



May 22, 2025 | Presentation to the Rent Guidelines Board

Commercial Mortgage Debt Secured by Rent Stabilized Properties in New York City

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Introduction

The goal of this presentation is to provide the Board with data and context related to the debt currently secured by Rent Stabilized Multifamily properties in New York City and the market for Rent Stabilized Multifamily Commercial Real Estate (CRE) debt, including:

1. Scale and segmentation of current mortgage debt
2. Changes in debt origination over time
3. Scale and segmentation of property sales over time
4. Lenders and lender activity
5. Owner composition and debt levels
6. Property health and distress considerations

About Maverick Real Estate Partners

- Founded in 2010
- Acquires mortgage debt secured by commercial real estate in New York City, including Rent Stabilized properties.
- Manages a series of investment funds on behalf of pensions, endowments, foundations, and other institutional investors.
- Advises lenders on how to best resolve distress in their loan portfolios.
- Invests heavily in cleaning and connecting public and commercial data sets to gain deep insights into the New York CRE debt market. Today's presentation is based on this data.

Total Mortgage Debt

There is approximately \$131B in outstanding mortgage debt secured by Rent Stabilized properties across Manhattan, Brooklyn, Queens, and the Bronx (excludes Staten Island). Approximately \$27B is associated with 421a properties, which are excluded from the remainder of this analysis.

Total Debt: **\$131.1B**

Excluding 421a: **\$104.6B**

Loans: **20,428**

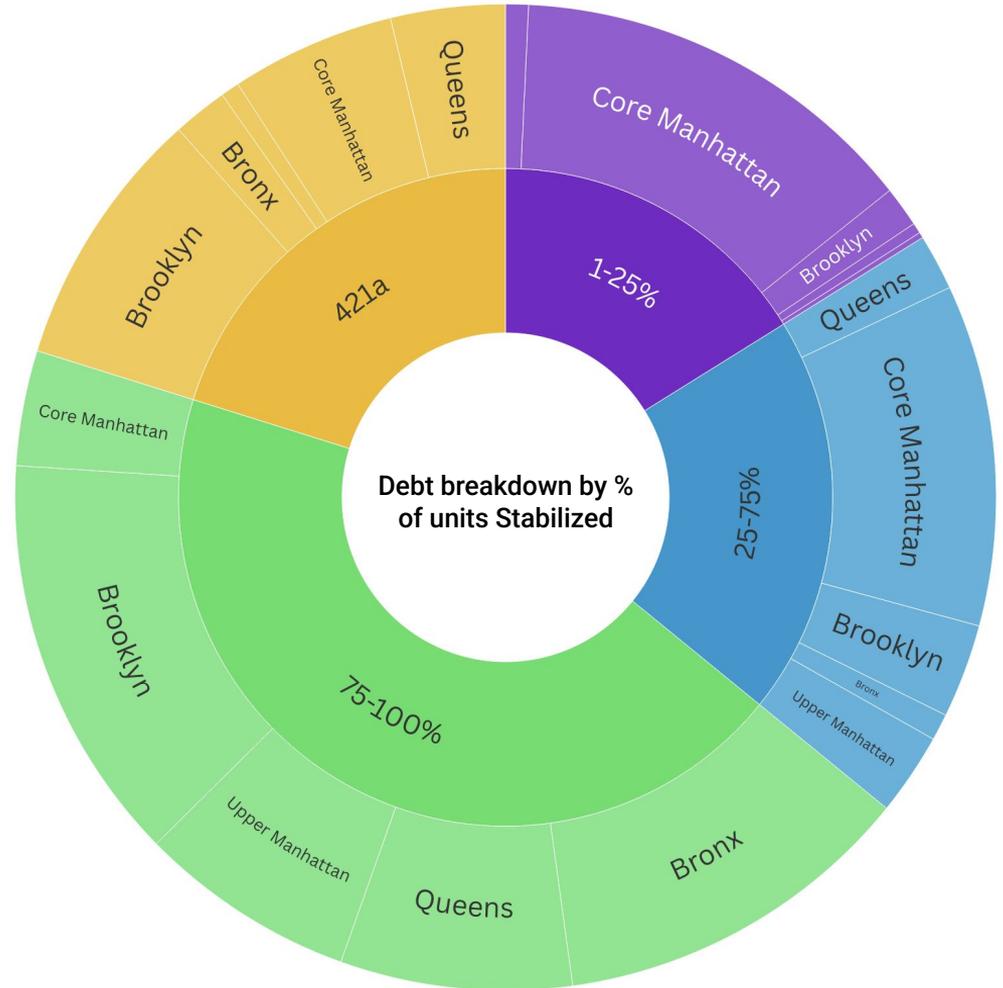
Properties: **25,986**

Residential Units: **851,706**

Stabilized Units: **664,923**

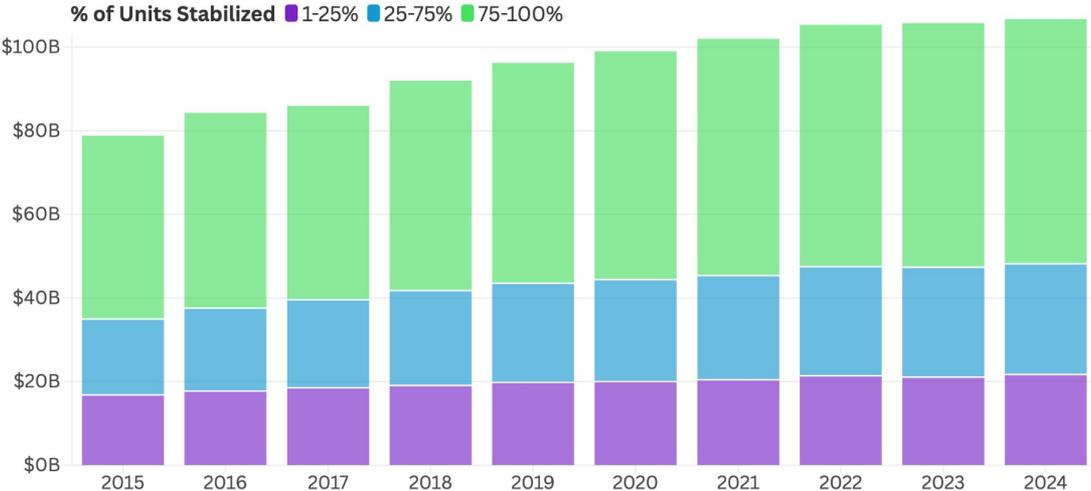
Non-Residential Units: **17,040**

Approximately 220,000 Stabilized units are in buildings that are mortgage debt-free.



