Q3
2026

Multifamily Quarter In Review New York City

by Ariel Property Advisors, GREA Partner
Released October 2026

Ariel GREA Partner | GREA

Investment Sales
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Research

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Q3 2026 · NEW YORK CITY

Contents

Select any entry to go straight to that page. The report title in each page header brings you back here.

03 Citywide Overview

Key highlights, quarterly timeline and dollar volume by submarket

04 Market Segments

Free market, rent stabilized and affordable housing

05 Watchlist

The Rent Freeze Takes Effect · Expiring Tax Abatements and more

06 Borough Snapshots

Activity, pricing and featured transactions by borough

- Manhattan Below 96th Street 06
- Northern Manhattan Above 96th Street 07
- Brooklyn 08
- Bronx 09
- Queens 10

11 About Ariel Property Advisors

Geographic coverage, partners and borough teams

12 Notes, Sources & Contact

Footnotes, sources, contacts and links

NEW YORK CITY · RESEARCH

Multifamily Quarter in Review

Q3 2026 · Released October 2026

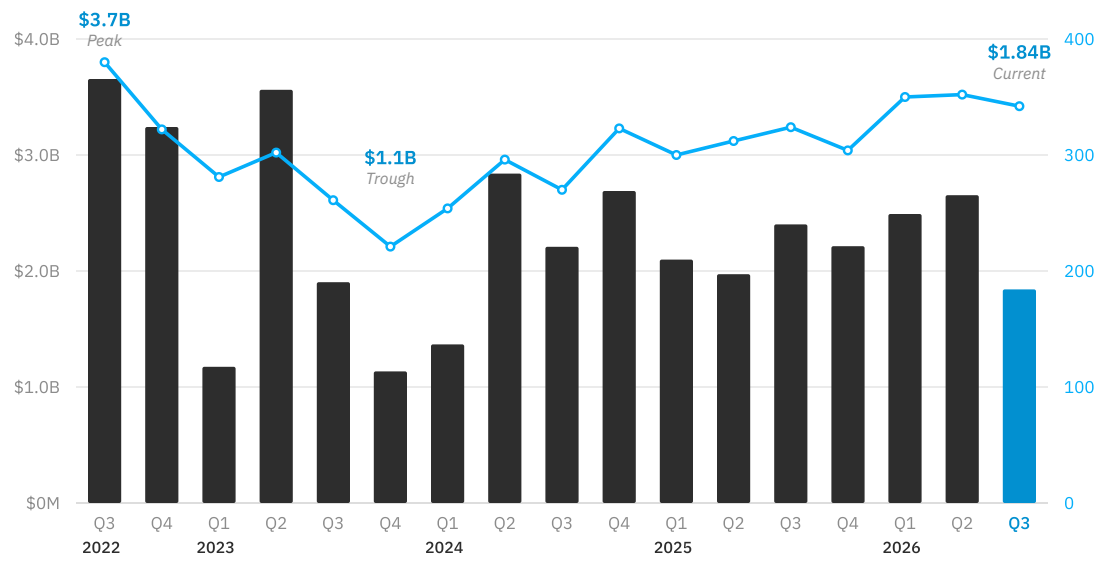
VOLUME · Q3 2026 VS Q3 2025

Dollar volume	Transaction volume	Property volume
$1.84B	342	394
▼ 23.3% vs Q3 2025	▲ 5.6% vs Q3 2025	▲ 2.1% vs Q3 2025

