

FIGURES | TRI-STATE CAPITAL MARKETS | Q2 2024

New York Tri-State Real Estate Investment Volume Ticks Up in Q2 but Remains Below Historical Norm

▼ \$7.0 B

Q2 Tri-State Total Investment Volume¹

▼ \$0.4 M

Q2 Tri-State Cross-Border Inflow

▼ \$3.2 B

Q2 Manhattan Total Investment Volume

▼ \$0.3 M

Q2 Manhattan Cross-Border Inflow

Arrows indicate change from same period in previous year.

¹All references to deal volume cited in this report are based on MSCI Real Assets transactional database, which includes single-asset and portfolio transactions and excludes development site transactions.

Executive Summary

- New York Tri-State commercial real estate investment volume decreased by 38% year-over-year in Q2 to \$7.0 billion and stands at 61% of the five year quarterly average of \$11.4 billion.
- Investment ticked upwards in Q2 2024 after falling for three consecutive quarters, thanks to residential, retail, and office transactions in Upper Manhattan.
- Multifamily led all sectors for investment volume in Q2 (\$2.7 billion) followed by office (\$1.8 billion).
- Manhattan led the region for investment volume in Q2 2024 (\$3.2 billion), contracting 27% year-over-year, followed by New Jersey (\$1.7 billion), where investment fell by 40% year-over-year.
- Cross-border investment in the Tri-State region rose by 11% year-over-year to \$3.8 billion for the four quarters ending in Q2 2024 on the back of separate Manhattan office, retail, and hotel acquisitions by French, Italian, and Qatari investors.
- On a trailing four-quarter basis, New York Tri-State has the highest investment volume in the country followed by Los Angeles (\$28 billion) and Dallas-Ft. Worth (\$17 billion).
- For more CBRE capital markets insights, view the [U.S. CBRE Capital Markets Report | Q2 2024](#).

Looking Ahead: What to Expect in H2 2024

MACRO TRENDS TO WATCH

Tri-State investment volume ticked upwards in Q2 2024 as commercial lending rose after five consecutive quarters of decline.

High interest rates continue to weigh on the lending market, but future rate cuts and a lower yield on the 10-year Treasury are expected to encourage greater transaction volume in H2.

Tri-State hotel and retail assets performed relatively well thanks to a resilient American consumer. There are signs, however, that consumption could be flagging.

Multifamily assets have seen a steep deceleration in investment volume while industrial investment appears to be stabilizing with the smallest year-over-year decline in investment volume among major asset classes.

Despite the sharpest rise in interest rates in 40 years and a consequent drop in global real estate values, CBRE expects a “soft landing” in the U.S. economy due to cooling inflation and a resilient economy.

CBRE expects global growth in 2025 of 3.2%; however, there are signs that U.S. consumption is beginning to flag after two years of relative strength with potential downside for global economic growth.

The transaction market appears to have turned a corner in terms of sentiment and deal activity.

Nationally, investors have favored multifamily and industrial assets. There are pockets of strength in office, but concentrated in select submarkets and prime assets.

High interest rates and elevated construction costs have deterred developers from breaking ground on new projects in 2024 even as multifamily demand remains healthy and the best quality offices find occupiers.

As the Fed cuts short-term rates and long-term rates fall, CBRE expects investment to pick up in the second half of the year, with leasing remaining resilient.

