

Boxwood Portfolio Valuation Affirms NYC Multifamily Class B Stability

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Boxwood's appraisals of almost two dozen multifamily properties in NYC attest to a healthy and stable investment outlook for Class B-type apartment assets during COVID.

On our lender client's behalf, we recently appraised a portfolio of multifamily assets averaging roughly 60 units each across Brooklyn, The Bronx, and Upper Manhattan. Most of the properties were 100% occupied, and the portfolio-wide vacancy was well under three percent and substantially below the overall Manhattan vacancy rate as of August. Few vacancies among the portfolio's service-oriented, street retail and commercial units were tallied as well.



The submarket locations of these assets conferred their strong performance as did ongoing building maintenance and rent regulation that perpetuates high demand and tenant retention because of below-market rents.

Granted, many of the millions of NYC residents that lost their jobs since March are unable to pay rent, and others likely missed payments after the \$600 weekly federal stimulus expired in July. However, to date the big increases observed in New York apartment vacancies are concentrated in central Manhattan, largely home to higher-income and more mobile residents – not the outer boroughs.