Total Mortgage Debt: Change Over Time

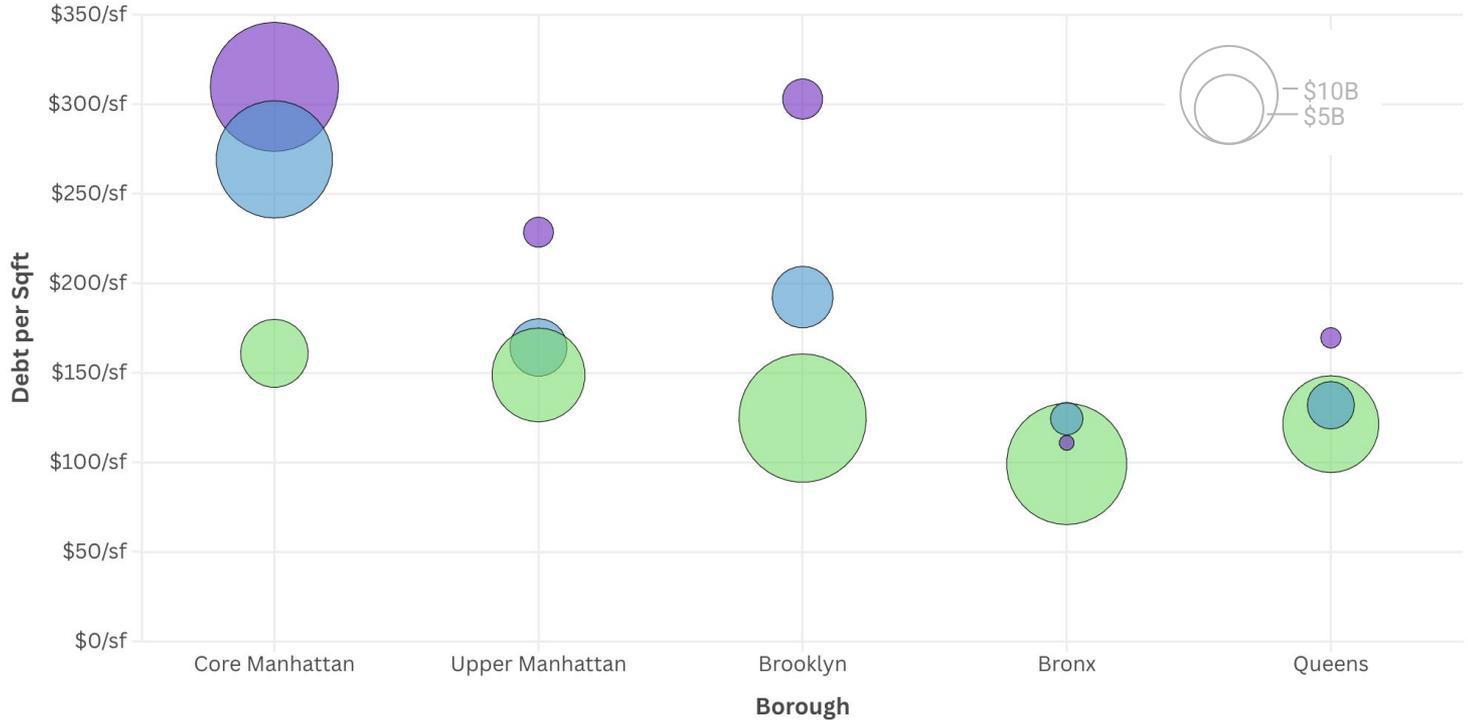
This debt has grown over time. The distinct character of Core Manhattan properties, with their lower percentage of Stabilized units, is evident.



Debt Levels by Stabilization Cohort and Borough

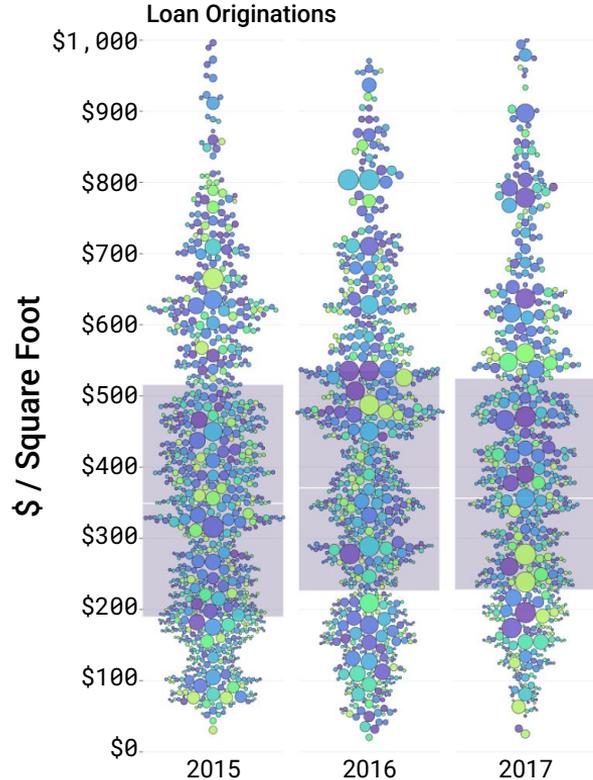
Breaking down by borough and Stabilization-level cohorts provides further insights into debt concentration. Except in Core Manhattan, the majority of debt is concentrated in buildings where nearly all units are Stabilized.

% of Units Stabilized ● 1-25% ● 25-75% ● 75-100%



Detailed Loan Origination Visualization

Averages and medians can obscure critical nuance in the data. For that reason, many of the charts in this presentation will provide a highly detailed view of transaction-level data.