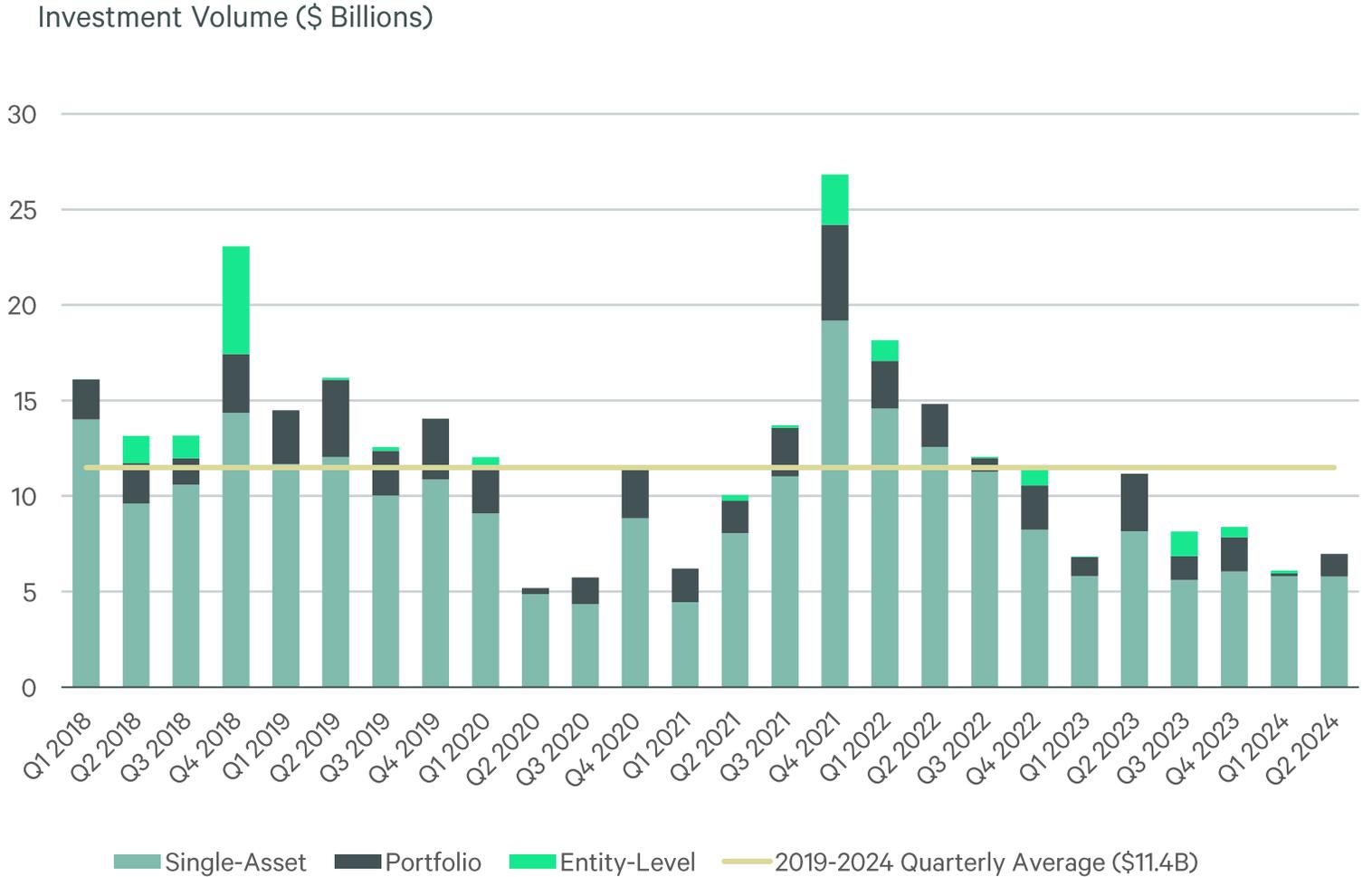
Figure 1

Historical commercial real estate investment volume

- New York Tri-State commercial real estate investment volume decreased by 38% year-over-year in Q2 to \$7.0 billion and stands at 61% of the five year quarterly average of \$11.4 billion.
- Trailing four-quarter volume totaled \$29.6 billion.
- Portfolio transaction volume decreased by 60% year-over-year in Q2.

Assessment

- Tri-State investment volume ticked upwards in Q2 2024, thanks to a relatively strong quarter of transaction volume in Upper Manhattan.
- Entity-level transactions have become scarce, with only five recorded for the four quarters ending Q2 2024.



Note: Volume excludes development site transactions.
Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 2
Tri-State commercial real estate investment volume by sector, Q2 2024 vs. Q2 2023

- Multifamily led all sectors for investment volume in Q2 2024 with \$2.7 billion, down 38% year-over-year.
- Office was the second most-preferred sector with \$1.8 billion, down 44% from a year ago.
- Industrial was the third most-preferred sector with \$1.1 billion and experienced a 15% year-over-year decline in investment. This was the smallest decline of all major asset types.

Assessment

- Multifamily transactions in Upper Manhattan, Downtown, and Northern New Jersey powered multifamily’s relatively strong performance in Q2.
- Office suffered the steepest year-over-year decline in investment volume as the sector continues to confront reduced demand and high interest rates.
- Several major office transactions that have occurred have done so at steep discounts and, in some cases, for properties that are slated for residential conversion.

	Total (\$ billions)				Total (\$ billions)			
	Q2 2024	Q2 2023	Change (%)	Market Share (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Market Share (%)
All Types of Investment								
Multifamily	2.73	4.40	-38.0	39.1	8.03	14.48	-44.5	27.1
Industrial	1.14	1.33	-14.6	16.3	4.61	7.02	-34.5	15.6
Office	1.81	3.24	-44.2	26.0	6.21	11.37	-45.3	21.0
Retail	0.92	1.56	-41.4	13.1	6.95	5.66	22.9	23.5
Hotel	0.34	0.44	-23.1	4.9	3.53	2.31	52.7	11.9
Other	0.04	0.19	-77.1	0.6	0.26	0.63	-58.9	0.9
Total	6.97	11.16	-37.6	100.0	29.59	41.47	-28.6	100.0

Note: Total for All Types includes single-asset and portfolio transactions. Some numbers may not total due to rounding.
 Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 3
Manhattan commercial real estate investment volume, Q2 2024 vs. Q2 2023

- Multifamily led all sectors for investment volume in Q2 2024 with just over \$1.4 billion, a 2% year-over-year decrease.
- Office was the second most-preferred sector with just under \$1.4 billion, down 40% from one year ago.

	Total (\$ billions)				Total (\$ billions)			
	Q2 2024	Q2 2023	Change (%)	Market Share (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Market Share (%)
All Types of Investment								
Multifamily	1.40	1.43	-2.1	44.1	3.68	5.30	-30.6	28.0
Industrial	0.00	0.00	N/A	0.0	0.02	0.07	-72.4	0.1
Office	1.38	2.30	-40.2	43.3	4.11	6.79	-39.6	31.2
Retail	0.30	0.47	-35.4	9.6	2.96	1.24	138.8	22.5
Hotel	0.10	0.13	-22.6	3.0	2.36	1.10	114.8	17.9
Other	0.00	0.00	N/A	0.0	0.03	0.00	N/A	0.2
Total	3.18	4.33	-26.6	100.0	13.15	14.50	-9.3	100.0

Figure 4
NYC Outer Boroughs commercial real estate investment volume, Q2 2024 vs. Q2 2023

- Multifamily led all sectors for investment volume in Q2 2024 with \$604 million, a 74% year-over-year decrease.
- Industrial was the second most-preferred sector with \$506 million, a 175% increase from one year ago.

* NYC's outer borough markets include Brooklyn, Queens, the Bronx, and Staten Island.

