



NYC Development Sites 2025 Lookback & 2026 Outlook

About Ariel Property Advisors

Commercial Real Estate Services

Investment Sales

Capital Services

Research Reports

Asset Evaluations

Brokerage Services

Financing



55

Person Company



NYC

Sales Specialist



100%

Real-Time Data



12+ MSF

Buildable Sales



731

Sales Transactions



\$7.6B

Gross Consideration

About Ariel Property Advisors

Our Mission Statement

Our mission is to provide real estate expertise that empowers clients, employees and communities to reach their full potential.

Development Site Expertise

Issues We've Successfully Navigated

Zoning
Complications

Environmental
issues

Structural
engineering
complications

Bedrock Issues

Sourcing
Equity/Financing

Landmarks /
Historic Districts

Regulatory
changes

Partnership
structuring

Ground Lease
Structuring

Hold-over
tenancy

Development Site Sales Volume Up in 2025

Development

\$ 12 Billion

10

8

6

4

2

0

'15

'16

'17

'18

'19

'20

'21

'22

'23

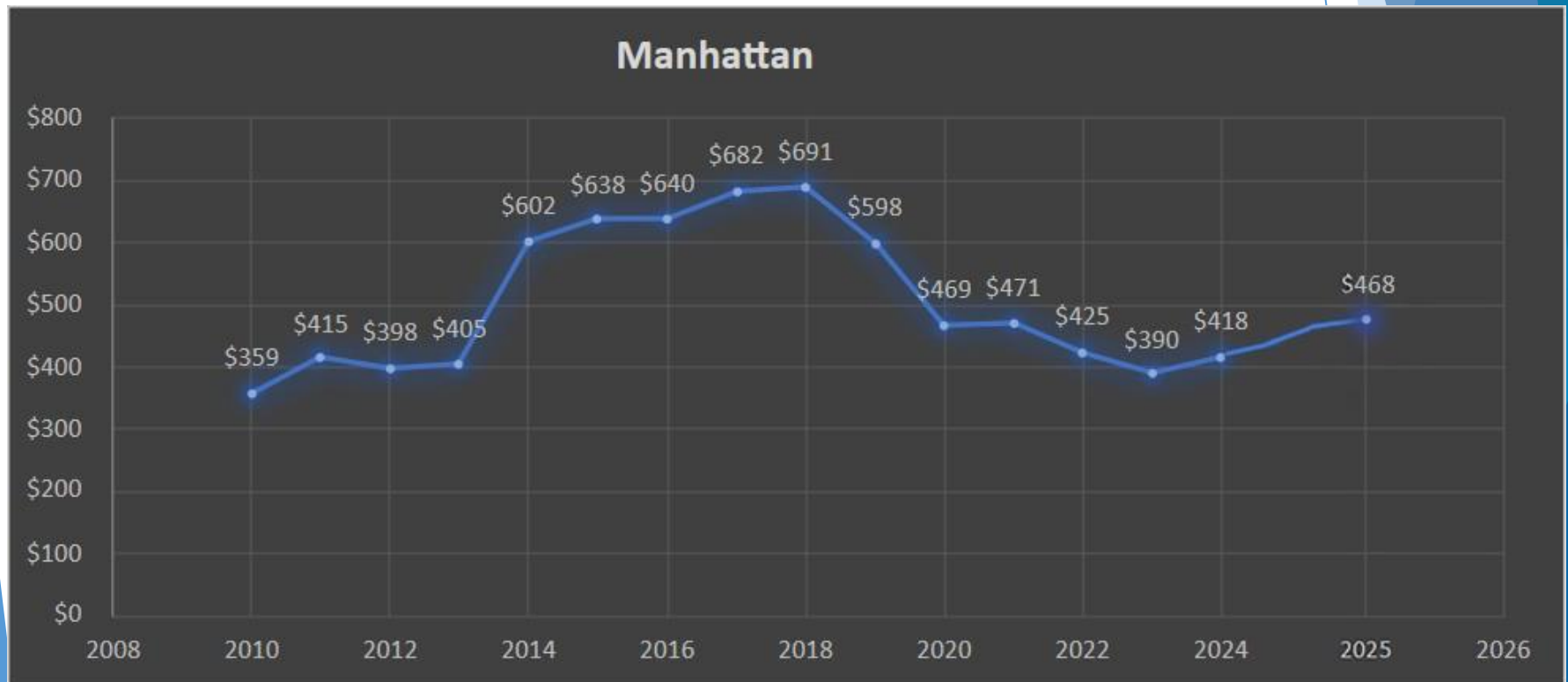
'24

'25

\$6.4B
in 2025

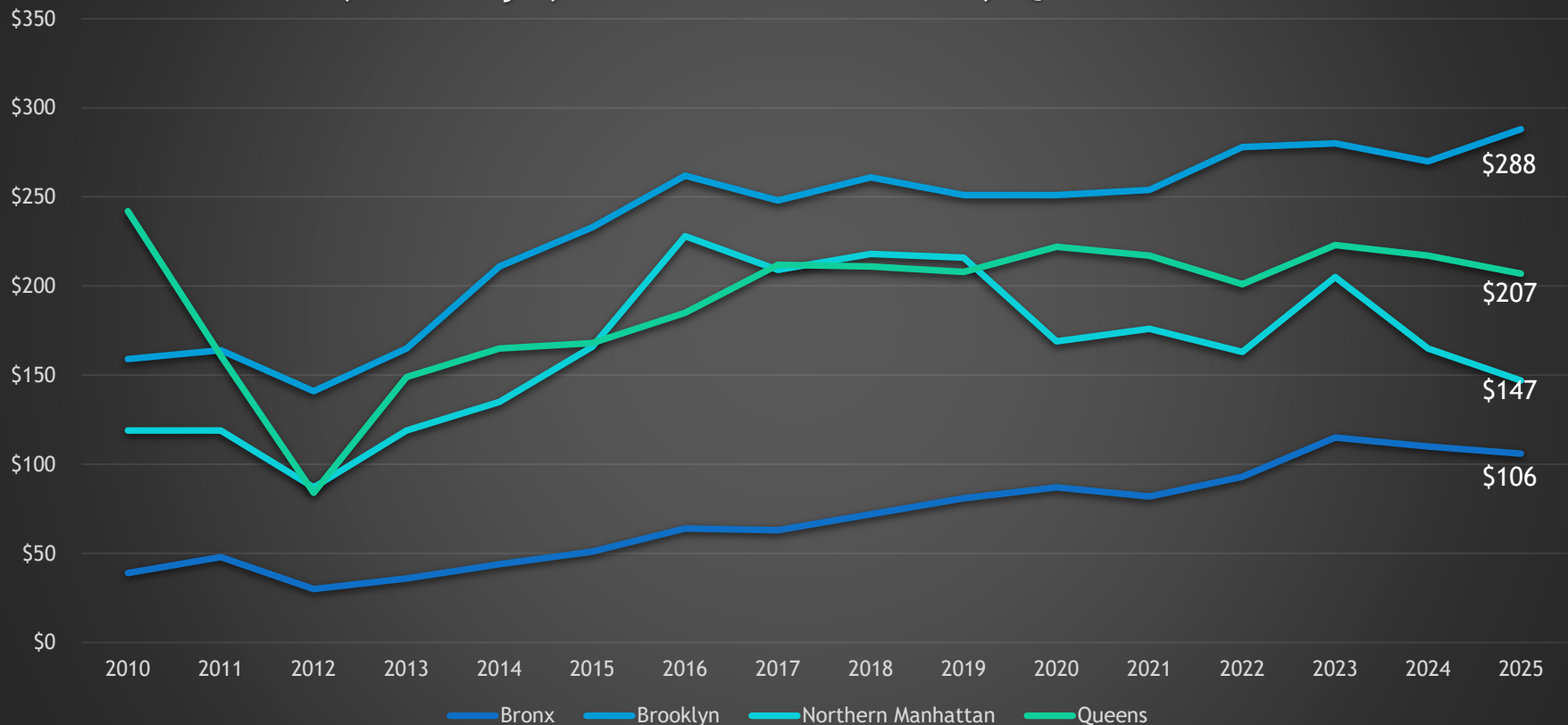
Manhattan Dev Site Prices Rose 12% in 2025

- Still well below peak pricing



Outer Borough Pricing Modestly Rose in 2025

Average Price per Buildable Sq. Ft., 2010-2025
Bronx, Brooklyn, Northern Manhattan, Queens



Condominium Pricing Growth Slowed, But Remains Elevated



Source: S&P Dow Jones Indices LLC via FRED®
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

2025 Positive Market Characteristics

Inputs

- **Developers confident with revenue potential**
- Costs elevated, but more or less predictable
- Falling interest rates help construction financing
