



## **2024 Year in Review: Lev Mavashev, Alpha Realty**

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Principal

What emerging trends will drive investment and development in 2025?

New York City's multifamily market is seeing momentum, with transaction volume rising for two consecutive quarters. The third quarter saw a 12.8% increase over Q2, driven by optimism about potential interest rate cuts and renewed confidence following a Trump win. Furthermore, NYC's resilient rental market, where rents continue to grow despite national declines, is increasing investor interest in NYC multifamily. Recent policy updates, like the revamped 485x tax abatement and City-of-Yes, add to the appeal as well. As 2024 comes to a close, transaction velocity seems to be gaining momentum and will continue into 2025. I think we will definitely see more transactions in the coming new year as the bid-ask spread between buyers and sellers starts shrinking.

What noteworthy transactions or deals from this year best exemplified key market trends or shifts?

This year, we're seeing long-term owners who were holding out finally selling. A recent sale of 421 W 21st St. in Chelsea highlights this shift: the seller, after 10 years of ownership, doubled the rent roll and made significant building improvements. Despite these efforts, they sold the property for much less than they paid due to frustration with NYC's regulatory environment and current interest rates. They essentially "threw in the towel." This reflects a growing trend of owners choosing to exit rather than continue navigating the challenging market conditions, signaling a notable shift in the multifamily market.

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