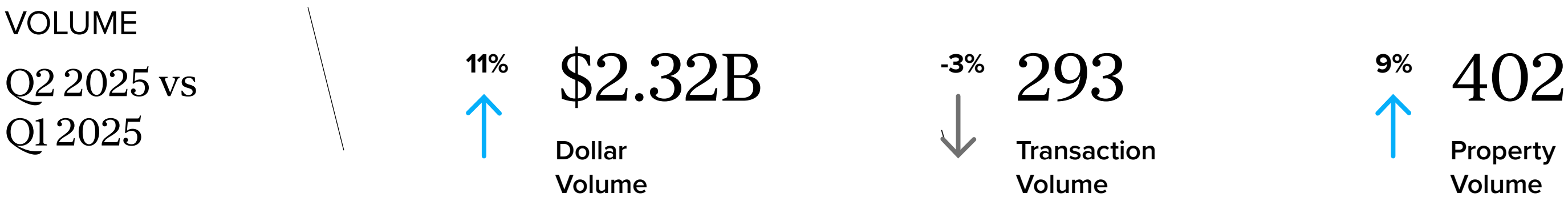
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Q2 2025 Multifamily Highlights



Q2 2025 NYC Multifamily Report

- The New York City multifamily market showed modest growth in the second quarter of 2025. While transaction volume saw a minimal decline, driven by fewer sales in the MF-MU category, total dollar volume rose 11% from the previous quarter. Compared to the quarterly average since the first quarter of 2023, Q2 2025 transaction activity was up 4% and dollar volume increased by 10%. Investment was varied, with affordable housing properties leading in dollar volume, alongside activity in free-market and rent-stabilized assets.

Pressure on Rent-Stabilized Drives Increased Transaction Activity

- Increased investment in rent-stabilized properties is fueled by owner distress. Current landlords are struggling with the impact of the HSTPA, rising expenses, and difficult refinancing terms. This has created opportunities for buyers to purchase these assets at a significant discount, anticipating that today’s challenging regulations may eventually be revised.

Transaction Breakdown by Building Unit Mix

	Unit Mix	% of \$ Vol	% of Trans Vol
Predominantly Free Market	FM (including 421a)	22%	34%
	25% - 50% RS	5%	10%
Predominantly Rent-Stabilized	50% - 75% RS	1%	3%
	75% + RS	31%	42%
	Buildings w Reg Agreement	41%	11%

- The result is shown in the numbers as rent-stabilized property transactions slightly outpaced free-market assets in total dollar volume, accounting for 32% and 27% of total dollar volume, respectively. The most significant transaction in the rent-stabilized sector this quarter was the sale of Related Companies’ Bronx portfolio to PH Realty Capital LLC for \$189 million. The portfolio consists of 36 buildings with a total of 2,014 units located throughout the northern Bronx, including the Kingsbridge, University Heights, Pelham Parkway, Norwood, and Wakefield neighborhoods. The sale, finalized on May 16, 2025, represents a considerable discount from the \$253 million that Related paid for the same properties in 2014. PH Realty Capital LLC has stated its intention to invest in the portfolio by returning 264 vacant units to the rental market and resolving thousands of outstanding building violations.

Brooklyn continues to lead Borough Rankings

- In Q2 2025, Brooklyn dominated New York City’s real estate market, accounting for \$1.06 billion in sales across 135 transactions, nearly half of the citywide activity. Investor focus was heavily skewed towards smaller, sub-10-unit buildings, which comprised 109 of the borough’s 135 trades. This interest is driven by the fact that smaller assets are subject to less rent regulation, including “good cause” eviction, and often receive more favorable tax treatment.
- In a notable free-market transaction, The Carlyle Group and Z+G Property purchased a 51-unit building at 202 8th Street in Gowanus for \$32.1 million. The price reflects a 15% drop from its \$37.8 million sale price in 2013. This decrease in value is primarily attributed to the upcoming expiration of its 421-a tax benefit and the impact

of the Housing Stability and Tenant Protection Act (HSTPA), which complicates moving units to market rates once the tax exemption ends.

Notable Investment Activity within the Affordable Housing Space

- Investment in the affordable housing sector totaled 41% of overall multifamily dollar volume, the highest mark since Nuveen’s acquisition of Omni’s Affordable Housing Platform in Q2 2023. This marks a significant rebound from Q1 2025, as four of the five largest multifamily transactions during the quarter were affordable housing deals, underscoring the strong demand for affordable housing within NYC, with private, mission-driven, and institutional players all active.

