# Despite Political Headwinds, NYC Investment Sales Gain Momentum

**multihousingnews.com**/nyc-investors-stay-the-course-but-it-hasnt-been-easy

Gabriel Frank

July 30, 2026


Left to right: Ariel President Shimon Shkury moderates a panel discussion between Ralph Bumbaca, regional president at TD Bank, Bryan Kelly, president of development at the Gotham Organization and Robert Nelson, president of Nelson Management Group. *Photo by Gabriel Frank*

If you listen to commentary around New York City's political scene, you might think the Big Apple is becoming prohibitive for multifamily and commercial real estate stakeholders.

But the city's transaction volumes and sector-specific fundamentals tell an entirely different story. They point to a resilient, if somewhat strained, investment sales scene. The strain is attributed to overregulation and economic headwinds.

That was a key theme at Ariel Property Advisors' second Coffee & Cap Rates event of 2026. In his remarks, President & Founder Shimon Shkury outlined the reasons for optimism while addressing the city struggles with housing supply and inaffordability.

"When you listen to the noise, you might think that New York City doesn't have opportunity anymore," Shkury said during a presentation of the company's Mid-Year Investment Sales Report. "But when you look at the numbers, something very different emerges."

## Capital comeback, with a twist

Ariel's data points to a strong yet increasingly choosy investment environment. According to the report, the city recorded $17.4 billion worth of real estate transactions in the first half of 2026—a 37 percent increase over same period last year.

A total of 1,224 sales took place, with the top 25 representing 37 percent of total dollar volume, indicating fewer deals with higher dollar amounts becoming the norm. Multifamily leads the pack, with $5 billion in trades taking place in the first half. The bulk of capital went toward larger properties and portfolios in the less-regulated borough of Manhattan, which saw roughly $2.3 billion out of all multifamily trades.

"The capital is here, but it's selective," Shkury noted.

**READ ALSO:** Top 5 NYC Multifamily Building Sales—June 2026

Investors are looking for "yesterday's pricing with today's fundamentals," Shkury told the audience. Deregulated buildings, traditional market-rate properties, value-add projects and tax-subsidized assets are the most popular items on the menu. But there's an appetite for some ground-up development as well provided the builder has accessed tax abatements.

"They favor reset valuations and policy alignment, but when those don't exist, they're looking for distress," Shkury said.

Rent regulation and red tape remain the biggest thorns in the sides of owners, operators and residents alike. Shkury pointed out that the city still has 57,000 rent-stabilized apartments sitting vacant due to stagnant rents that do justify the renovations necessary to bring them back to the market. Shkury highlighted the Pinnacle Group's bankruptcy late last year and LeFrak's sell-off of rent-stabilized apartments in Brooklyn as recent manifestations of the crisis.

Some potential solutions include conversion to affordable housing or more incentives for private investors. "Maintaining that status quo will only accelerate distress," Shkury emphasized.

## Street-level views

Speakers at a panel discussion following the market overview struck an equally optimistic yet sober tone.

Robert Nelson, president of Nelson Management Group, an owner of more than 8,000 rent-stabilized units in four boroughs, didn’t sugarcoat his company’s challenges, particularly following the citywide rent freeze last month.

“I’ve never been conservative with the amount of debt that we take, but I’ve never had such a challenge when it comes to covering costs,” Nelson confessed. Even though the company won’t sell its buildings, refinancings are becoming more difficult to pencil as it experiences new unit vacancies that command six-figure renovation costs. “There’s no return on investments, fewer banks are willing to lend to it and a lot of new opportunities are few and far between,” Nelson lamented.

On the development front, it’s a mix of public-private partnerships and a lot of patience that get units built on a large scale. But one half of the relationship can’t function without the other, even with the Mamdani administration planning the preservation of more than 200,000 affordable units over the next decade, an initiative backed by $22 billion from the city. “You can’t subsidize your way out of a housing crisis,” said Bryan Kelly, president of development at the Gotham Organization.

Kelly’s firm is spearheading the development of Hudson Landing, a $1 billion mixed-use project in Manhattan’s Hell’s Kitchen neighborhood that will bring 1,127 units to the market. The project, subject to the city’s 485-x tax exemption program, was first conceived in 2016. “We get through these deals with a lot of Tylenol,” Kelly joked.

Stakeholders are looking at interest rates, the economy and stock market, mortgage maturities and city administration rhetoric as the biggest signals for where the market could be headed. All-in-all, they remain upbeat. “The pied-à-terre taxes hurt a bit, but at the end of the day, this is New York City,” Nelson said. “It’ll always thrive.”