- Tax abatement certainty
- City of Yes bolstered development site pricing and demand

Results

- More offers on every assignment
- Diverse developer pool
- More transactions provide critical pricing information and boost overall market confidence

What is holding back further pricing growth?

Construction Costs

- More predictable, but remain elevated & sticky

Interest rates

- Lower, but remain higher compared to pre-Covid levels
- 'Higher for Longer' outlook remains

Lingering caution

- Recent volatility on multiple fronts putting a cap on 'irrational exuberance'

City of Yes - Updated Observations



Reinforced pricing in 2025,
especially with early -
2025-macro uncertainty



More developers
using UAP
throughout the
city

How UAP
impacts
pricing
depends on
location and
revenue
profile of the
project



Developers getting
creative to blend down
pricing and build more
housing

2025 Ballot Initiatives

Proposal 2: Affordable Housing Fast Track

- Publicly Financed Projects
- Low-Production Districts
 - 12 Community Districts that historically reduced least affordable housing

Proposal 3: Expedited Land Use Review

- Shortend timeline
- Reduced oversight

Proposal 4: Affordable Housing Appeals Board

Stay tuned for details on implementation details, likely 3Q26

Positive Market Outlook For Owners Looking to Transact



Healthy level of developer demand



Transaction activity will continue to improve



Stable to moderately growing pricing environment, varying by location



Pro-development local/state government



Thank You!

Contact Us for Complimentary
Broker Opinions of Values

For more data, visit:
<https://arielpa.nyc/investor-relations/research-reports>