KEY HIGHLIGHTS

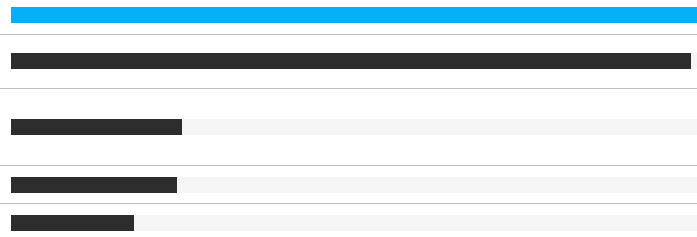
- Through the first three quarters of 2026, multifamily dollar volume reached $6.99 billion, up 7.9% from the same period in 2025 and 9% from 2024. Transaction volume rose 11.5% to 1,044 and property volume rose 14.8% to 1,337. The third quarter was the only one this year to trail its 2025 comparison.
- In Q3 2026, dollar volume fell to $1.84 billion, the lowest quarterly total since Q1 2024, down 23.3% year-over-year and 31% from a strong second quarter, yet transaction volume rose 5.6% to 342 and property volume rose 2.1% to 394. The pullback was concentrated at the top of the market, where four transactions of $50 million or more totaled $388.7 million, down from eight totaling $999.2 million in Q3 2025.
- Free market buildings accounted for 68.3% of dollar volume, rent-stabilized buildings for 23.4% and affordable housing for 8.3%.
- Brooklyn, at $693.8 million, edged past Manhattan (below 96th Street), at $685.2 million, as the quarter's largest multifamily market. Manhattan fell 44% year-over-year, while Northern Manhattan and Queens rose 33% and 27% respectively. The Bronx held near last year's level at $123.5 million, down 5%.

MULTIFAMILY REAL ESTATE TIMELINE



Q3 2026 DOLLAR VOLUME BY SUBMARKET

In Q3, Brooklyn edged past Manhattan (below 96th Street) as the quarter's largest multifamily market. Northern Manhattan and Queens grew while Manhattan fell 44%.



Change shown is year over year.

Source: Ariel Property Advisors proprietary database. Q3 2026 includes projections. Starting with this report, totals include sales of leasehold and ground lease interests.

MARKET SEGMENTS

Free Market, Rent Stabilized & Affordable

Free Market

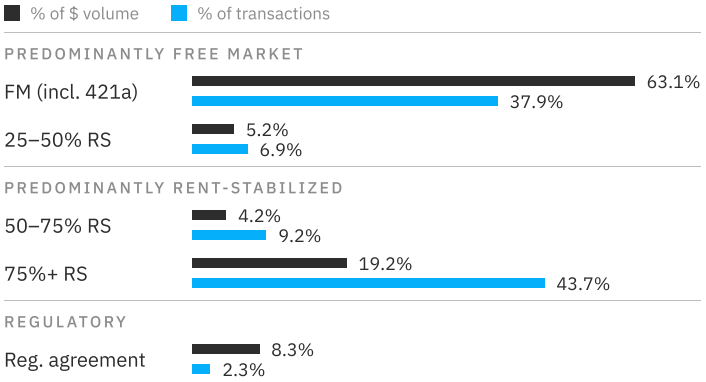
Strong fundamentals kept buyers engaged: Manhattan's median rent on new leases reached $4,900 in September, up nearly 8% year-over-year and tied with August, just slightly below the $5,000 record from July, while listings fell 23%, the 15th straight monthly decline. Brooklyn's median held at $4,000 with listings down 17%. Supply is not catching up: developers proposed 8,064 multifamily units in Q2, less than half the city's 17,500-unit quarterly target. Year to date, free market buildings[1] traded $2.81 billion across 118 transactions, down 6% in dollar volume but up 11% in deal count.

New construction 421a buildings set the pace: Mann Group paid $122.5 million, about $851,000 per unit, for Casa Hope at 118 Hope Street in Williamsburg, the quarter's largest multifamily trade. The 144-unit building carries a 35-year 421a abatement, with free market rents of $3,400 to $7,500. In Manhattan, the largest free market trades were a $103.9 million partial-interest sale at 260 West 52nd Street and the $82.3 million sale of 60 East 12th Street, or roughly $601,000 per unit. Capital also moved down market, including Carlyle's purchase of 21 Brooklyn walk-ups for $87.5 million during the past year.

Pricing held its premium: On trailing six-month data, free market buildings[1] averaged $844 per square foot and $684,000 per unit in Manhattan, and $552 per square foot and $509,000 per unit in Brooklyn. Manhattan remains 19% below its 2017 peak of $1,044 per square foot, while Brooklyn is back above its 2017 level.

TRANSACTION BREAKDOWN BY BUILDING UNIT MIX

MF-MU 10+ resi units · Q3 2026



Percentages may not sum to 100% due to rounding.