How to read these charts:

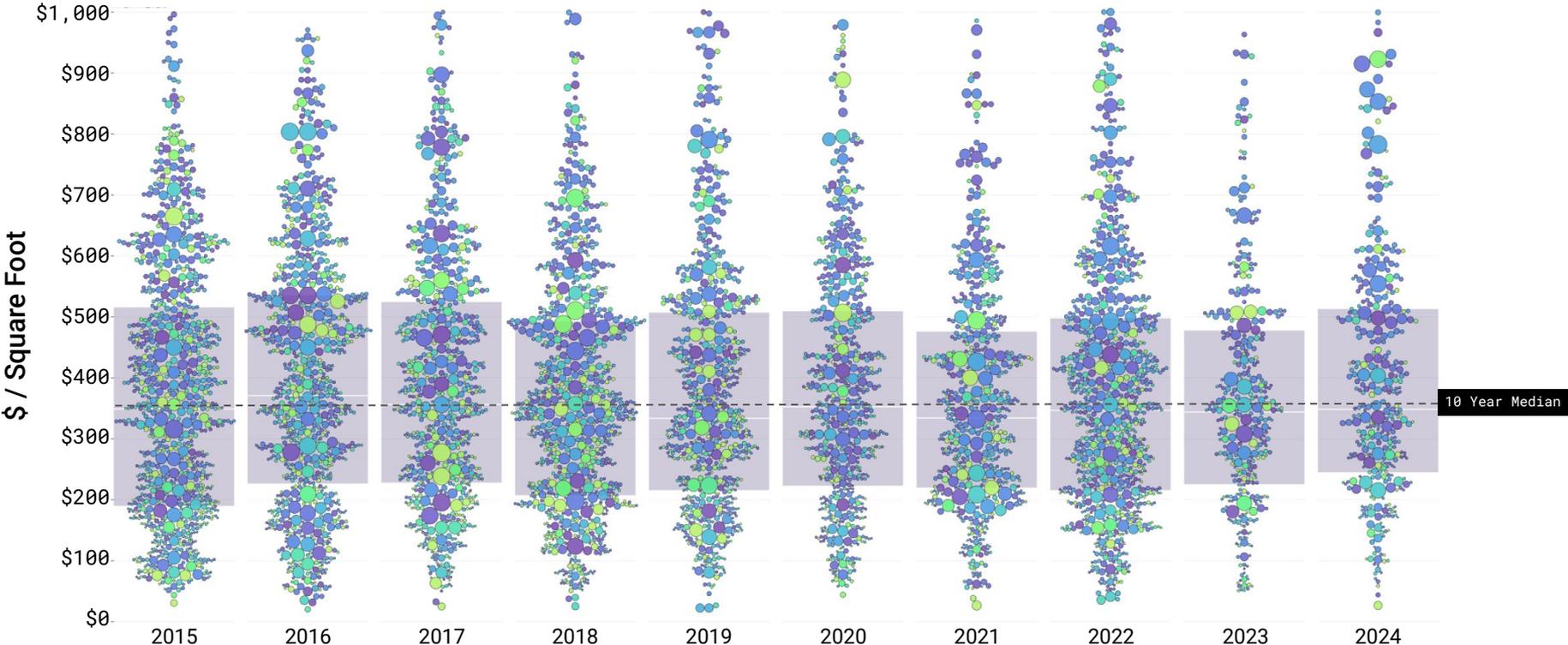
- 1 Each circle represents a transaction, in this example a new mortgage loan originated by a lender to an owner.
- 2 The vertical position (Y-axis) represents the value of the transaction in dollars per square foot, in order to put transactions of varying total size on equitable footing.
- 3 Larger circles represent a higher total dollar amount of the transaction.

- 4 The color of the circle represents the % of units that are subject to regulation in the properties securing the loan.

- 5 Each column represents a year of data. The horizontal positioning of a circle within a column has no meaning.
- 6 The grey box behind the circles shows the central 50% of the distribution of transactions, and the white line shows the annual median value.

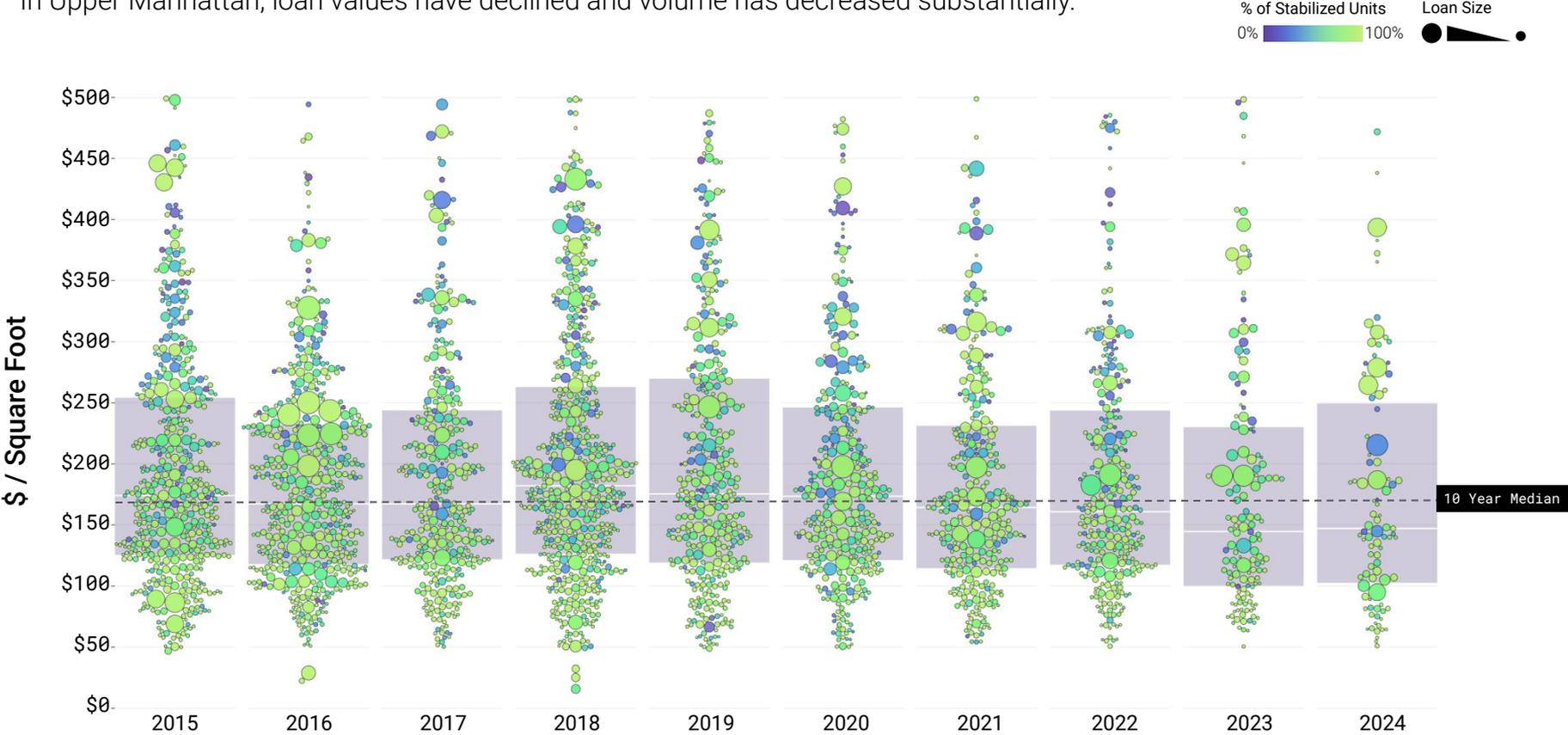
Debt Origination Over Time: Core Manhattan Detail