	Total (\$ billions)				Total (\$ billions)			
	Q2 2024	Q2 2023	Change (%)	Market Share (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Market Share (%)
All Types of Investment								
Multifamily	0.60	2.30	-73.7	36.7	1.75	5.28	-66.9	32.3
Industrial	0.51	0.18	174.5	30.8	1.25	1.17	7.0	23.1
Office	0.12	0.18	-31.3	7.6	0.59	1.14	-48.7	10.9
Retail	0.23	0.28	-20.2	13.7	1.01	1.33	-24.0	18.7
Hotel	0.19	0.25	-24.9	11.3	0.77	0.49	55.8	14.3
Other	0.00	0.07	-100.0	0.0	0.04	0.14	-69.2	0.8
Total	1.65	3.26	-49.5	100.0	5.40	9.55	-43.3	100.0

Note: Total for All Types includes single-asset and portfolio transactions. Some numbers may not total due to rounding.
 Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 5
New Jersey commercial real estate investment volume, Q2 2024 vs. Q2 2023

- Multifamily led all sectors for investment volume in Q2 2024 with \$672 million, a 28% year-over-year increase.
- Industrial was the second most-preferred sector with \$497 million, down 47% from one year ago.

	Total (\$ billions)				Total (\$ billions)			
	Q2 2024	Q2 2023	Change (%)	Market Share (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Market Share (%)
All Types of Investment								
Multifamily	0.67	0.52	27.9	40.0	1.88	2.17	-13.3	27.8
Industrial	0.50	0.94	-47.3	29.6	2.54	4.80	-47.0	37.5
Office	0.23	0.62	-62.5	13.8	0.99	2.48	-59.8	14.7
Retail	0.21	0.62	-66.1	12.5	1.01	1.38	-26.9	14.9
Hotel	0.03	0.05	-40.1	1.9	0.22	0.46	-52.8	3.2
Other	0.04	0.04	1.6	2.3	0.12	0.37	-66.9	1.8
Total	1.68	2.80	-39.9	100.0	6.78	11.67	-41.9	100.0

Figure 6
Long Island commercial real estate investment volume, Q2 2024 vs. Q2 2023

- Industrial led all sectors for investment volume in Q2 2024 with \$99 million, down 3% year-over-year.
- Retail was the second most-preferred sector with \$81 million, down 22% from one year ago.

	Total (\$ millions)				Total (\$ millions)			
	Q2 2024	Q2 2023	Change (%)	Market Share (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Market Share (%)
All Types of Investment								
Multifamily	0.00	52.14	-100.0	0.0	258.25	483.27	-46.6	14.4
Industrial	98.94	101.81	-2.8	41.1	515.63	706.17	-27.0	28.7
Office	30.16	45.80	-34.1	12.5	201.14	335.60	-40.1	11.2
Retail	80.87	104.25	-22.4	33.6	672.34	1,002.93	-33.0	37.5
Hotel	24.95	0.00	N/A	10.4	141.93	42.43	234.5	7.9
Other	6.00	52.50	-88.6	2.5	6.00	81.50	-92.6	0.3
Total	240.93	356.49	-32.4	100.0	1,795.30	2,651.90	-32.3	100.0

Note: Total for All Types includes single-asset and portfolio transactions. Some numbers may not total due to rounding.
 Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 7
Hudson Valley* commercial real estate investment volume, Q2 2024 vs. Q2 2023

- Retail led all sectors for investment volume in Q2 2024 with \$38 million, a 200% year-over-year increase.
- Industrial was the second most-preferred sector with \$28 million, down 65% from one year ago.

*Hudson Valley includes Westchester, Putnam, Dutchess, Orange, and Rockland Counties.

	Total (\$ millions)				Total (\$ millions)			
	Q2 2024	Q2 2023	Change (%)	Market Share (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Market Share (%)
All Types of Investment								
Multifamily	24.38	60.45	-59.7	22.9	410.50	861.63	-52.4	26.4
Industrial	28.00	80.10	-65.0	26.3	248.27	251.70	-1.4	15.9
Office	16.40	52.93	-69.0	15.4	204.45	302.41	-32.4	13.1
Retail	37.84	12.63	199.6	35.5	678.54	378.74	79.2	43.6
Hotel	0.00	16.00	-100.0	0.0	15.61	127.61	-87.8	1.0
Other	0.00	32.00	-100.0	0.0	0.00	34.95	-100.0	0.0
Total	106.61	254.10	-58.0	100.0	1,557.37	1,957.04	-20.4	100.0

Figure 8
Fairfield County, CT commercial real estate investment volume, Q2 2024 vs. Q2 2023

- Retail led all sectors for investment volume in Q2 2024 with \$58 million, a 22% year-over-year decrease.
- Office was the second most-preferred sector with \$31 million, down 26% from one year ago.

	Total (\$ millions)				Total (\$ millions)			
	Q2 2024	Q2 2023	Change (%)	Market Share (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Market Share (%)
All Types of Investment								
Multifamily	24.25	30.12	-19.5	20.7	54.00	376.98	-85.7	5.9
Industrial	2.00	17.75	-77.5	3.4	35.96	33.55	7.2	3.9
Office	30.75	41.33	-25.6	26.3	115.90	310.03	-62.6	12.7
Retail	58.08	74.27	-21.8	49.6	623.64	326.25	91.2	68.4
Hotel	0.00	0.00	N/A	0.0	24.51	91.57	-73.2	2.7
Other	0.00	0.00	N/A	0.0	58.20	3.50	1,562.9	6.4
Total	117.08	163.47	-28.4	100.0	912.22	1,141.88	-20.1	100.0

Note: Total for All Types includes single-asset and portfolio transactions. Some numbers may not total due to rounding.
 Source: CBRE Research, MSCI Real Assets, Q2 2024.