Rent Stabilized

Distress drove a large share of volume: Year to date, buildings at least half rent-stabilized[2] traded $1.27 billion across 146 transactions. The Pinnacle portfolio's $449 million Chapter 11 sale in Q1, a distressed trade, accounted for about 35% of that dollar volume. In Q3, these buildings made up 52.9% of transactions but 23.4% of dollar volume.

Lenders are exiting: Cerberus bought OceanFirst's $1.3 billion rent-regulated loan book at about 92 cents on the dollar, and ConnectOne is exploring a bulk sale of its stabilized loans, moving distress off bank balance sheets. Many owners who refinanced in 2020-21 now face maturities at roughly double the rate on buildings worth about half as much, and the Rent Guidelines Board's rent freeze, which took effect October 1, adds to the pressure.

Pricing reset deepest where rents are lowest: The 306-unit Arena Real Estate portfolio in Fordham sold for $15.0 million in Q3, about $49,000 per unit. Across the remaining boroughs, rent stabilized buildings[3] traded at a wide range on trailing six-month data. Manhattan (below 96th Street) led at $356 per square foot and $156,000 per unit, while Queens, at $193 per square foot and $155,000 per unit, traded above Northern Manhattan and Brooklyn, which averaged $143 and $137 per square foot, respectively. In every borough, buyers, mostly experienced local operators, are pricing today's cash flow after the Housing Stability and Tenant Protection Act (HSTPA) ended vacancy increases and deregulation. Ariel Property Advisors arranged two such sales in Q3, a 143-unit Bronx portfolio at 2460 Grand Avenue and 636-646 East 231st Street and 579 Fort Washington Avenue, a 62-unit Washington Heights building.

Affordable Housing Multifamily

Steady demand for contracted income: Year to date, buildings with regulatory agreements traded $480.9 million across 15 transactions, up 43% from 2025. The $80.0 million sale of 1920 Amsterdam Avenue was the main reason Northern Manhattan's Q3 volume rose 33%.

Contract structure drives valuation: Affordable housing pricing varied significantly by rental income and contract structure. Properties with project-based Section 8 Housing Assistance Payments (HAP) contracts, supported by Mark-Up-to-Market adjustments and long-term renewals, achieved higher valuations. Notable sales included 1920 Amsterdam Avenue at about $440,000 per unit and $442 per square foot, and 210 Sherman Avenue at about $393,000 per unit and $412 per square foot. By comparison, Article XI properties with Section 610 amendments and HRA contracts traded at lower valuations, including the $79.9 million PPSP portfolio at about $206,000 per unit and $194 per square foot.

Ariel Property Advisors arranged six of the segment's 15 sales year to date, totaling $210.6 million, or 44% of dollar volume. These included the PPSP portfolio, 387 units in Flatbush, in Q1, the $75.0 million sale of Manhattan Valley Apartments, a 126-unit Upper West Side building, in Q2, and the HVII and HVIII portfolios in Hamilton Heights, 140 units combined, for $45.0 million, also in Q2. The firm also sold 429 East 156th Street in Melrose, a 63-unit building, for $8.8 million, about $140,000 per unit, and 225 West 121st Street in Harlem, a 21-unit building, for $1.85 million in Q3.

Mission-driven capital is filling the gap: Pembrook Capital, which did 40% of its business in NYC affordable lending before 2019, has pulled back because the freeze pushed more properties toward negative cash flow. In September, however, the city's pension funds committed $300 million to the AFL-CIO Housing Investment Trust.

LOOKING AHEAD

Watchlist

The Rent Freeze Takes Effect

The freeze applies to stabilized lease renewals from October 1. With operating costs still rising, owners of heavily regulated buildings face another year of falling net income, and lenders are likely to keep selling stabilized loans at a discount.

Expiring Tax Abatements

Abatements on about 4,100 buildings and 66,000 units expire through 2030, and the higher property taxes that follow will weigh on values.

CMBS Steps In Where Banks and Agencies Step Back

Commercial mortgage-backed securities (CMBS), which pool loans and sell them to bond investors, are filling part of the gap. New York loans made up 29.4% of a recent $654 million multifamily CMBS pool, including a $30 million loan on 1351 Jerome Avenue, a Bronx building that relies on CityFHEPS vouchers. Watch whether this financing stays available for the city's rent-regulated and voucher-dependent buildings.