Selected Transactions within this sector include:

- Tredway and Brookfield’s acquisition of the 607-unit Ocean Park Apartments, 125 Beach 17th St, in Far Rockaway from Related Companies for \$88 million, a deal brokered by Ariel Property Advisors. Ranking as the quarter’s third-largest multifamily deal, the purchase included a new regulatory agreement with HPD to preserve affordability. Tredway plans extensive structural repairs, climate resiliency upgrades, and the introduction of new resident services, including expanded food distribution and swim programming.
- Phoenix Realty Group purchased the 314-unit Soundview complex at 820-880 Thieriot Ave & Leland Ave in the Bronx from Camber Property Group for \$54.5 million in May 2025. The sale of the two Mitchell-Lama properties and a vacant lot, all located on the same block, recently underwent over \$20 million in upgrades.

Q2 2025 Multifamily Highlights

- In a unique transaction, Camber Property Group acquired a new, 184-unit mixed-use building at 2864–2880 Atlantic Avenue in East New York for \$69 million. The property, which had a 421-a tax exemption, was sold vacant on May 20, 2025. Camber, a prominent affordable housing developer, plans to reposition the asset by leasing it to a nonprofit supportive housing provider, effectively converting it into long-term housing for low-income tenants.

WATCHLIST:

Political Signals Stir Anxiety Among Rent-Stabilized Stakeholders

- Investor and landlord anxiety intensified after Assemblymember Zohran Mamdani’s unexpected Democratic party primary win, built on a platform calling for a rent freeze on regulated apartments. While the general election is still ahead, his victory signals rising momentum for stricter tenant protections and has injected new uncertainty into the rent-stabilized market. Mamdani’s win is viewed by many as a shift back toward De Blasio-era housing policy, following four years of alignment between Mayor Eric Adams and Governor Kathy Hochul focused on expanding housing supply. The surprise result raises concerns that this progress may stall, further cooling investor appetite for already challenged rent-stabilized assets. The mayoral election is scheduled for November 4, 2025, and will include Mamdani, along with Mayor Eric Adams and former Governor Andrew Cuomo, who will be on the ballot as independents.

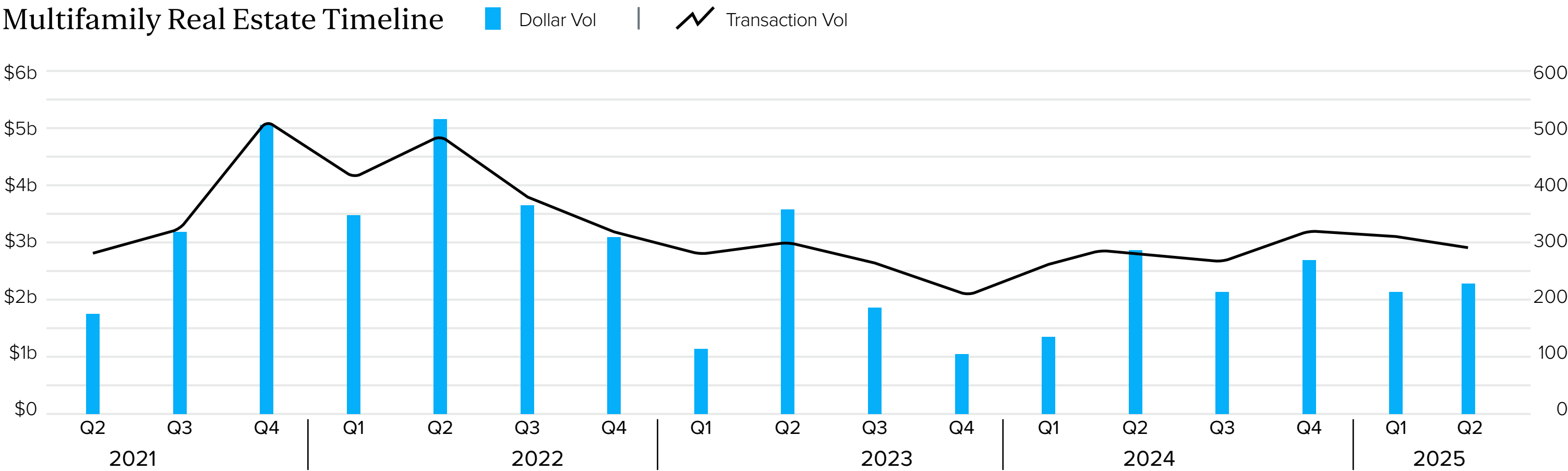
Recapitalizations and Strategic Partnerships Persist Among High-Quality Assets

- Over the past six months, several ownership groups have restructured their capital stacks on well-located, free-market assets, reflecting continued investor demand for stabilized, institutional-grade properties.