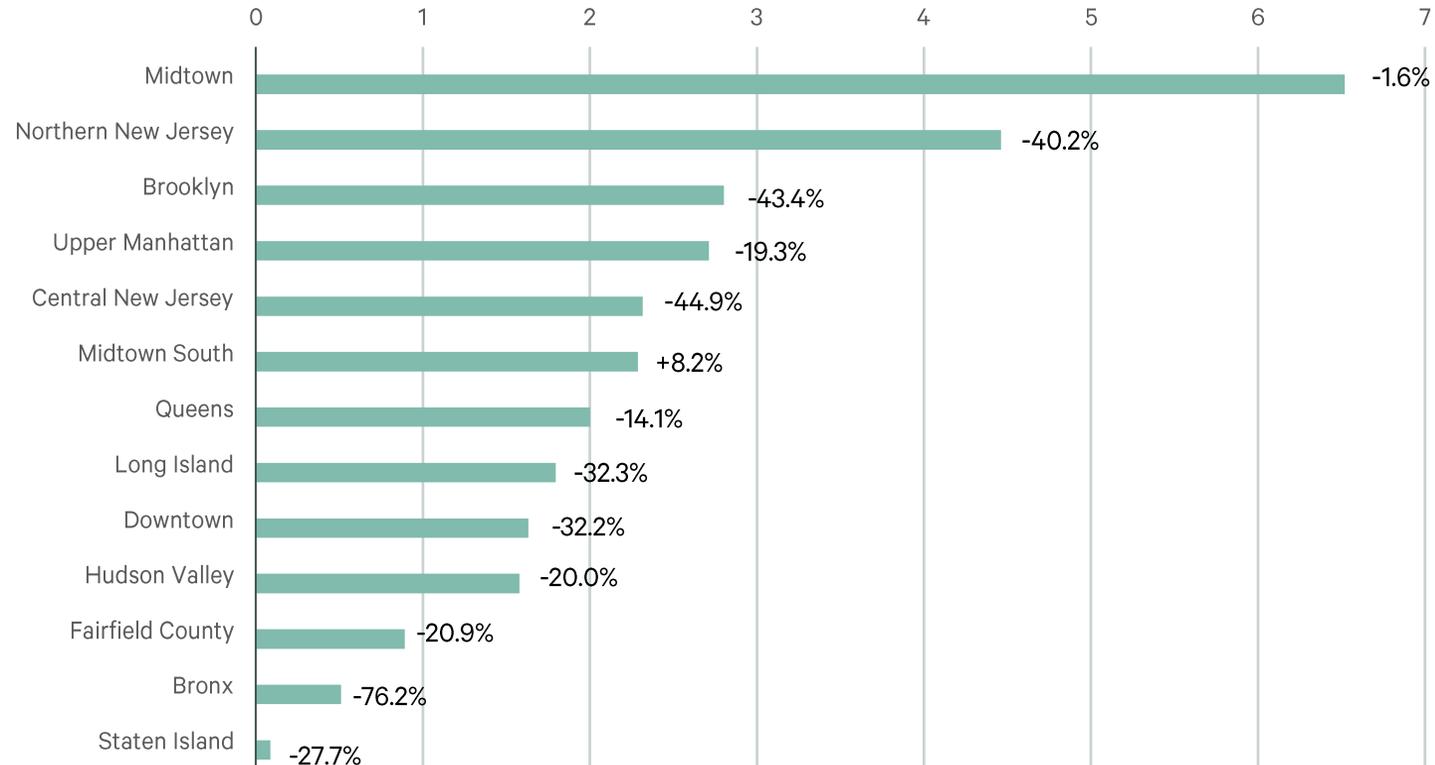
Figure 9
NY Tri-State investment volume, trailing four quarters ending Q2 2024

- Midtown Manhattan was the leading market for investment volume over the past four quarters with \$6.5 billion.
- Northern New Jersey had the second-highest total with \$4.5 billion.
- Brooklyn rounded out the top three with \$2.8 billion.
- Investment volumes decreased across every Tri-State market except Midtown South where investment rose by 8.2%.
- The steepest drop was recorded in the Bronx where investment volume fell by 76%.

Assessment

- Midtown Manhattan’s relatively stable year of investment volume can be attributed to strong deal volume in the hotel and retail sectors.
- Softening fundamentals in the multifamily sector hit investment in New York City’s outer boroughs and suburbs particularly hard while industrial assets saw relatively modest declines in investment volume compared to other major asset classes.

Investment Volume (\$ Billions) & YoY Percent Change Across Tri-State



Note: Volume excludes development site transactions.
 Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 10
Investment volume by market & property type, year ending Q2 2024

Overall Investment

Rank	Market	Volume (\$m)	Growth (Y-o-Y)
1	Midtown	6,519	-1.6%
2	Northern New Jersey	4,461	-40.2%
3	Brooklyn	2,803	-43.4%
4	Upper Manhattan	2,713	-19.3%
5	Central New Jersey	2,315	-44.9%
6	Midtown South	2,287	8.2%
7	Queens	2,002	-14.1%
8	Long Island	1,795	-32.3%
9	Downtown	1,632	-20.0%
10	Hudson Valley	1,579	-20.9%

Office Investment

Rank	Market	Volume (\$m)	Growth (Y-o-Y)
1	Midtown	2,376	-48.2%
2	Northern New Jersey	722	-58.8%
3	Upper Manhattan	711	1,020%
4	Midtown South	621	-8.1%
5	Brooklyn	406	-38.9%
6	Downtown	398	-72.9%
7	Central New Jersey	277	-62.0%
8	Hudson Valley	219	-29.3%
9	Long Island	201	-40.1%
10	Queens	161	-45.7%

Industrial Investment

Rank	Market	Volume (\$m)	Growth (Y-o-Y)
1	Northern New Jersey	1,621	-43.6%
2	Central New Jersey	920	-51.1%
3	Queens	617	38.0%
4	Brooklyn	531	16.4%
5	Long Island	516	-27.0%
6	Hudson Valley	251	-0.2%
7	Bronx	72	-68.8%
8	Fairfield County	33	-1.9%
9	Staten Island	28	-11.7%
10	Midtown	7	-73.8%