Rise in Treasury Rates Slows Activity

The 10-year Treasury rose from 4.44% in mid-July to about 5.2% in September, and the Federal Reserve raised rates for the first time since July 2023. Conventional and CMBS borrowing costs climbed 40 basis points, while agency debt remains the lowest rate takeout for free market buildings. "Higher rates are impacting proceed levels on acquisitions, forcing sellers to adjust their pricing expectations downward," said Ben Schlegel, Senior Director of Ariel Property Advisors' Capital Services Group.

2027 Maturities Force Decisions

Rent-stabilized loans originated in 2020-21 at roughly 3% to 4% and maturing in 2027 are forcing owners to decide now whether to refinance, recapitalize or sell, which should bring more stabilized product to market at more realistic pricing. With values unlikely to recover soon, debt maturities and cash flow, not price, will drive each owner's choice.

Strong Finish in Q4

The expectation for 2026 is to finish stronger than the third quarter, the year's weakest. Contracts that stalled during the summer rate move are pushing to close before year-end, a shift already visible in October closings. We expect fourth-quarter volume to rebound from Q3's $1.84 billion and full year multifamily to exceed 2025. The main risk is rates: if borrowing costs climb further, some of the backlog could reprice or fall out.

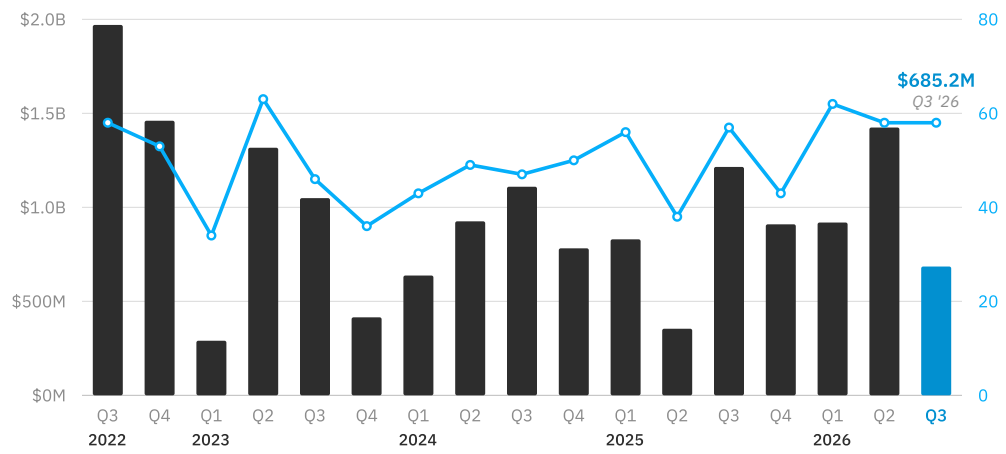
BOROUGH SNAPSHOT · 1 OF 5

Manhattan

Below 96th Street
Q3 2026 vs Q3 2025

Dollar volume	Transactions	Buildings	Total units
$685.2M	**58**	**65**	**1,374**
▼ 43.6% Q3 '25: $1.22B	▲ 1.8% Q3 '25: 57	▼ 7.1% Q3 '25: 70	▼ 33.6% Q3 '25: 2,069

QUARTERLY TIMELINE



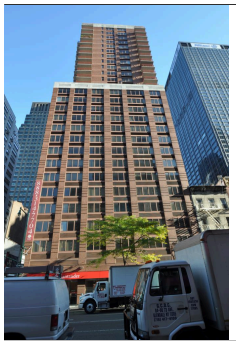
TRANSACTION ACTIVITY SUMMARY

METRIC	Q3 '26	QOQ	Q2 '26	YOY	Q3 '25
Transaction volume	58	0.0%	58	+1.8%	57
Dollar volume	$685.2M	-51.9%	$1.42B	-43.6%	$1.22B
Building volume	65	-27.0%	89	-7.1%	70
Total units	1,374	-48.9%	2,691	-33.6%	2,069

