What the Q2 Numbers Tell Us About New York City Multifamily Going Forward

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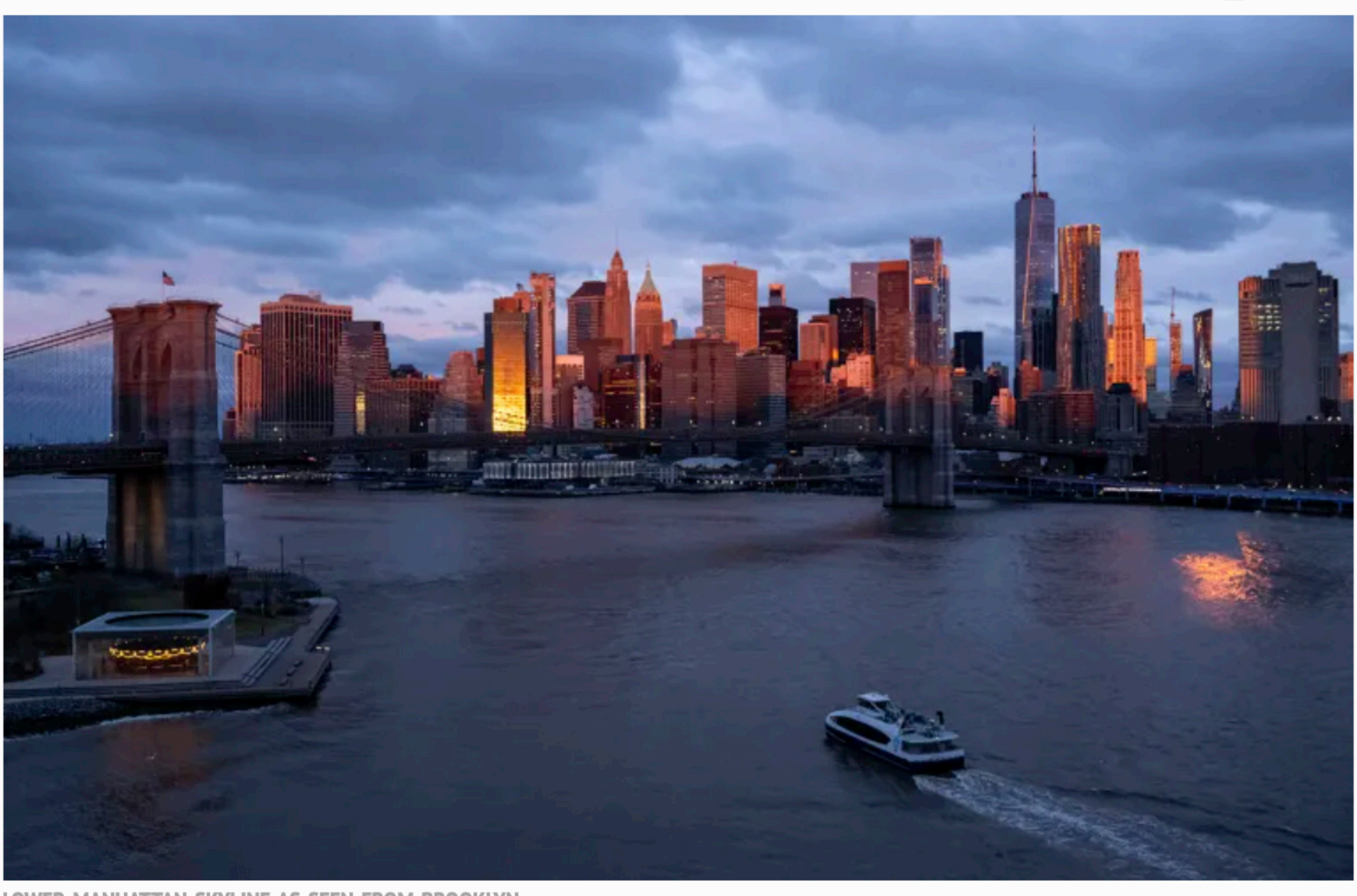

LOWER MANHATTAN SKYLINE AS SEEN FROM BROOKLYN.

PHOTO: ANGELA WEISS/AFP VIA GETTY IMAGES

After two years of choppy waters, the second quarter of 2025 tells a clearer story: New York City's multifamily market is moving again — and fast. Deal count surged to 297 transactions, marking a 29.1 percent jump from the previous quarter and a 52.3 percent increase year over year. Yet, total dollar volume barely budged, rising just 3.8 percent quarterly, while the average ticket size fell 19.6 percent, according to our in-house research.