NYC Transaction Activity Summary	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
Transaction Volume Comparison	293	-3%	303	-1%	295
Dollar Volume Comparison	\$2,323,302,858	11%	\$2,100,295,651	-17%	\$2,814,377,208
Building Volume Comparison	402	9%	369	2%	393
Total Units	10,228	77%	5,786	8%	9,464

- At 525 West 52nd Street, Ares Management acquired a 75 percent stake from Mitsui Fudosan America. The asset, a luxury multifamily and retail building in Hell’s Kitchen, benefits from a 421-a tax abatement through 2039. Ares assumed a below-market loan as part of the deal. Taconic Partners retained its 25 percent ownership interest, while Mitsui fully exited the partnership. In a similar transaction, Steiner Studios recapitalized 333 Schermerhorn Street, a 750-unit tower in Downtown Brooklyn, by buying out JP Morgan’s equity stake. The firm brought in \$420 million in preferred equity from Meadow Partners, arranged by Walker & Dunlop, regaining full control of the property.
- In the affordable housing sector, Sixth Street formed a strategic partnership with L+M Companies through a platform investment. Sixth Street acquired a significant minority stake in the firm, which includes L+M Development Partners, L+M Fund Management, and LMXD. L+M has developed, acquired, or preserved approximately 57,000 residential units across 14 states, with a large concentration in New York City.
- With interest rates remaining high, we expect further recapitalizations and joint ventures as owners reassess their capital structures and pursue long-term strategic partners.

Multifamily Real Estate Timeline



NYC Sub-Market Overview: Manhattan

VOLUME
Q2 2025 vs
Q1 2025

-50%
↓
\$407.1M
Dollar
Volume

-25%
↓
41
Transaction
Volume

-28%
↓
47
Property
Volume

Transaction Activity Summary

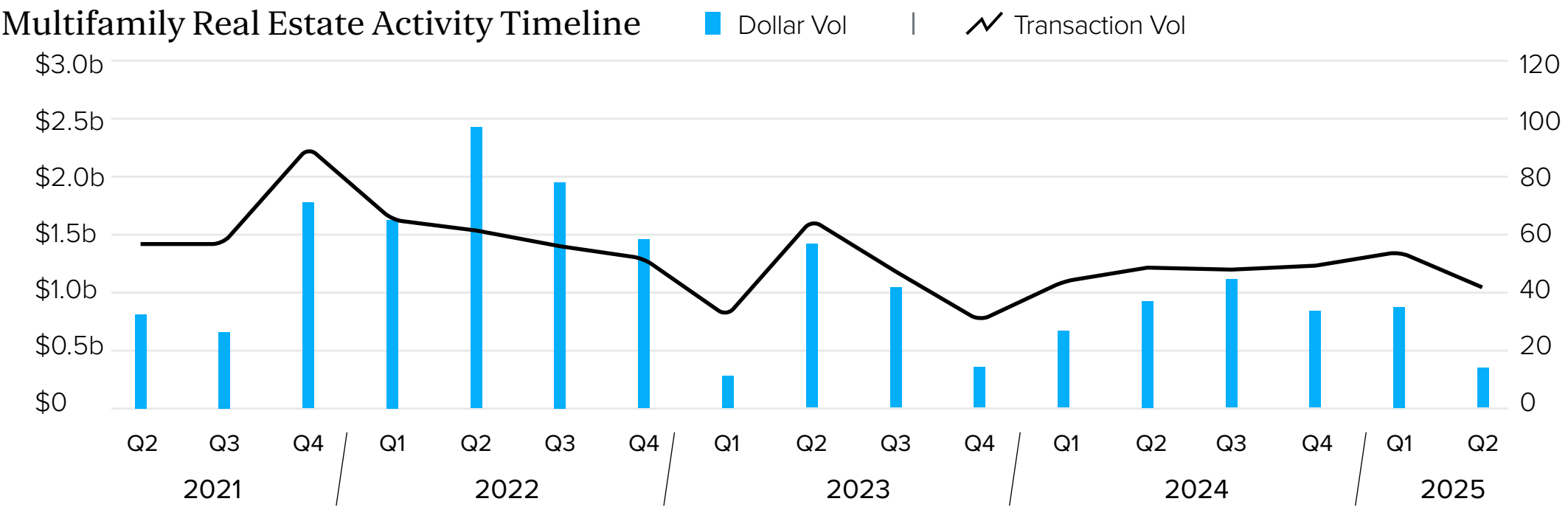
Manhattan	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
Transaction Vol	41	-25%	55	-16%	49
Building Vol	47	-28%	65	-29%	66
Dollar Vol (in \$M)	\$407.1	-50%	\$820.0	-56%	\$925.6
Total Units	592	-62%	1,574	-81%	3,177