UNIT MIX · MF-MU 10+ RESI UNITS

TIER	% $ VOL	% TXN	AVG $/SF	AVG $/UNIT
FM (incl. 421a)	82.6%	53.8%	$844	$684K
25–50% RS	9.0%	11.5%	$624	$398K
50–75% RS	5.9%	19.2%	$403	$207K
75%+ RS	2.5%	15.4%	$420	$198K
Reg. agreement	0.0%	0.0%	*N/A*	*N/A*

Q3 2026 FEATURED TRANSACTIONS



FEATURED · 01

260 West 52nd Street

Theater District

Unit mix	Gross SF	Sale date
Free Market	190,289	9/28/2026

Sale amount **$103,850,227**

FEATURED · 02

60 East 12th Street

East Village

Unit mix	Gross SF	Sale date
Free Market	124,630	9/30/2026

Sale amount **$82,300,000**

Shares reflect Q3 2026 only. Pricing uses trailing six-month data, and N/A means too few sales.

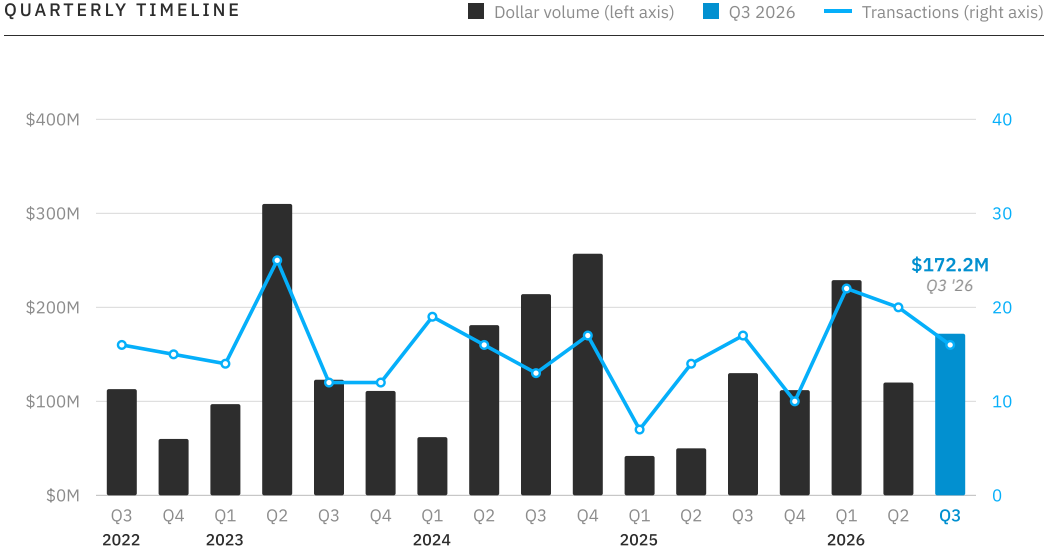
BOROUGH SNAPSHOT · 2 OF 5

Northern Manhattan

Above 96th Street
Q3 2026 vs Q3 2025

Dollar volume	Transactions	Buildings	Total units
$172.2M	16	22	915
▲ 32.8% Q3 '25: $129.7M	▼ 5.9% Q3 '25: 17	▲ 0.0% Q3 '25: 22	▲ 45.7% Q3 '25: 628

QUARTERLY TIMELINE



TRANSACTION ACTIVITY SUMMARY

METRIC	Q3 '26	QOQ	Q2 '26	YOY	Q3 '25
Transaction volume	16	-20.0%	20	-5.9%	17
Dollar volume	$172.2M	+43.9%	$119.7M	+32.8%	$129.7M
Building volume	22	-15.4%	26	0.0%	22
Total units	915	+47.6%	620	+45.7%	628

UNIT MIX · MF-MU 10+ RESI UNITS

TIER	% $ VOL	% TXN	AVG $/SF	AVG $/UNIT
FM (incl. 421a)	0.0%	0.0%	N/A	N/A
25–50% RS	2.3%	8.3%	N/A	N/A
50–75% RS	0.0%	0.0%	$178	$150K
75%+ RS	41.8%	83.3%	$143	$121K
Reg. agreement	55.9%	8.3%	N/A	N/A

Q3 2026 FEATURED TRANSACTIONS

FEATURED · 01

1920 Amsterdam Avenue

Washington Heights

Unit mix	Gross SF	Sale date
Affordable Housing	181,111	7/28/2026

Sale amount **$80,000,000**

FEATURED · 02

Miller & Miller Portfolio

Inwood

Unit mix	Gross SF	Sale date
Predominantly Rent Stabilized	169,161	9/15/2026

Sale amount **$23,500,000**

Shares reflect Q3 2026 only. Pricing uses trailing six-month data, and N/A means too few sales.