Multifamily Investment

Rank	Market	Volume (\$m)	Growth (Y-o-Y)
1	Upper Manhattan	1,342	-52.8%
2	Northern New Jersey	1,285	-28.8%
3	Brooklyn	954	-67.0%
4	Midtown South	866	-16.1%
5	Downtown	858	33.4%
6	Midtown	616	-21.6%
7	Central New Jersey	599	63.5%
8	Queens	461	-40.8%
9	Hudson Valley	414	-52.4%
10	Bronx	311	-80.5%

Retail Investment

Rank	Market	Volume (\$m)	Growth (Y-o-Y)
1	Midtown	1,753	240.0%
2	Hudson Valley	679	79.2%
3	Long Island	672	-33.0%
4	Northern New Jersey	667	9.6%
5	Upper Manhattan	655	110.7%
6	Fairfield County	623	91.2%
7	Brooklyn	500	-21.2%
8	Queens	381	-26.3%
9	Central New Jersey	346	-55.5%
10	Midtown South	340	12.2%

Hotel Investment

Rank	Market	Volume (\$m)	Growth (Y-o-Y)
1	Midtown	1,767	149.5%
2	Midtown South	427	589.3%
3	Queens	382	72.9%
4	Brooklyn	380	62.6%
5	Downtown	163	-11.9%
6	Long Island	142	234.5%
7	Central New Jersey	130	20.6%
8	Northern New Jersey	85	-75.5%
9	Fairfield County	25	-73.2%
10	Hudson Valley	16	-87.8%

Note: Tables ranked by highest investment volume among Tri-State Markets
 Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 11 Investment volume by buyer type, trailing four quarters ending Q2 2024 vs. trailing four quarters ending Q2 2023

- Private investors accounted for \$15.7 billion or 53% of total Tri-State investment volume for the four quarters ending in Q2 2024.
- Inbound cross-border investment volume increased by 11% year-over-year for the four quarters ending in Q2 2024 to \$3.8 billion.

Assessment

- The \$3.8 billion invested by foreign buyers over the prior four quarters was spread across 38 transactions and favored outer borough suburban industrial and Manhattan office assets.
- Private buyers, led by institutional property owners, operators and developers, were the largest buyer types while publicly traded companies continued to retreat from the market.

	Volume (\$ billions)			Market Share (%)	
	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23	Change (%)	Trailing 4 QTRs ending Q2 '24	Trailing 4 QTRs ending Q2 '23
Private	15.69	25.75	-39.1	53.0	62.1
Institutional	5.27	5.51	-4.4	17.8	13.3
Public Companies	2.59	4.61	-43.8	8.8	11.1
Cross-Border	3.80	3.42	11.2	12.8	8.2
Other*	2.42	2.18	3.0	7.6	5.2
Total	29.59	41.47	-28.6	100.0	100.0

*Other = user, unknown, other types of investors.
Source: CBRE Research, MSCI Real Assets, Q2 2024.

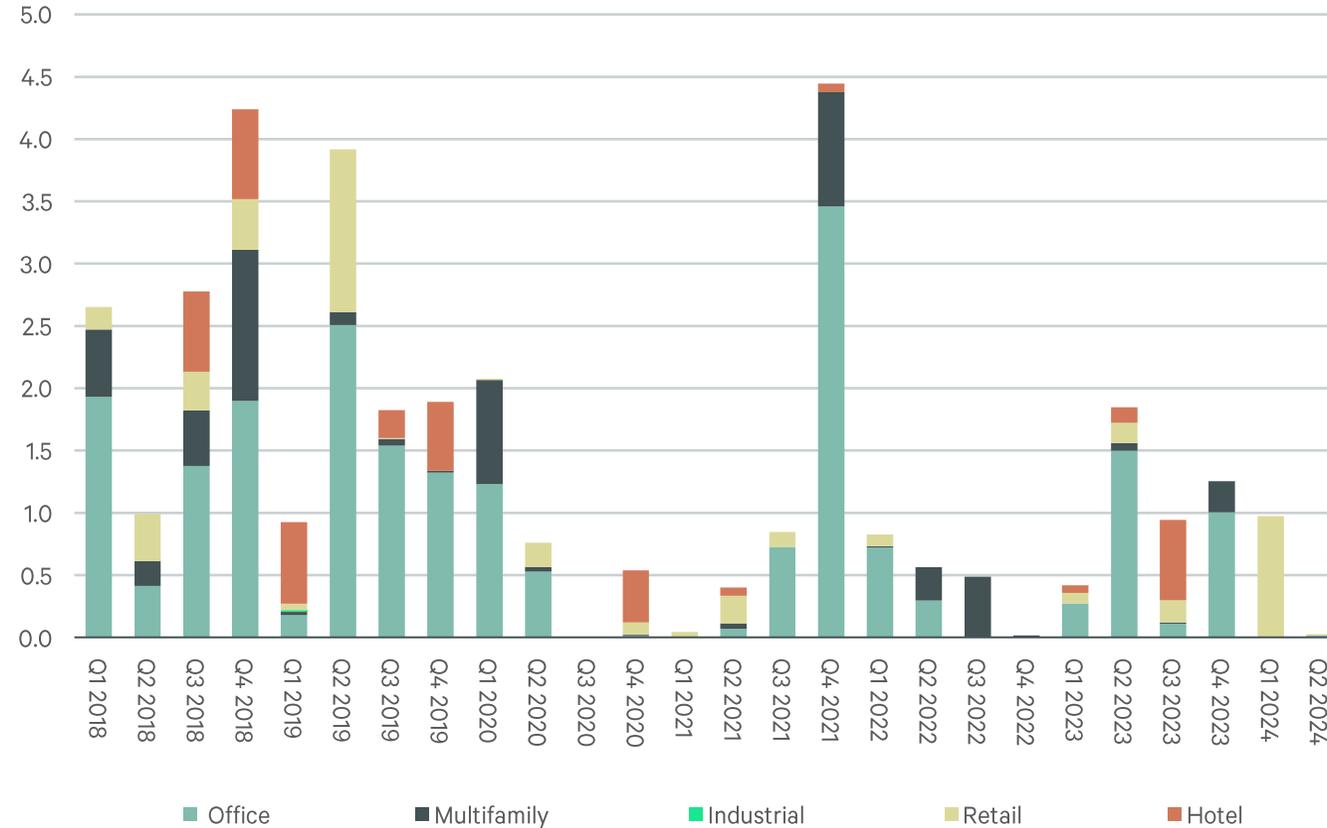
Figure 12
Cross-border investment
by property type, Tri-State

- With \$26 million in total deal volume across two transactions, Q2 2024 was the weakest quarter for cross-border investment in Manhattan since Q4 2022.
- Both of Q2's cross-border property purchases were made by European apparel firms – one for a retail condominium and the other for an office condominium.