Transaction Breakdown by Building Unit Mix

Category	% DoI Vol	% Trans Vol	Avg \$/SF*	Avg \$/Unit*
FM (including 421a)	67%	56%	\$829	\$548,634
25% - 50% RS	25%	32%	\$578	\$355,541
50% - 75% RS	4%	6%	\$493	\$305,200
75%+ RS	4%	6%	\$343	\$225,376
Buildings w Reg Agreement	0%	0%	N/A	N/A

*Due To Low Dollar Volume Pricing Metrics Are Unavailable

Multifamily Real Estate Activity Timeline



Dollar Volume Comparison (amounts are in \$M)

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	\$219.3	-67%	\$661.1	-71%	\$767.7
MF-MU 6-9 resi units	\$62.5	20%	\$52.2	-12%	\$71.3
MF-MU Small	\$125.2	17%	\$106.7	44%	\$86.7

Transaction Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	19	-39%	31	-24%	25
MF-MU 6-9 resi units	11	0%	11	-8%	12
MF-MU Small	11	-15%	13	-8%	12

Building Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	23	-44%	41	-44%	41
MF-MU 6-9 resi units	11	0%	11	-8%	12
MF-MU Small	13	0%	13	0%	13

Q2 '25 Featured Transaction



10 West 65th Street

Sale Date: **5/30/2025**
Sale Price: **\$45,550,000**
Gross SF: **82,230**



50 Hudson Street

Sale Date: **4/23/2025**
Sale Price: **\$40,000,000**
Gross SF: **25,760**

NYC Sub-Market Overview: N. Manhattan

VOLUME
Q2 2025 vs
Q1 2025

19%
↑
\$51.93M
Dollar
Volume

88%
↑
15
Transaction
Volume

163%
↑
21
Property
Volume

Transaction Activity Summary

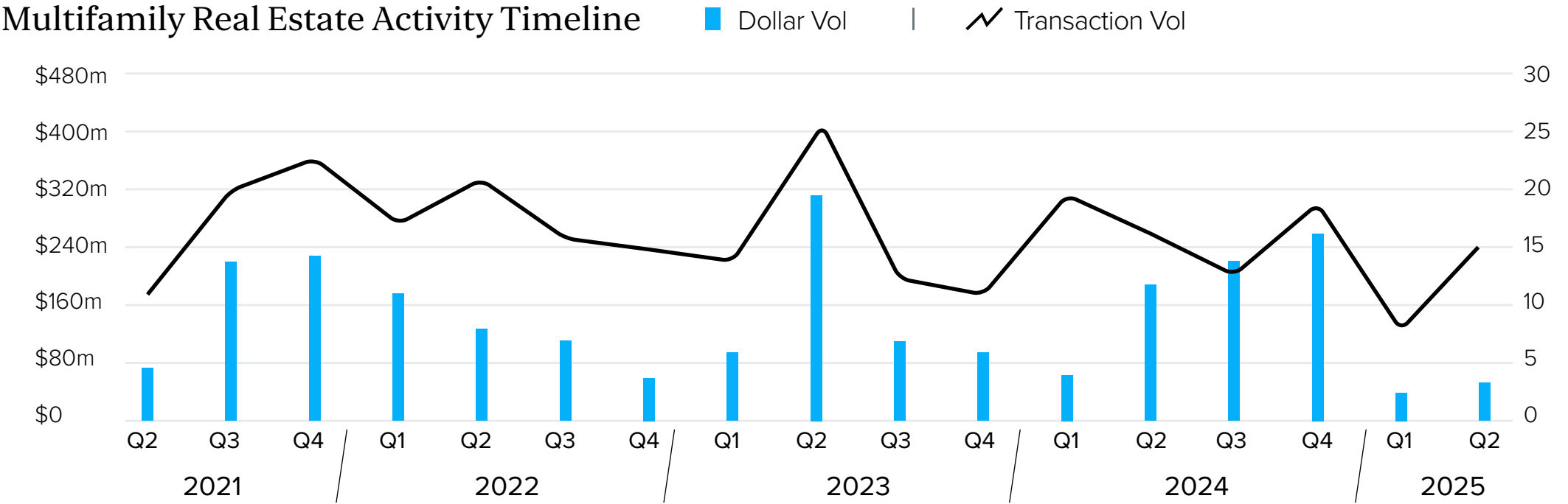
N. Manhattan	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
Transaction Vol	15	88%	8	-6%	16
Building Vol	21	163%	8	-50%	42
Dollar Vol (in \$M)	\$51.9	19%	\$43.7	-71%	\$181.3
Total Units	357	153%	141	-77%	1,548