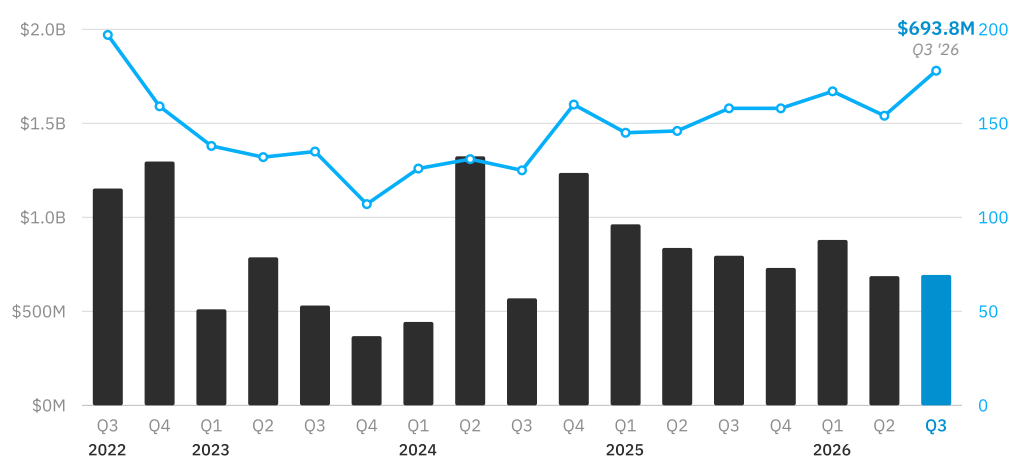
BOROUGH SNAPSHOT · 3 OF 5

Brooklyn

Q3 2026 vs Q3 2025

Dollar volume	Transactions	Buildings	Total units
$693.8M	**178**	**190**	**1,525**
▼ 12.8% Q3 '25: $795.7M	▲ 12.7% Q3 '25: 158	▲ 4.4% Q3 '25: 182	▼ 24.8% Q3 '25: 2,029

QUARTERLY TIMELINE



TRANSACTION ACTIVITY SUMMARY

METRIC	Q3 '26	QOQ	Q2 '26	YOY	Q3 '25
Transaction volume	178	+15.6%	154	+12.7%	158
Dollar volume	$693.8M	+0.9%	$687.4M	-12.8%	$795.7M
Building volume	190	+6.7%	178	+4.4%	182
Total units	1,525	-13.2%	1,756	-24.8%	2,029

UNIT MIX · MF-MU 10+ RESI UNITS

TIER	% $ VOL	% TXN	AVG $/SF	AVG $/UNIT
FM (incl. 421a)	86.3%	50.0%	$552	$509K
25–50% RS	0.0%	0.0%	*N/A*	*N/A*
50–75% RS	4.2%	9.1%	$310	$244K
75%+ RS	9.1%	36.4%	$137	$134K
Reg. agreement	0.5%	4.5%	*N/A*	*N/A*

Q3 2026 FEATURED TRANSACTIONS

FEATURED · 01

315 Seigel Street

Williamsburg

Unit mix	Gross SF	Sale date
Free Market	53,200	8/11/2026

Sale amount **$30,000,000**

FEATURED · 02

235-237 Kent Avenue

Williamsburg

Unit mix	Gross SF	Sale date
Free Market	12,508	7/14/2026

Sale amount **$16,400,000**

Shares reflect Q3 2026 only. Pricing uses trailing six-month data, and N/A means too few sales.