The following charts visualize all new loan originations over the last 10 years in each borough. Core Manhattan loan values have held steady, while volume decreased in 2023-2024



Debt Origination Over Time: Upper Manhattan Detail

In Upper Manhattan, loan values have declined and volume has decreased substantially.

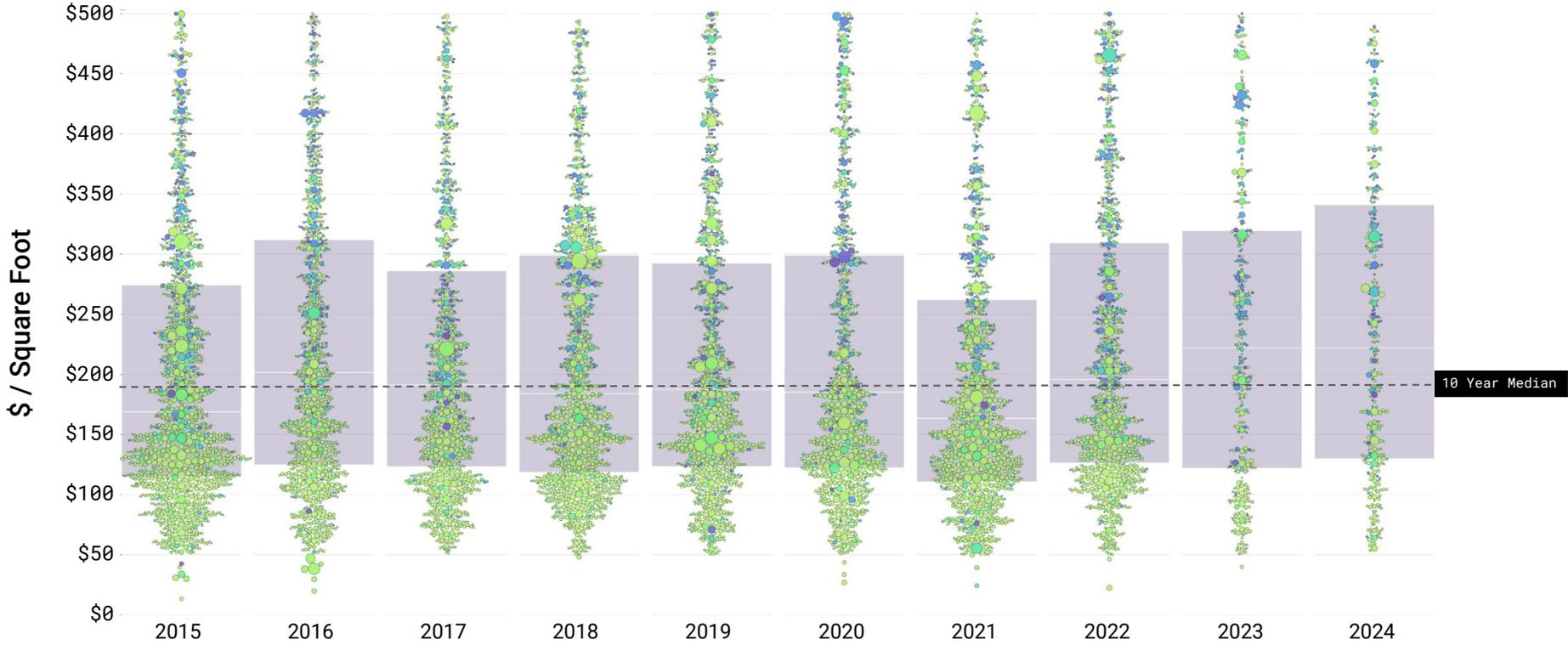


Debt Origination Over Time: Brooklyn Detail

In Brooklyn, median loan values have increased, but this is due primarily due to a dramatic decrease in loans originated for lower value properties.