Transaction Breakdown by Building Unit Mix

Category	% DoI Vol	% Trans Vol	Avg \$/SF*	Avg \$/Unit*
FM (including 421a)	38%	45%	\$479	\$409,369
25% - 50% RS	0%	0%	N/A	N/A
50% - 75% RS	17%	11%	N/A	N/A
75%+ RS	42%	33%	\$178	\$131,855
Buildings w Reg Agreement	3%	11%	N/A	N/A

*Due To Low Dollar Volume Pricing Metrics Are Unavailable

Multifamily Real Estate Activity Timeline



Dollar Volume Comparison (amounts are in \$M)

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	\$41.6	2%	\$40.8	-74%	\$161.4
MF-MU 6-9 resi units	\$10.4	697%	\$1.3	-34%	\$15.6
MF-MU Small	\$0	N/A	\$1.6	N/A	\$4.3

Transaction Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	11	83%	6	38%	8
MF-MU 6-9 resi units	4	300%	1	-33%	6
MF-MU Small	0	N/A	1	N/A	2

Building Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	15	150%	6	-56%	34
MF-MU 6-9 resi units	6	500%	1	0%	6
MF-MU Small	0	N/A	1	N/A	2

Q2 '25 Featured Transaction



Kahen Properties
MF MN Portfolio

Sale Date: 4/3/2025
Sale Price: \$8,750,000
Gross SF: 105,937



241 West 110th Street

Sale Date: 4/1/2025
Sale Price: \$8,000,000
Gross SF: 21,114

NYC Sub-Market Overview: Brooklyn

VOLUME
Q2 2025 vs
Q1 2025

10%
↑
\$1.06B
Dollar
Volume

-8%
↓
135
Transaction
Volume

-10%
↓
167
Property
Volume

Transaction Activity Summary

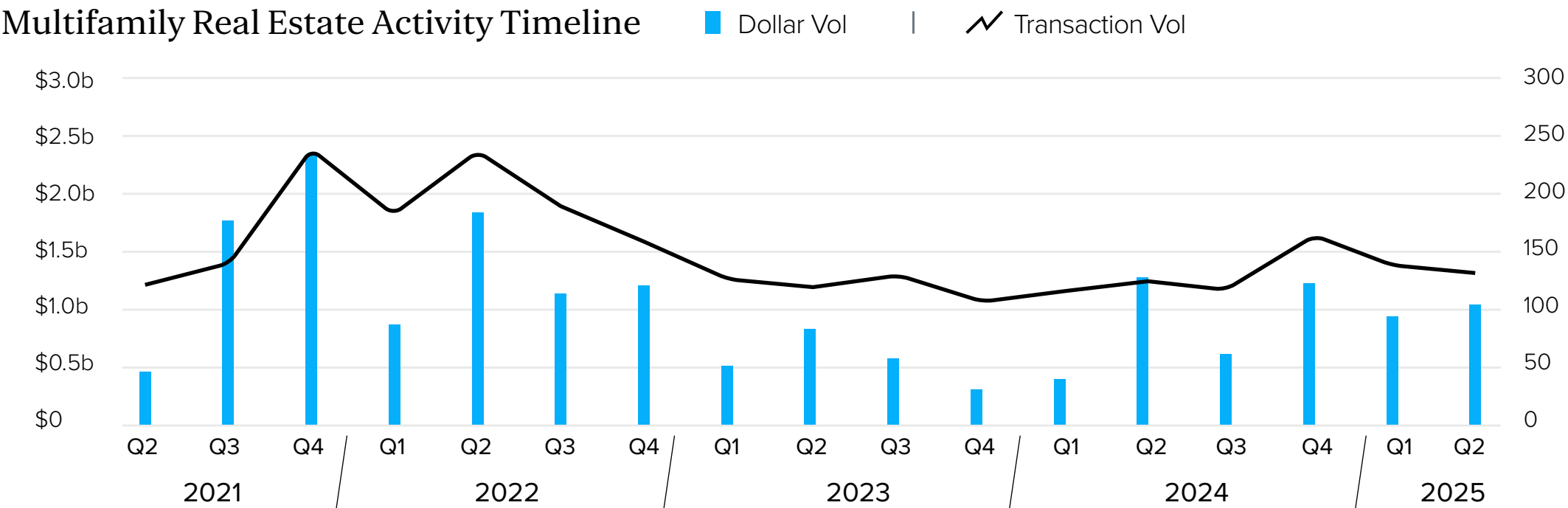
Brooklyn	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
Transaction Vol	135	-8%	146	3%	131
Building Vol	167	-10%	185	1%	166
Dollar Vol (in \$M)	\$1,064.4	10%	\$963.6	-20%	\$1,324.7
Total Units	3,587	51%	2,372	45%	2,481