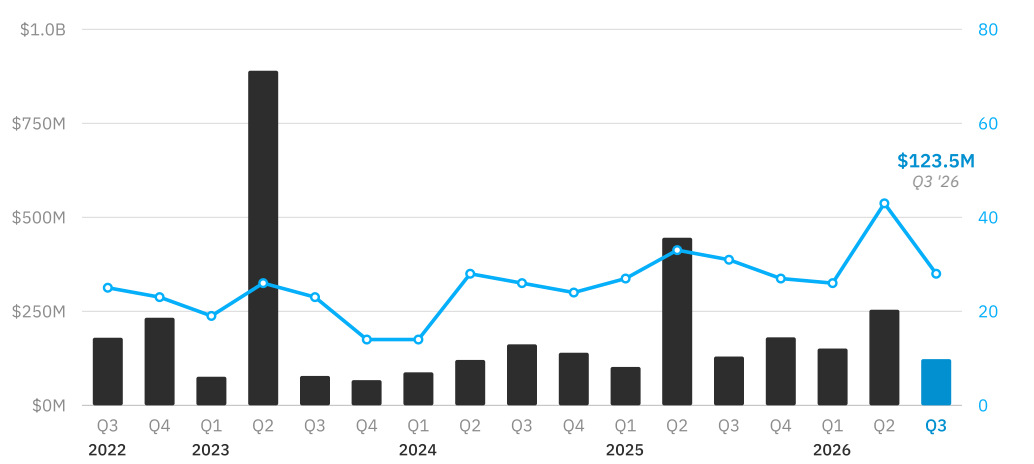
BOROUGH SNAPSHOT · 4 OF 5

Bronx

Q3 2026 vs Q3 2025

Dollar volume	Transactions	Buildings	Total units
$123.5M	28	50	1,305
▼ 5.0% Q3 '25: $130.0M	▼ 9.7% Q3 '25: 31	▲ 22.0% Q3 '25: 41	▲ 11.4% Q3 '25: 1,171

QUARTERLY TIMELINE



TRANSACTION ACTIVITY SUMMARY

METRIC	Q3 '26	QOQ	Q2 '26	YOY	Q3 '25
Transaction volume	28	-34.9%	43	-9.7%	31
Dollar volume	$123.5M	-51.3%	$253.6M	-5.0%	$130.0M
Building volume	50	-25.4%	67	+22.0%	41
Total units	1,305	-50.0%	2,609	+11.4%	1,171

UNIT MIX · MF-MU 10+ RESI UNITS

TIER	% $ VOL	% TXN	AVG $/SF	AVG $/UNIT
FM (incl. 421a)	18.7%	30.8%	$204	$217K
25–50% RS	0.0%	0.0%	*N/A*	*N/A*
50–75% RS	0.0%	0.0%	*N/A*	*N/A*
75%+ RS	81.3%	69.2%	$76	$68K
Reg. agreement	0.0%	0.0%	*N/A*	*N/A*

Q3 2026 FEATURED TRANSACTIONS

FEATURED · 01

Arena Real Estate BX MF Portfolio

Fordham

Unit mix	Gross SF	Sale date
Predominantly Rent Stabilized	271,011	7/21/2026

Sale amount **$15,000,000**

FEATURED · 02

101-109 East Burnside Avenue & 2062 Morris Avenue

Fordham

Unit mix	Gross SF	Sale date
Free Market	24,326	8/31/2026

Sale amount **$14,000,000**

Shares reflect Q3 2026 only. Pricing uses trailing six-month data, and N/A means too few sales.

