

# **NORTHEAST**

NOVEMBER/DECEMBER 2024

# **MULTIFAMILY & AFFORDABLE**

# **HOUSING BUSINESS**

**Investors Hedge Their Bets  
for 2025** *p. 12*

**PLUS**

**SMART TAX STRATEGIES CAN UNLOCK VALUE  
IN YOUR MULTIFAMILY ASSETS P. 17**

**PHILADELPHIA LEVERAGES VACANT LAND TO  
SOLVE AFFORDABLE HOUSING SHORTAGE P. 18**

*Mi-Place at West Rancocas in Mount Holly, N.J.*

# International, Domestic Investors Amp Up Interest in NYC

As we approach the close of 2024, New York City’s multifamily market is showing clear signs of revitalization. Over the past two quarters, transaction activity has gained significant momentum, particularly with 20-plus unit buildings.

Transaction volume rose 12.8 percent between the second and third quarters. This surge, despite uncertainties surrounding elections and the constantly shifting city regulations, signals that the multifamily sector is regaining its footing.

One major catalyst for this uptick is growing investor confidence in potential interest rate cuts. Both private and institutional investors are returning to the market, motivated by optimism that rates will soon decline. And now, following the Trump administration’s win, many investors feel even more positive about economic growth and the likelihood of future rate reductions.

This renewed optimism has also reignited foreign interest in NYC’s multifamily assets. For example, a turnkey property we’re marketing on the Upper East Side has drawn strong interest from international investors, particularly from Japan and Europe. These buyers are attracted to

New York’s stability and long-term value, even amid global uncertainty.

NYC’s rental market resilience is another factor fueling this momentum. While rents nationwide have declined for 11 straight months due to oversupply, New York has defied the trend. According to StreetEasy, rents in NYC have continued to climb, reinforcing the city’s appeal to both tenants and investors.

This stability, coupled with recent policy changes, is driving renewed interest. Programs like the revamped 485-x tax abatement aim to spur affordable and mixed-use development, creating opportunities for investors seeking steady cash flow and long-term appreciation.

A recent transaction we brokered at 421 W. 21st St. in Chelsea is a prime example of this optimism. The 36-unit elevator building, with a mix of rent-stabilized and free-market units, attracted over 22 bidders, including local and out-of-state investors. It ultimately sold to a 1031 buyer at a 5.6 percent cap rate, underscoring the competitive demand for cash-flowing assets in strong locations. This deal demonstrates the resilience of NYC multifamily real estate and its appeal to a broad range of investors.

Since the start of the year, transaction volume has shown steady growth, but the consistent increases over the past two quarters mark a significant shift. Heading into 2025, the combination of market momentum and anticipated rate cuts positions the sector for further gains. Many investors I’ve spoken with are preparing to re-enter the market, eager to capitalize on opportunities as the landscape improves.

Looking ahead, NYC’s multifamily market is poised for a promising 2025. The continued strength of rental demand, coupled with some policy shifts and a favorable economic outlook, makes this an exciting time for the market. As we close out 2024 and enter 2025, all indicators suggest the market will continue heating up, as more and more investors come off the sidelines and transition to acquisitions mode.

— Lev Mavashev, founder and principal of Alpha Realty



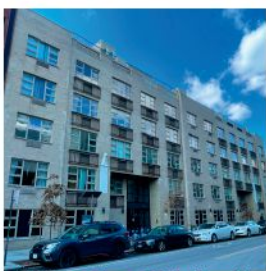
**LEV MAVASHEV**  
Alpha Realty

## Alpha Realty

Investment Sales

*We specialize in the sale of NYC mid-market multifamily and mixed-use properties, sales transactions of all sizes are served with consistent attention to detail.*

### SAMPLE OF RECENT TRANSACTIONS



**Williamsburg Multifamily**  
\$28,300,000  
43-Units



**Clinton Hill Multifamily**  
\$27,500,000  
62-Units



**Crown Heights Multifamily**  
\$24,000,000  
82-Units



**New Construction Multifamily**  
\$21,500,000  
42-Units



**Queens Portfolio**  
\$26,000,000  
114-Units



**North Bronx Portfolio**  
\$25,000,000  
173-Units



**Clinton Hill Multifamily**  
\$27,500,000  
62-Units



**Chelsea Multifamily**  
\$18,500,000  
35-Units



**Brooklyn Multifamily**  
\$8,750,000  
27-Units



**South Bronx Portfolio**  
\$16,650,000  
133-Units



**Greenpoint Multifamily**  
\$13,300,000  
27-Units



**MLK Portfolio**  
\$22,000,000  
255-Units

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