Transaction Breakdown by Building Unit Mix

Category	% DoI Vol	% Trans Vol	Avg \$/SF*	Avg \$/Unit*
FM (including 421a)	24%	45%	\$486	\$483,737
25% - 50% RS	3%	9%	N/A	N/A
50% - 75% RS	0%	0%	N/A	N/A
75%+ RS	12%	32%	\$181	\$151,187
Buildings w Reg Agreement	61%	14%	N/A	N/A

*Due To Low Dollar Volume Pricing Metrics Are Unavailable

Multifamily Real Estate Activity Timeline



Dollar Volume Comparison (amounts are in \$M)

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	\$777.0	14%	\$683.9	-28%	\$1,079.8
MF-MU 6-9 resi units	\$133.5	43%	\$93.6	82%	\$73.2
MF-MU Small	\$153.8	-17%	\$186.0	-10%	\$171.6

Transaction Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	26	13%	23	0%	26
MF-MU 6-9 resi units	49	17%	42	69%	29
MF-MU Small	60	-26%	81	-21%	76

Building Volume Comparison

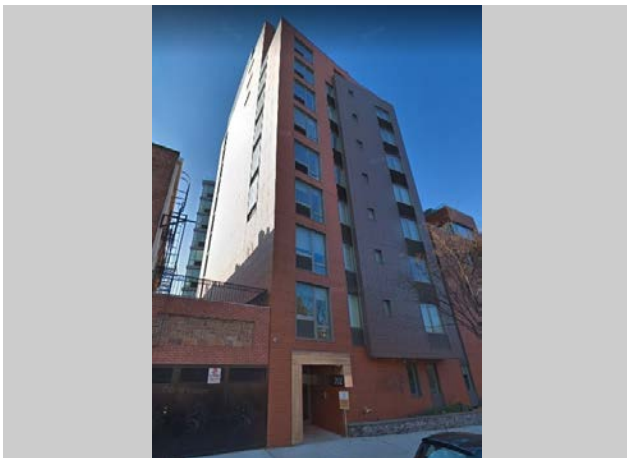
Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	53	-2%	54	8%	49
MF-MU 6-9 resi units	50	11%	45	72%	29
MF-MU Small	64	-26%	86	-27%	88