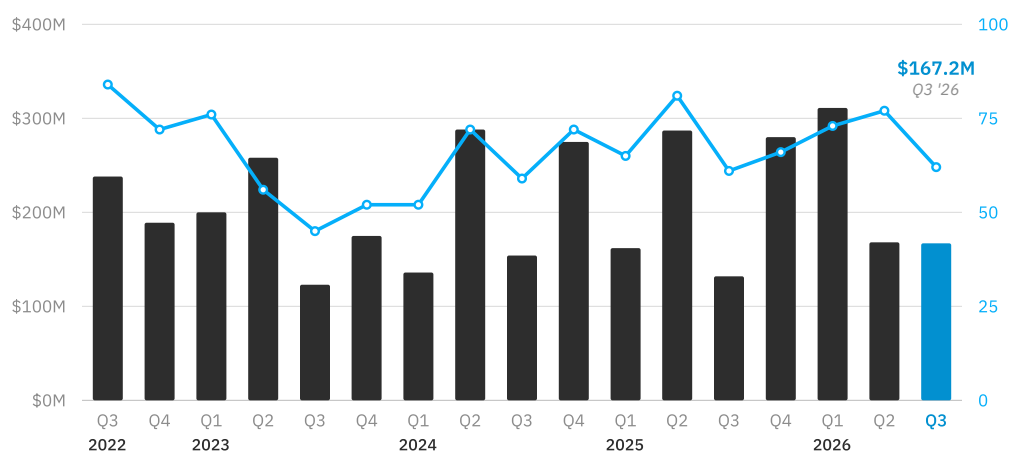
BOROUGH SNAPSHOT · 5 OF 5

Queens

Q3 2026 vs Q3 2025

Dollar volume	Transactions	Buildings	Total units
$167.2M	62	67	682
▲ 26.9% Q3 '25: $131.8M	▲ 1.6% Q3 '25: 61	▼ 5.6% Q3 '25: 71	▲ 6.2% Q3 '25: 642

QUARTERLY TIMELINE



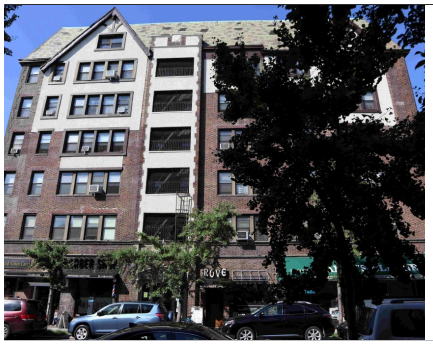
TRANSACTION ACTIVITY SUMMARY

METRIC	Q3 '26	QOQ	Q2 '26	YOY	Q3 '25
Transaction volume	62	-19.5%	77	+1.6%	61
Dollar volume	$167.2M	-0.5%	$168.0M	+26.9%	$131.8M
Building volume	67	-25.6%	90	-5.6%	71
Total units	682	+21.1%	563	+6.2%	642

UNIT MIX · MF-MU 10+ RESI UNITS

TIER	% $ VOL	% TXN	AVG $/SF	AVG $/UNIT
FM (incl. 421a)	31.1%	28.6%	$253	$247K
25–50% RS	12.6%	14.3%	*N/A*	*N/A*
50–75% RS	6.9%	7.1%	*N/A*	*N/A*
75%+ RS	49.5%	50.0%	$193	$155K
Reg. agreement	0.0%	0.0%	*N/A*	*N/A*

Q3 2026 FEATURED TRANSACTIONS



FEATURED · 01

109-01 72nd Road

Forest Hills

Unit mix	Gross SF	Sale date
Predominantly Rent Stabilized	48,780	7/28/2026

Sale amount **$11,500,000**

FEATURED · 02

41-34 45th Street

Sunnyside

Unit mix	Gross SF	Sale date
Free Market	23,757	7/21/2026

Sale amount **$10,500,000**

Shares reflect Q3 2026 only. Pricing uses trailing six-month data, and N/A means too few sales.

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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- Matthew Swerdlow - Capital Services
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- Gabriel Elyaszadeh - Longwood
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- Stephen Vorvolakos - Capital Services

Map: NYC Open Data, Borough Boundaries. Staten Island not shown.

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Investment Opportunities

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NOTES

1. Multifamily and mixed-use buildings with 10 or more residential units, FM (including 421a).
2. Multifamily and mixed-use buildings with 10 or more residential units, 50% to 75%+ rent stabilized.
3. Multifamily and mixed-use buildings with 10 or more residential units, 75%+ rent stabilized.

SOURCES

Ariel Property Advisors proprietary database. Jonathan Miller via The Real Deal, October 2026. REBNY, Q2 2026 New Building Construction Pipeline Report. Crain's New York Business, September 2026. Bloomberg, July 2026. NYC Rent Guidelines Board, 2026-27 guidelines. The Real Deal, August 2026. Gothamist, September 2026. The Wall Street Journal, September 23, 2026. Commercial Mortgage Alert, September 18, 2026. Green Street debt-cost series via Commercial Mortgage Alert; Commercial Mortgage Alert, September 25, 2026. Ariel Property Advisors, "Fed Raises Rates for First Time Since July 2023," September 17, 2026.