Assessment

- Despite the near absence of deals in Q2 2024, cross-border investment in Manhattan is up 15% year-over-year for the four most recent quarters. Much of this growth is thanks to sizable office and retail acquisitions by European apparel brands.
- A mixed global economic picture will continue to weigh on Manhattan's foreign investment fortunes. Despite the headwinds, continued foreign investment is expected in H2.

Investment Volume (\$ Billions)



Source: CBRE Research, MSCI Real Assets, Q2 2024.

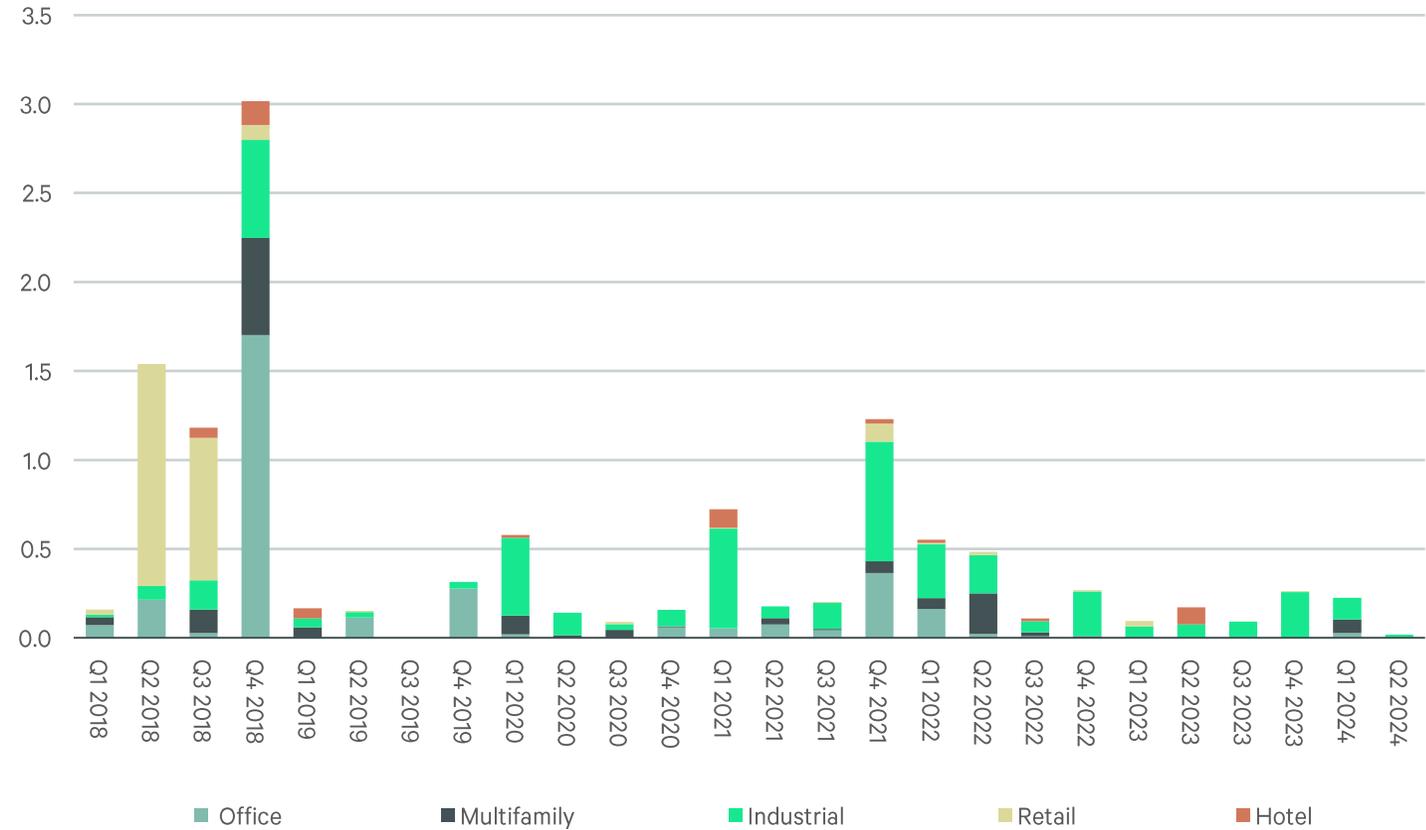
Figure 13 Cross-border investment by property type, Outer Boroughs & Suburbs

- Industrial was the only sector to capture inbound cross-border investment into the outer boroughs and suburbs in Q2 with \$18 million.

Assessment

- Cross-border investment into the outer boroughs and suburbs has remained weak for the four quarters ending in Q2 2024 with industrial accounting for over 80% of the investment total.
- Industrial assets have been the preferred acquisition targets of foreign buyers shopping outside of Manhattan since early 2020.