Q2 '25 Featured Transaction



2864-2880 Atlantic Avenue

Sale Date: **5/20/2025**
Sale Price: **\$69,023,600**
Gross SF: **154,888**



202 8th Street

Sale Date: **4/15/2025**
Sale Price: **\$32,100,000**
Gross SF: **56,868**

NYC Sub-Market Overview: Bronx

VOLUME
Q2 2025 vs
Q1 2025



\$496.96M
Dollar
Volume



34
Transaction
Volume



91
Property
Volume

Transaction Activity Summary

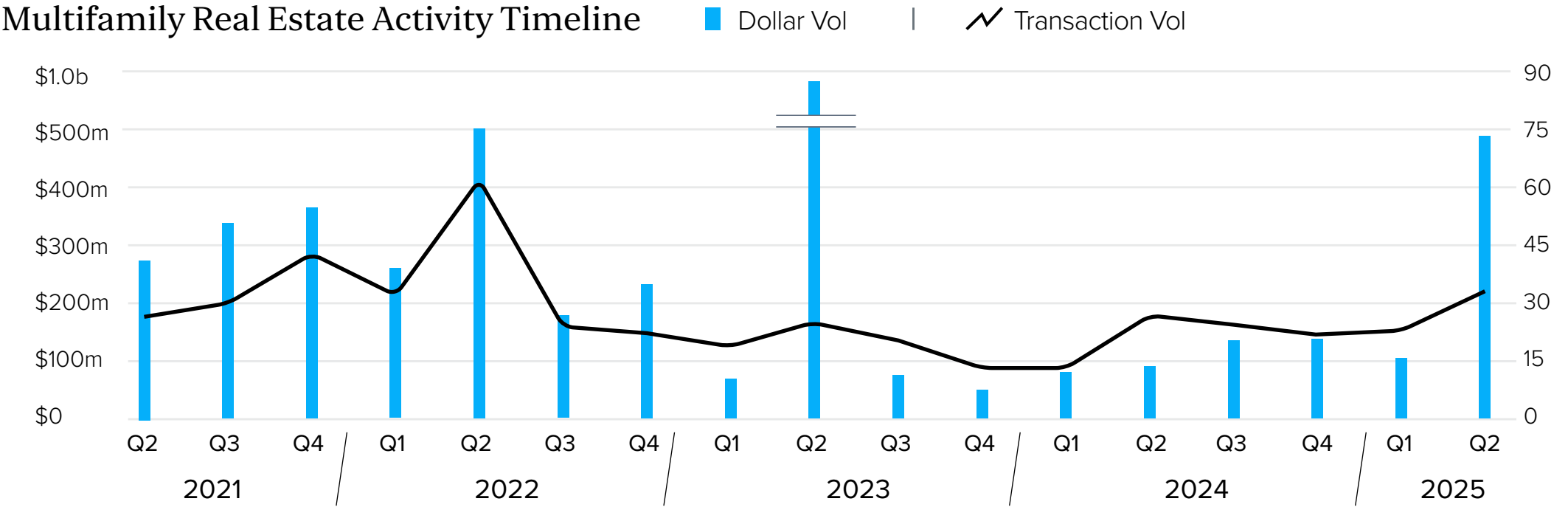
Bronx	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
Transaction Vol	34	26%	27	26%	27
Building Vol	91	153%	36	194%	31
Dollar Vol (in \$M)	\$497.0	389%	\$101.6	425%	\$94.7
Total Units	4,404	346%	988	508%	724

Transaction Breakdown by Building Unit Mix

Category	% DoI Vol	% Trans Vol	Avg \$/SF*	Avg \$/Unit*
FM (including 421a)	0%	0%	N/A	N/A
25% - 50% RS	1%	5%	N/A	N/A
50% - 75% RS	0%	0%	N/A	N/A
75%+ RS	75%	75%	\$108	\$99,731
Buildings w Reg Agreement	24%	20%	N/A	N/A

*Due To Low Dollar Volume Pricing Metrics Are Unavailable

Multifamily Real Estate Activity Timeline



Dollar Volume Comparison (amounts are in \$M)

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	\$477.7	510%	\$78.3	503%	\$79.2
MF-MU 6-9 resi units	\$14.1	-8%	\$15.4	282%	\$3.7
MF-MU Small	\$5.1	-36%	\$8.0	-57%	\$11.8

Transaction Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	24	71%	14	50%	16
MF-MU 6-9 resi units	6	-14%	7	200%	2
MF-MU Small	4	-33%	6	-56%	9

Building Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	81	268%	22	305%	20
MF-MU 6-9 resi units	6	-14%	7	200%	2
MF-MU Small	4	-43%	7	-56%	9

Q2 '25 Featured Transaction



The Related Companies BX RS Portfolio

Sale Date: **5/16/2025**
Sale Price: **\$189,493,360**
Gross SF: **2,098,334**



820-880 Thieriot Avenue & Leland Avenue

Sale Date: **5/9/2025**
Sale Price: **\$54,500,000**
Gross SF: **351,905**

NYC Sub-Market Overview: Queens

VOLUME
Q2 2025 vs
Q1 2025

77%



\$302.97M

Dollar
Volume

1%



68

Transaction
Volume

1%



76

Property
Volume

Transaction Activity Summary

Queens	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
Transaction Vol	68	1%	67	-6%	72
Building Vol	76	1%	75	-14%	88
Dollar Vol (in \$M)	\$303.0	77%	\$171.4	5%	\$288.1
Total Units	1,288	81%	711	-16%	1,534