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The takeaway is simple: Buyers are back, but they're prioritizing value and execution over splashy, high-dollar deals.

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The strongest quarterly momentum came from larger buildings. Trades of assets with at least 20 units nearly doubled, reaching 103 in the second quarter, while dollar volume in that segment rose a modest 18.3 percent. This highlights a clear preference for scale at today's reset pricing rather than yesterday's inflated values. By contrast, 10- to 19-unit deals saw a sharp 39.8 percent drop in dollar volume, while transactions of assets with fewer than 10 units gained in both count and dollars as private capital continued to chase finance-ready, bite-sized opportunities.

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PHOTO: ALPHA REALTY.

No borough embodied this acceleration more than the Bronx. Transactions more than doubled to 74 deals, with total dollar volume soaring in the second quarter by 314 percent to $401.5 million. Importantly, this was not just churned among smaller walk-ups: 60 of those trades were 20-unit-plus properties, showing that institutional-style product is firmly back in play north of the Cross Bronx Expressway.

Manhattan, meanwhile, showed more selective activity. Transaction count inched up 3.7 percent to 56 deals, but dollar volume fell 42.4 percent as the average deal size slid to $7.5 million. Much of that decline came from a steep drop in large and mid-size transactions. Yet, smaller properties quietly gained traction: Dollar volume grew in the sub-10-unit segment by 10 percent, signaling that family offices and boutique institutions are reengaging at the more approachable scale.

Brooklyn continues to be the workhorse of the market. The borough logged 129 transactions, up 29 percent quarter-over-quarter and 95.5 percent year over year, with 1,620 units changing hands. The average deal size compressed to $4.2 million, consistent with the citywide theme of "more trades, smaller checks." Notably, dollar volume in the 10- to 19-unit segment more than doubled, while sales of assets of 20 or more units dipped — a classic mid-market shift toward more executable, value-add opportunities.

Queens presented a different dynamic. The borough posted an 11.6 percent drop in trades but a 24.6 percent increase in dollar volume. The average deal size climbed 41 percent to $5.1 million, largely driven by strong activity in larger properties, where dollar volume among 20-plus-unit properties rose 63 percent. Queens demonstrated that scale, paired with strong fundamentals around transit and cash flow, still commands firm pricing.

For buyers, the message is to follow the velocity, not just the headlines. Risk is being repriced at the operating level, and the second quarter's surge in deal activity confirms that capital is transacting on cash flow, business plans and achievable basis.

In the Bronx — the hottest market this quarter — post-2010 stock and stabilized buildings of 20 or more units stood out as prime targets for investors who can support professional management and debt service from day one. In Brooklyn, the sweet spot lies in mid-market properties — specifically the 10- to 19-unit category, which doubled in dollar volume this quarter.

Sophisticated local capital is active here, so the edge will come not just from pricing but also from speed, certainty and strong terms. In Manhattan, the small building segment is quietly showing durability. Sub-10-unit properties, often estate sales or long-held assets, are finding liquidity, offering upside opportunities overlooked by larger institutional players.

For sellers, the second quarter provided an equally clear message. The average price per transaction fell nearly 20 percent, even as overall activity rose. Sellers who continue to anchor to 2021 comparables risk sitting on the sidelines, while those who price to today's clearing levels are fielding multiple qualified offers.

Buyers of large assets are returning, but at tighter checks, making it critical for sellers to package assets with transparency and lender-friendly materials such as updated financials, unit-by-unit details and energy efficiency upgrades. In certain boroughs — Queens, in particular — capital is proving it will pay more for clarity and location. In the Bronx, where buyers of properties with at least 20 units are most active, controlled processes and quiet matchmaking tours are outperforming broad blasts, often compressing the time to best and final offers.

The big read on New York multifamily in the second quarter is that velocity was leading price. The surge in trades showed sentiment has already shifted. Pricing will now follow in submarkets where operations and financing align with current rents and taxes.

For buyers, this is a basis window before cap rate compression shows up in the comps. For sellers with clean, cash-flowing assets, there is finally enough market depth to run a competitive process — provided you meet the market where it stands today. If you own, operate or are planning to deploy capital into NYC multifamily, now is the time to align your portfolio with the second-quarter heat map. The market has momentum, and the next leg of recovery will favor those who act early.

Lev Mavashev is the founder and principal of Alpha Realty, a New York brokerage focusing on multifamily.

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