MANHATTAN POWERS NYC COMMERCIAL REAL ESTATE MARKET IN H1 2026 WITH $9.87 BILLION IN INVESTMENT SALES: ARIEL PROPERTY ADVISORS' REPORT

NEW YORK, NY – July 21, 2026 – Manhattan remained the primary driver of New York City's investment sales market during the first half of 2026 with total dollar volume increasing 50% year-over year to $9.87 billion across 238 transactions, the borough's strongest first half since 2022, according to [Ariel Property Advisors' Manhattan 2026 Mid- Year Commercial Real Estate Trends report]().

Volume 1H'26 VS 1H'25	↑ 15%	↑ 4%	↑ 10%
	$3.50B Dollar Volume	497 Transaction Volume	668 Building Volume

"Manhattan office properties led all asset classes in H1 2026, driven by a 31% surge in dollar volume to $3.53 billion," said Michael A. Tortorici, Ariel Founding Partner. "Acquisitions of prime Class A properties–which are seeing tighter vacancy and promising long-term upside–represent a significant vote of confidence in the City's economic trajectory."

Senior Director Christoffer Brodhead added, "Multifamily sales in Manhattan jumped 93% year-over-year to $2.4 billion in the first half of the year, led by institutional acquisitions of larger free-market assets. This stands in contrast to the outer boroughs, where declining values of rent-stabilized properties dragged down dollar volume."

"Development activity strengthened considerably in H1 2026 with dollar volume rising 54% to $1.7 billion as investors aggressively pursued assemblage opportunities and premier development sites," said Director Howard Raber. "Developers are receiving a major boost from public policy, specifically the City of Yes initiative, 467-m office-to-residential conversion program and Midtown South Mixed-Use Plan."

Office Highlights

- Dollar volume in the office sector increased 31% year-over-year to $3.53 billion across 38 transactions.
- The average office price-per-square-foot increased to approximately $1,091, compared with $705 during H1 2025, as transaction activity concentrated among trophy and well-leased buildings.
- The period's premier office trade was SL Green Realty's $730 million purchase of Park Avenue Tower at 65 East 55th Street. This 621,000-square-foot asset maintained 96.5% occupancy at closing, with below-market rents offering significant upside as Park Avenue corridor vacancy remains under 6%.

Multifamily Highlights

- Multifamily investment activity increased significantly during the first half of 2026, with dollar volume rising 93% year-over-year to $2.34 billion across 109 transactions as institutional investors returned to Manhattan's predominantly free-market apartment sector.
- Pricing reflected this increased demand for high-quality assets, with the average price per unit increasing to approximately $642,000 from $533,000 during 2025, while the average price per square foot rose to $818 from $699.
- The half's largest multifamily transaction: Carmel Partners' approximately $241 million acquisition of MetLife's interest in a five building, 710-unit Upper West Side portfolio along Columbus and Amsterdam Avenues.

Development Highlights

- Development activity increased 54% year-over-year to $1.70 billion across 39 transactions as investors continued to pursue assemblage opportunities and well located development sites throughout Manhattan.
- The average price for standard development sites increased to approximately $535 per buildable square foot, up from $468 during 2025.
- The half's defining development story was Extell Development's roughly $500 million assemblage of a full Park Avenue blockfront between East 54th and East 55th Streets, anchored by the $251.7 million acquisition of 417 Park Avenue, the largest development transaction of the period, and the purchase of 405 Park Avenue.

Retail Highlights

- Retail was the only major asset class to record a year-over-year decline in dollar volume, decreasing 26% to $695.7 million across 40 transactions.
- Pricing reflected the continued strength of Manhattan's luxury retail market. The average price per square foot increased to approximately $2,397, up from $1,904 during 2025, as the highest-quality retail assets continued to command premium valuations.
- The period's largest retail trade illustrated the trend. Richemont, the Swiss parent of Cartier, acquired 690 Madison Avenue, a 6,620 SF, five-story retail property at the corner of Madison Avenue and East 62nd Street, for $54.5 million.

Hotel Highlights

- Hotel investment activity more than doubled during the first half of 2026, with dollar volume increasing 105% year-over-year to $841.7 million across eight transactions.
- The average price per square foot increased to approximately $1,091 from $788 during H1 2025.
- The most notable hotel transaction of the half was Gencom's acquisition of the Ritz-Carlton New York, Central Park, a 253-key luxury hotel at 50 Central Park South, from Westbrook Partners and Millennium Partners. While city property records list the real estate transfer at $269.7 million, the total deal valuation approached $320 million when accounting for non-real-estate assets, fixtures and hotel inventory.

Ariel Property Advisors' Manhattan 2026 Mid-Year Commercial Real Estate Trends report is available here.

About Ariel Property Advisors

Ariel Property Advisors is a New York City-based commercial real estate services and advisory company offering expertise in three core areas: Investment Sales, Capital Services and Research & Advisory. Our Investment Sales Group specializes in all major commercial asset types throughout the New York metropolitan area, the Capital Services Group provides clients nationwide with custom-tailored financing solutions and the Research & Advisory team delivers timely market reports, empowering both our professionals and clients. Additionally, our recent strategic partnership with GREA (Global Real Estate Advisors), a nationwide network of independent real estate investment services companies, further expands our reach and capabilities. To learn more, please visit us at arielpa.nyc.