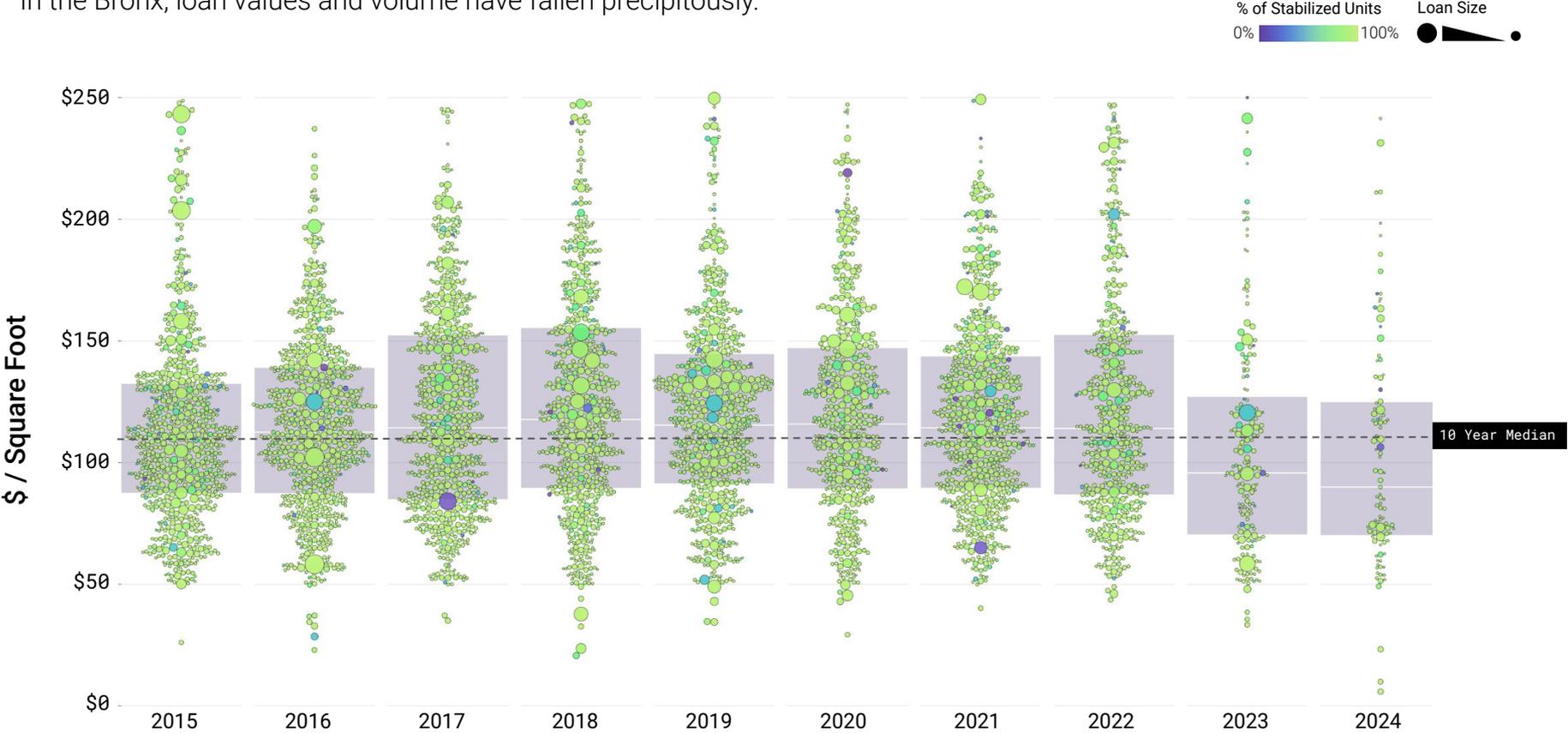
% of Stabilized Units Loan Size

0%  100% 



Debt Origination Over Time: Bronx Detail

In the Bronx, loan values and volume have fallen precipitously.



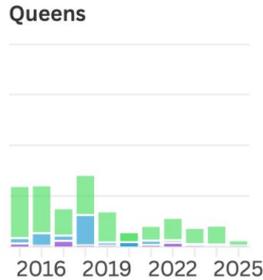
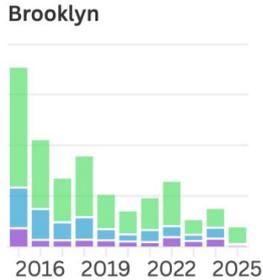
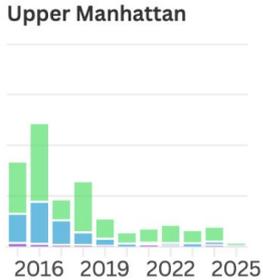
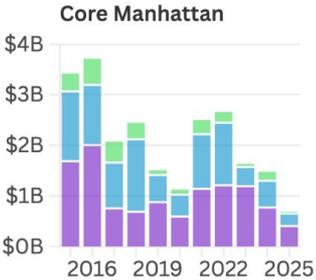
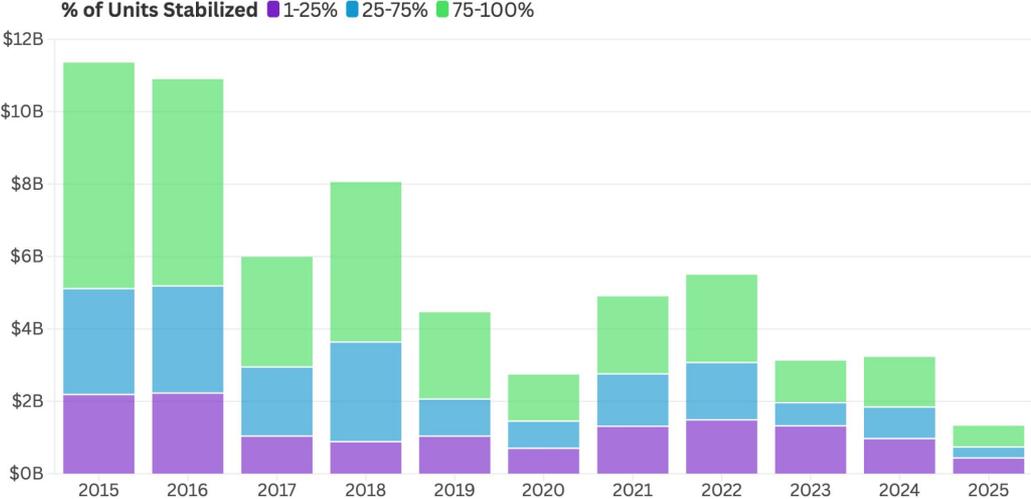
Debt Origination Over Time: Queens Detail

In Queens, loan values and volume are both down materially.



