The New York multifamily market has been a hot topic lately, with many agents and landlords anxiously scanning headlines and chatter that the "market is soft." But is that really true? With the median sale price hitting a record **$475,000 in June** and some reporting an **8% year-over-year increase**, it's worth zooming in on the underlying data and local legal realities rather than relying on yearly buzzwords or hand-wavy claims.

After over 11 years in the Capital Region real estate trenches — working tenant-occupied sales, scrutinising rent caps, and sitting in on more than a few attorney phone calls where deals unraveled — I'm here to offer a grounded, no-fluff breakdown. I've seen this play out countless times: thought they could save money but ended up paying more.. We'll lean on data from trusted sources like McDonald Real Estate Company and the New York State Association of Realtors (NYSAR), while unpacking exactly what "soft" means in today's market.

What Does The $475,000 Median Actually Tell Us?

The first thing an agent or landlord should do when hearing market softness claims is sanity-check the median sale price against reliable sources. McDonald Real Estate Company recently reported that the median price for multifamily sales in the Capital Region hit a record **$475,000 in June 2024**. That median is up significantly from prior years, representing an approximate **8% increase year-over-year**.

Meanwhile, inventory levels are also noteworthy — listings are up by about 16 months of supply based on the current sales pace. At first glance, growing inventory combined with rising prices might seem contradictory. How can prices rise if supply is growing? The answer lies in shifting buyer pools, exemptions triggering confusion, and the practical impact of rent regulations.

Inventory Up 16 Months: What That Really Means

Want to know something interesting? a 16-month inventory supply indicates that if no new listings came to market and sales continued at the current rate, it would take over a year to sell all listed properties. This is a sign of cooling demand relative to supply compared to the frenzied past few years; however, it’s not automatically a crash signal. Both supply and demand fluctuate naturally with economic cycles, interest rates, and buyer behaviour.

Good Cause Eviction and Municipal Opt-In Reality

Many owners hear "Good Cause Eviction" (GCE) and immediately worry the entire rent-regulated landscape has shifted overnight. But the truth is more nuanced:

- **Good Cause Eviction** laws are currently active in New York State but only apply to municipalities that have formally *opted in*. Opt-in is not universal; many towns and counties have not adopted these provisions.
- In municipalities where GCE is in effect, owners must have a "good cause" to evict tenants, which includes reasons like nonpayment of rent, violation of lease terms, or owner move-in, among others.
- This regulation aims broadly to protect tenants but can slow down typical turnover and complicate management for small multifamily owners.

Understanding where GCE applies is critical because many owners **misread exemptions**. For example, some assume all units are automatically affected even when properties fall under exemptions like owner-occupied triplexes or buildings with timelines grandfathered out of eligibility. That misunderstanding inflates the perception of risk and can scare away buyers prematurely.

Why Owners Consistently Misread Exemptions

It’s common to see owners exaggerate the impact of rent and eviction regulations because of confusion about:

1. **Building size thresholds** — some laws only apply to buildings with six or more units.
2. **Owner occupancy clauses** — if the owner lives in one unit, regulations are often more flexible.
3. **Pre-existing lease rules** that grandfather current tenants differently from new tenants.

Failing to differentiate these categories leads to mispricing buildings and shutting out potential buyers who understand the nuanced landscape.

Rent Cap Math and CPI-Based Ceilings: Steady, Not Soft

One reason market participants declare "softness" is related to rent caps and the annual rent increase limits tied to the Consumer Price Index (CPI). The 2024 CPI-based ceiling for rent hikes allows increases approximately in the range of 3–4%, which is modest but positive.

Year CPI-Based Rent Increase Ceiling Median Sale Price ($) Year-over-Year Price Change 2022 5.0% 440,000 +6.5% 2023 4.2% 460,000 +4.5% 2024 3.8% 475,000 +8.0%

This table shows that while rental income increases have been moderate, sale prices have kept pace — even accelerated — signaling buyers factor in steady, predictable income growth, not drastic declines. Calibrating rent cap math properly is essential because exaggerated fears of non-increasing rents often cause unwarranted listing price reductions.

Buyer Pool Shift: Owner-Occupants and Flippers Exit

One of the most significant changes in the market dynamics is the shifting buyer profile. Where owner-occupants and speculative flippers once comprised a large share of sales, rising prices and increased borrowing costs have caused many of those buyers to step back.

- **Owner-occupants** are now more cautious, often finding that rent regulations limit upside after purchase. Many want turnkey, tenant-friendly properties that require little hands-on management, but these remain rare.
- **Flippers and small investors** are retreating due to squeezed margins and higher costs of rehab labour and materials.
- **Institutional and professional investors** with longer hold horizons and more capital are increasingly active, stabilising prices even as total sales volume slows.

These factors combine to create a market that appears "soft" in traditional volume metrics but remains robust in price levels due to sustained demand from sophisticated buyers.

Why You Shouldn’t Price Tenant-Occupied Buildings Off Single-Family Comps

A pet peeve worth calling out: too many agents insist on narrowing comps to single-family homes — then proclaim the multifamily market soft because single-family prices have flattened or declined in some suburbs. That’s flat-out wrong.

Tenant-occupied multifamily buildings behave differently from owner-occupied single-family homes. They’re primarily income-producing assets whose valuations tie directly to rent rolls, vacancy rates, and expenses — not just comparable sales of houses with nicer kitchens.

Instead, look for comps that include:

- Other tenant-occupied small multifamily properties in similar areas.
- Sales showing documented rent rolls and operating statements.
- Analysis reflecting the legal rent caps and eviction restrictions a property faces.

Leaving out rent rolls or ignoring compliance records is a "deal killer" I keep seeing way too often. It kills credibility with buyers who demand transparency and financials — not hype about granite countertops.

Final Thoughts: The Market isn’t Soft But It’s Complex

So, is the New York multifamily market actually soft with the median hitting $475,000 in June and inventory up https://realtytimes.com/new-headlines/good-cause-eviction-changed-what-a-tenant-occupied-listing-is-worth 16 months? The straightforward answer: **no, it's not truly soft, but it is more complex and varied than a simple 'soft/hot' label can capture.**

Key takeaways for landlords, agents, and buyers:

- Carefully check exemptions related to Good Cause Eviction laws before pricing a property.
- Understand the real limits set by rent caps and CPI-based ceilings — do the rent cap math yourself.
- Don't confuse rising inventory with falling prices; a growing inventory can reflect cautious seller behaviour, not a market crash.
- Account for a shifting buyer pool: fewer flippers and owner-occupants means more professional investors driving pricing stability.
- Always anchor your pricing and strategy to tenant-occupied multifamily comps with documented operating histories, not single-family home sales or vague market "softness" talk.

For updated market trends, resources, and guidance, visit McDonald Real Estate Company and NYSAR.

Remember: when it comes to tenant-occupied multifamily investment, real talk and solid data beat hype every time.