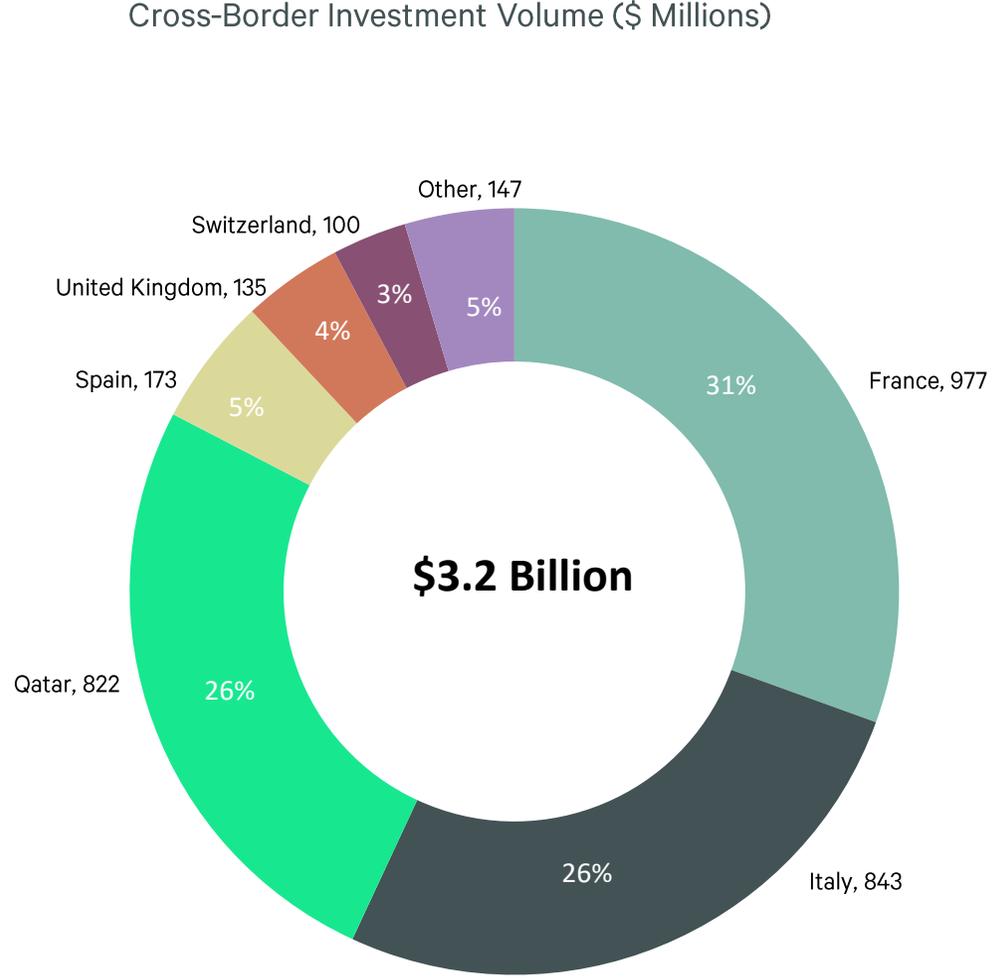
Investment Volume (\$ Billions)



Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 14
Cross-border investment for all asset types by country of origin, trailing four quarters ending Q2 2024: Tri-State

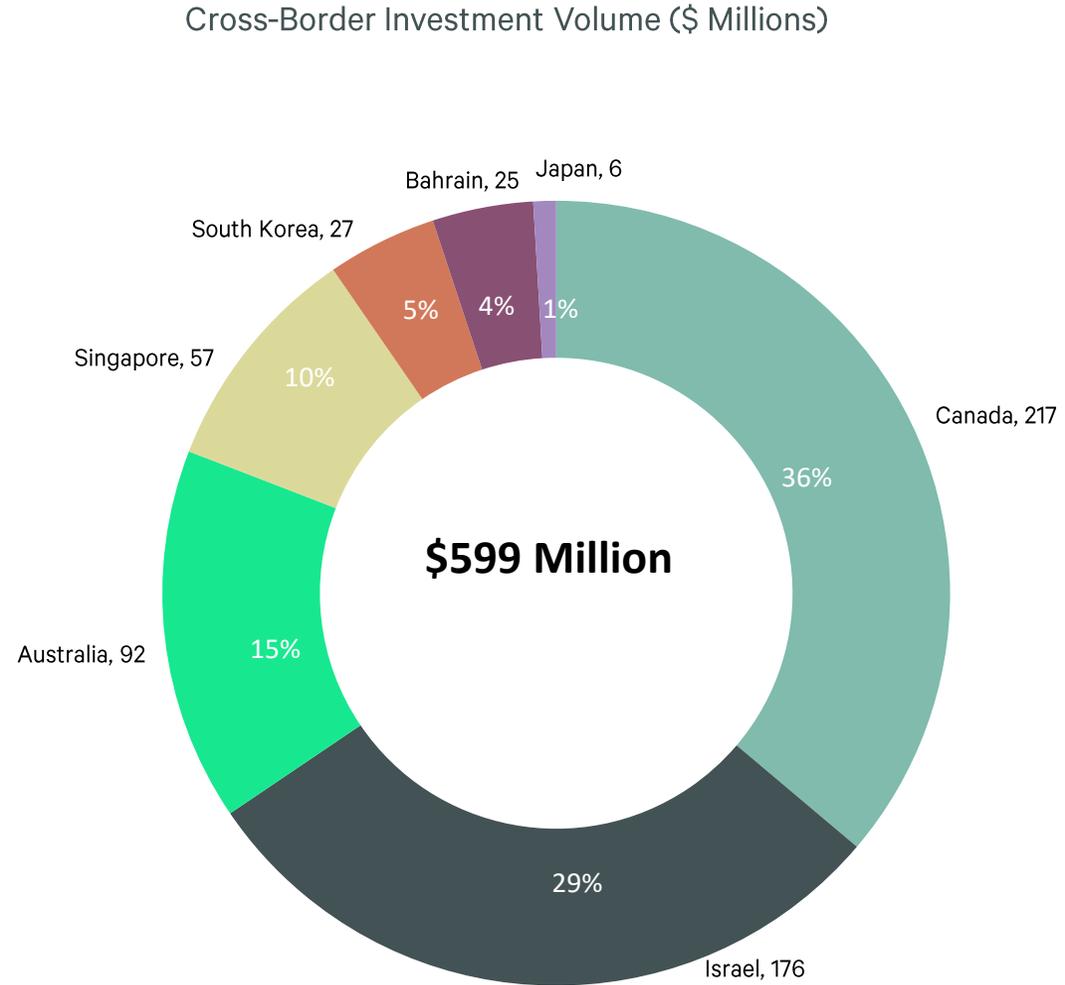
- France was the top country for inbound cross-border investment into Manhattan with \$977 million or 31% of the total for the trailing four quarters ending in Q2 2024.
- Italy accounted for just over 26% of the total volume with \$843 million followed closely by Qatar with \$823 million or just under 26%.



Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 15
Cross-border investment for all asset types by country of origin, trailing four quarters ending Q3 2023, Outer Boroughs and Suburbs

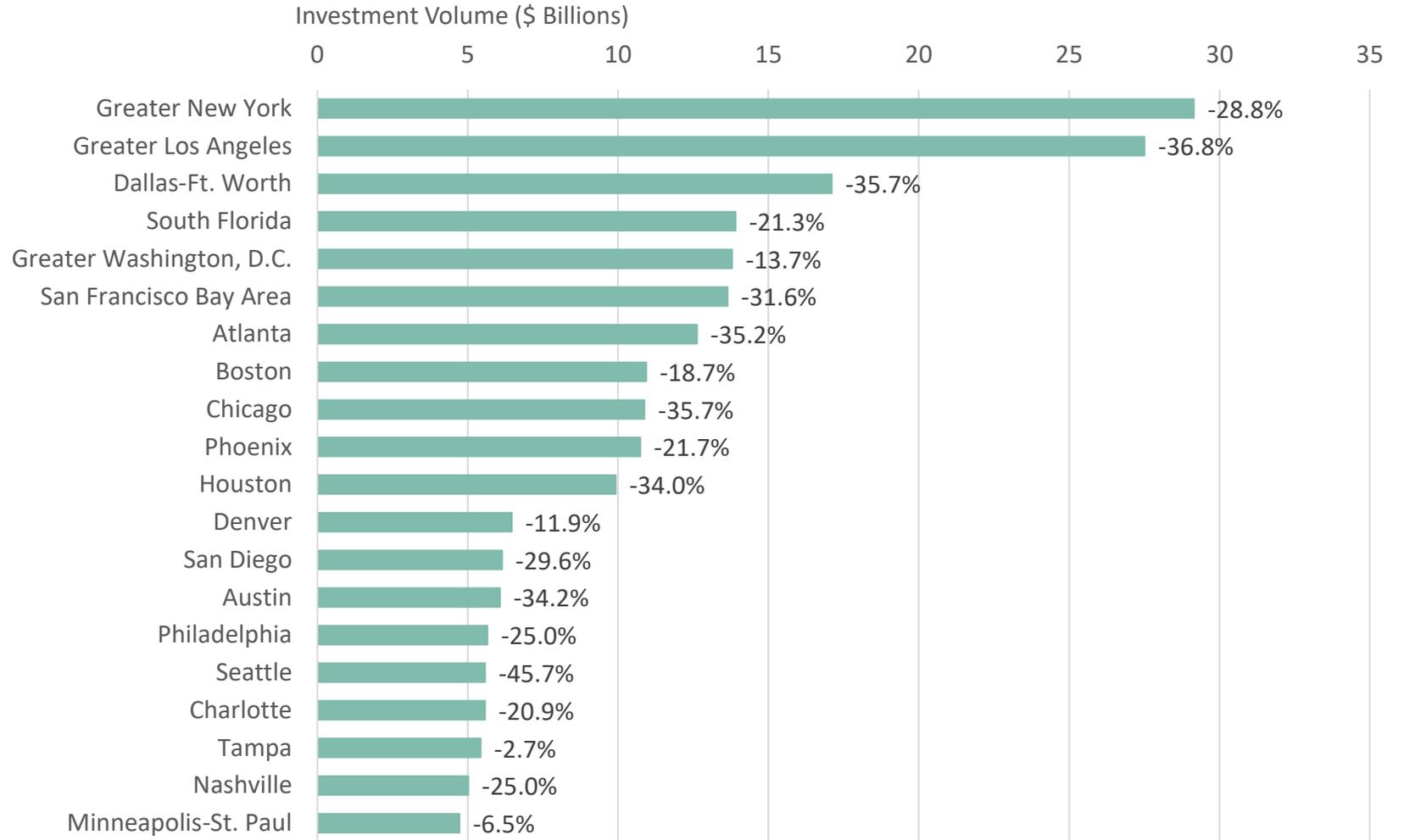
- Canada was the top country for inbound cross-border investment into the Tri-State region outside of Manhattan with \$217 million or 36% of the total for the trailing four quarters ending in Q2 2024.
- Israel accounted for 29% of the total volume with \$176 million followed by Australia with \$92 million or 15%.



Source: CBRE Research, MSCI Real Assets, Q2 2024.

Figure 16
Top 20 markets for total investment volume, trailing four quarters ending Q2 2023

— On a trailing four-quarter basis, New York Tri-State has the highest investment volume in the country followed by Los Angeles (\$28 billion) and Dallas-Ft. Worth (\$17 billion).



Note: Volume excludes development site transactions. Greater New York figures in this chart do not include New Jersey's Princeton submarket, which accounts for roughly \$500 million in additional transaction activity.

*Percentage change from trailing four quarter total in previous year.

Source: CBRE Research, MSCI Real Assets, Q2 2024.

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