Property Sales: Change Over Time

The sales volume of Rent Stabilized properties has fallen over the last 10 years across all boroughs and Stabilization levels.

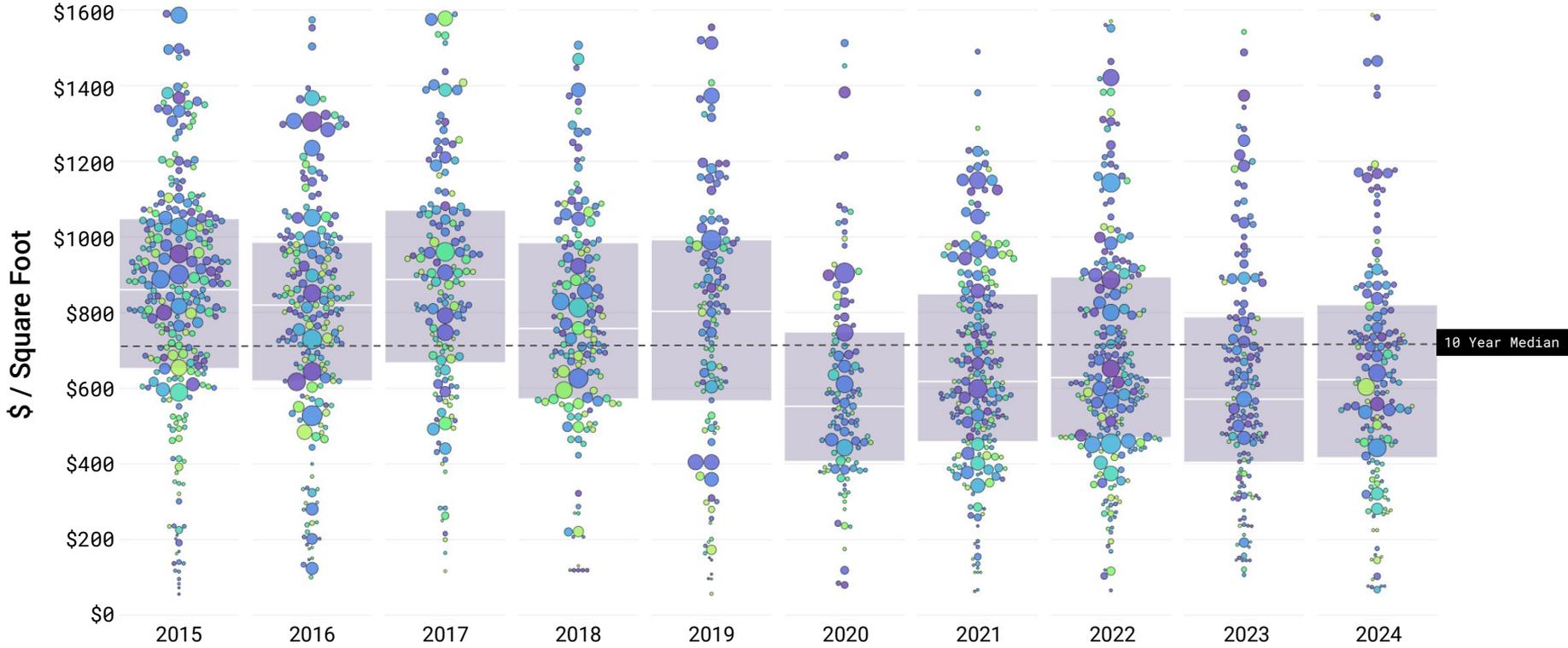


Property Sales Over Time: Core Manhattan Detail

In Core Manhattan, a clear inflection in sale values is visible between after 2019, but volume remains relatively consistent.