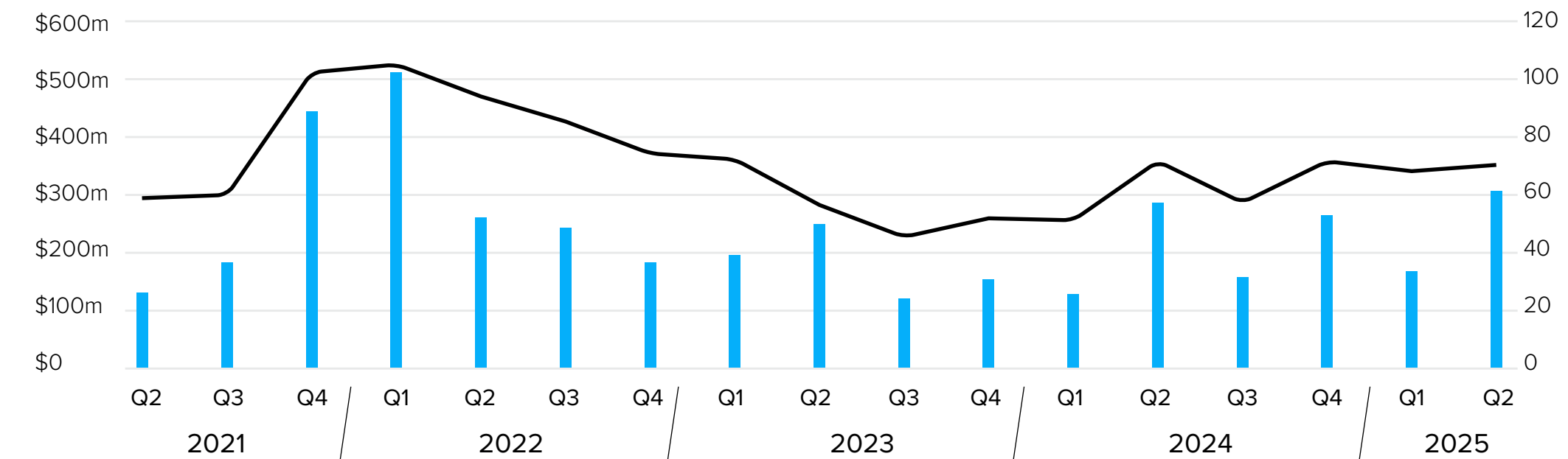
Transaction Breakdown by Building Unit Mix

Category	% DoI Vol	% Trans Vol	Avg \$/SF*	Avg \$/Unit*
FM (including 421a)	16%	33%	\$317	\$259,061
25% - 50% RS	0%	0%	N/A	N/A
50% - 75% RS	0%	0%	N/A	N/A
75%+ RS	23%	58%	\$240	\$177,589
Buildings w Reg Agreement	61%	9%	N/A	N/A

*Due To Low Dollar Volume Pricing Metrics Are Unavailable

Multifamily Real Estate Activity Timeline

Dollar Vol | Transaction Vol



Dollar Volume Comparison (amounts are in \$M)

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	\$171.2	206%	\$56.0	-10%	\$189.5
MF-MU 6-9 resi units	\$28.9	-28%	\$40.4	-19%	\$35.5
MF-MU Small	\$102.9	37%	\$75.0	63%	\$63.1

Transaction Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	14	17%	12	0%	14
MF-MU 6-9 resi units	13	-28%	18	-28%	18
MF-MU Small	41	11%	37	3%	40

Building Volume Comparison

Product type	Q2 2025	% Change vs Q1 2025	Q1 2025	% Change vs Q2 2024	Q2 2024
MF-MU 10+ resi units	18	38%	13	-31%	26
MF-MU 6-9 resi units	17	-23%	22	-11%	19
MF-MU Small	41	3%	40	-5%	43

Q2 '25 Featured Transaction



125 Beach 17th Street

Sale Date: **5/6/2025**
Total Capitalization: **\$88,000,000**
Gross SF: **748,461**



37-80 Junction Boulevard

Sale Date: **4/25/2025**
Sale Price: **\$23,400,000**
Gross SF: **21,856**

About Ariel Property Advisors

Geographic Coverage System

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