% of Stabilized Units Loan Size

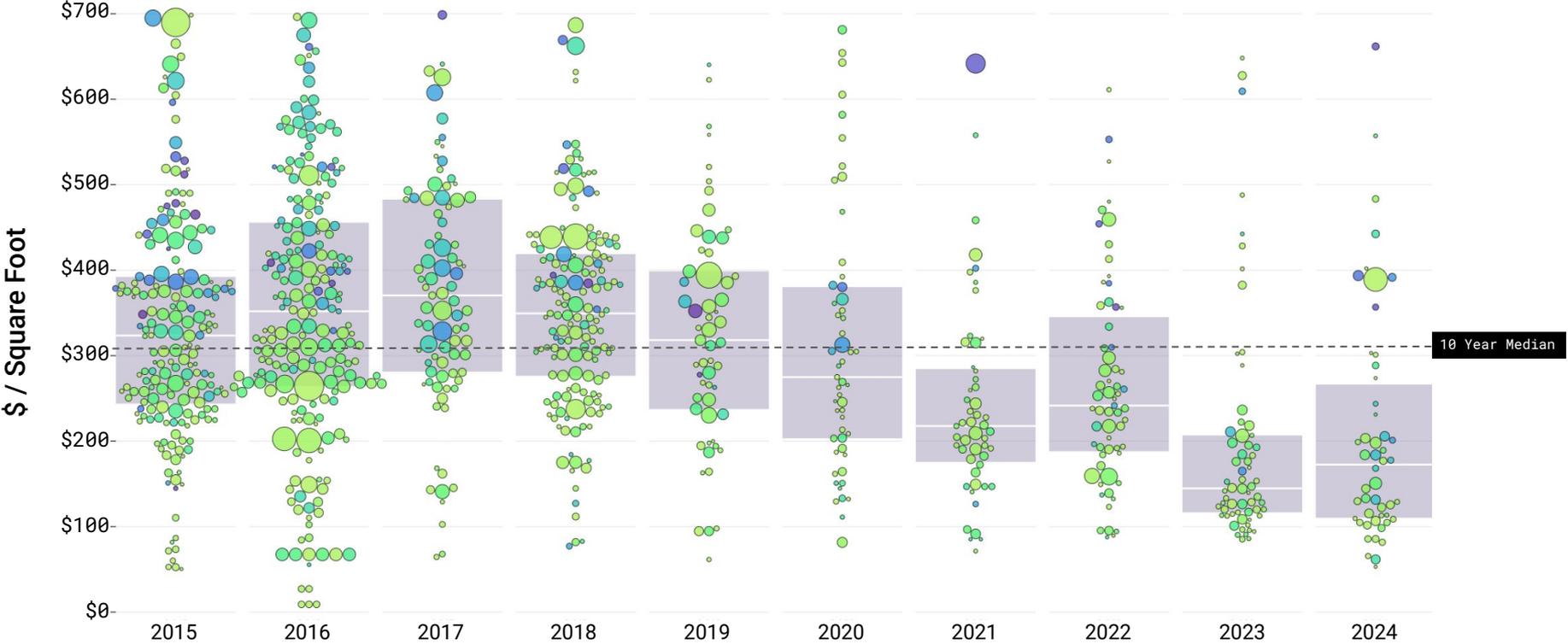
0%  100% 



Property Sales Over Time: Upper Manhattan Detail

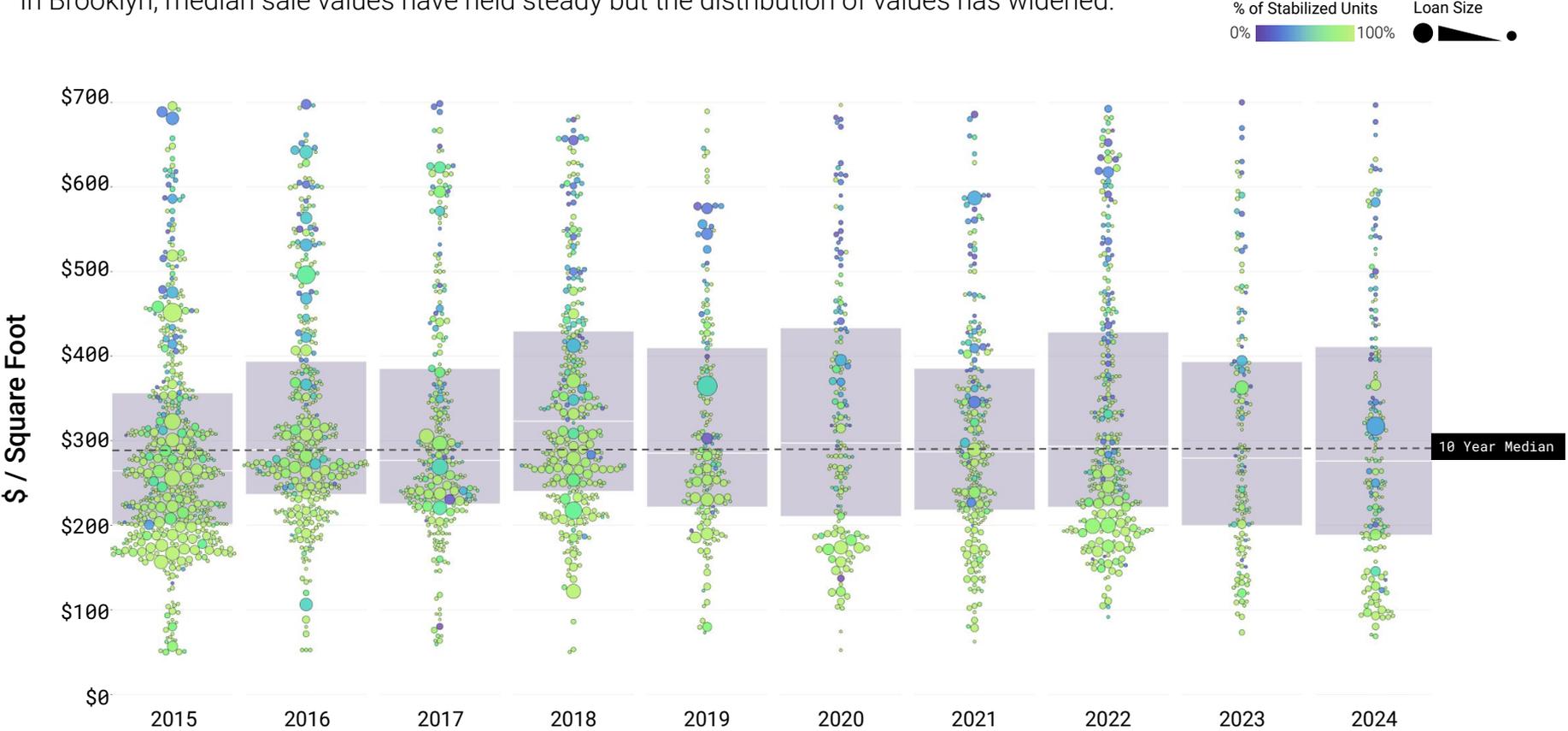
Upper Manhattan has seen a relatively steady decline in value since peaking in 2017. Median sales values have fallen by roughly half and volume has declined substantially.

% of Stabilized Units Loan Size
0%  100% 



Property Sales Over Time: Brooklyn Detail

In Brooklyn, median sale values have held steady but the distribution of values has widened.



Property Sales Over Time: Bronx Detail

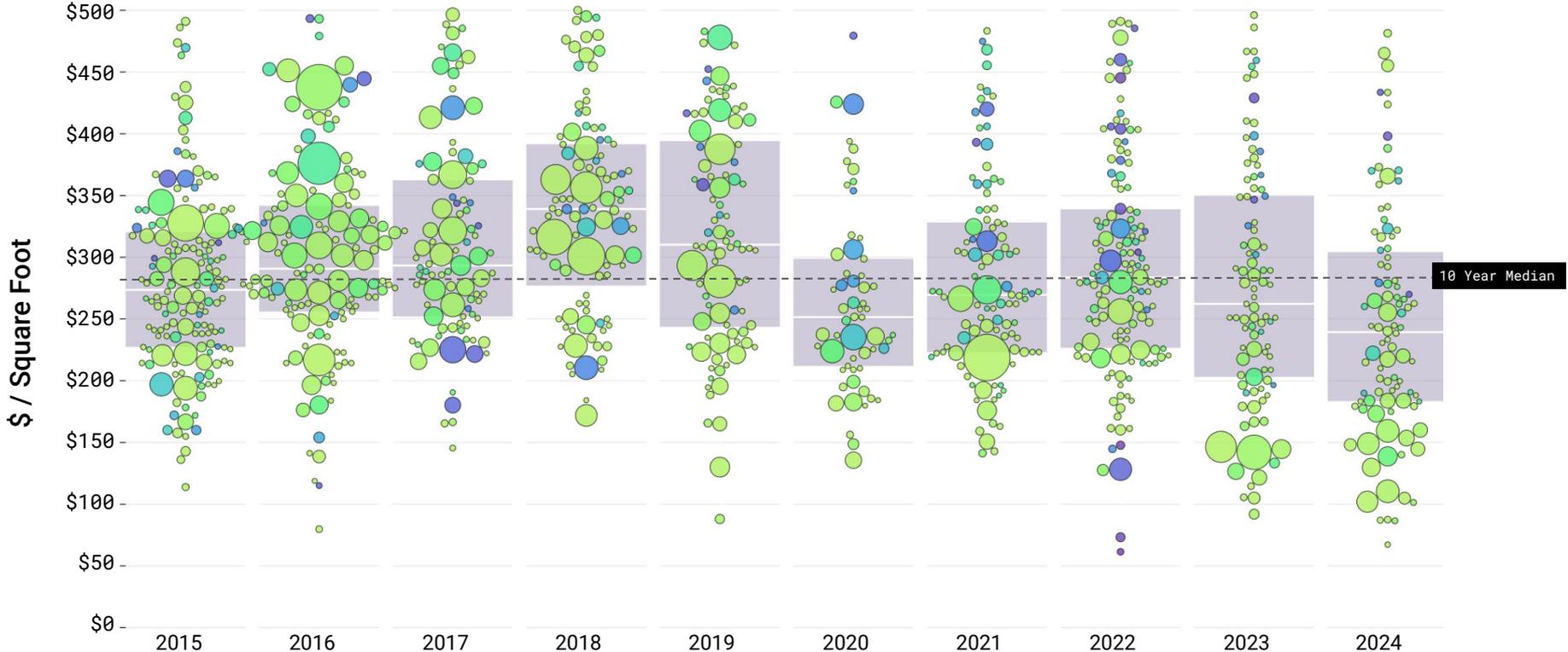
Similar to Upper Manhattan, Bronx sale values as well as volume have declined substantially, with the steepest drop happening since 2022.

% of Stabilized Units **Loan Size**
0%  100% 



Property Sales Over Time: Queens Detail

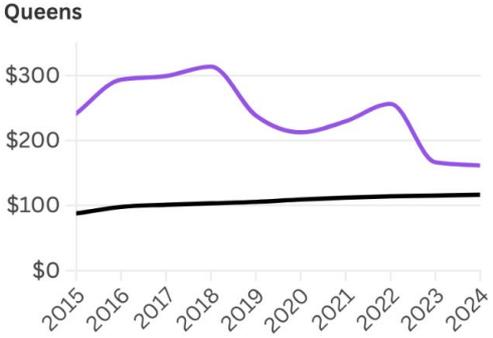
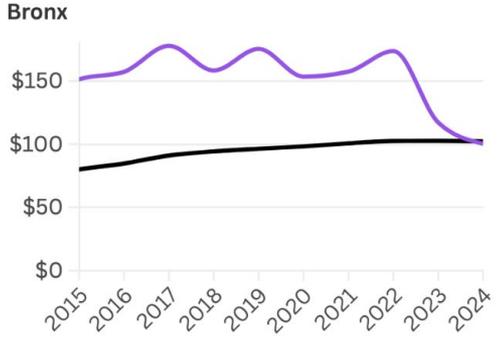
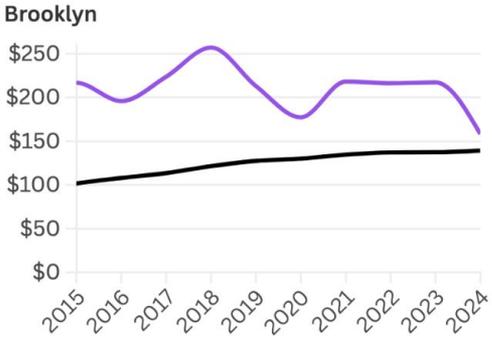
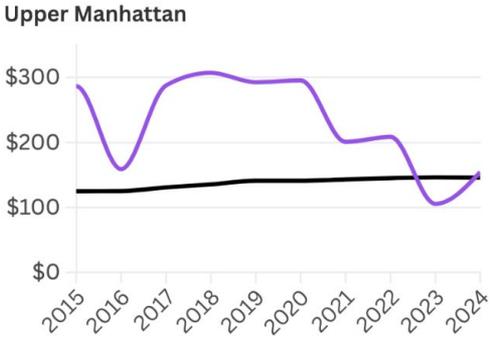
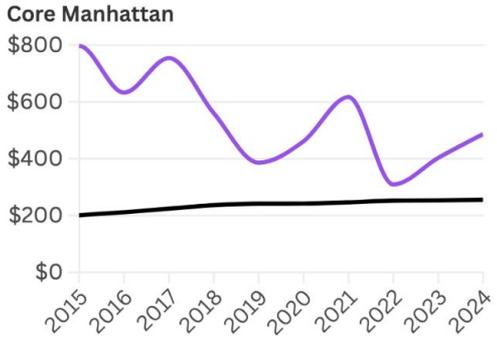
Queens also saw a downward inflection in value after 2019, and the distribution of values has widened, with more sales at low values.



Debt Levels Versus Current Sale Values

Comparing debt levels per square foot over time to sale prices illustrates the challenge facing Upper Manhattan and Bronx owners; many of these properties are likely underwater.

■ Debt per Sqft ■ Sale Price per Sqft



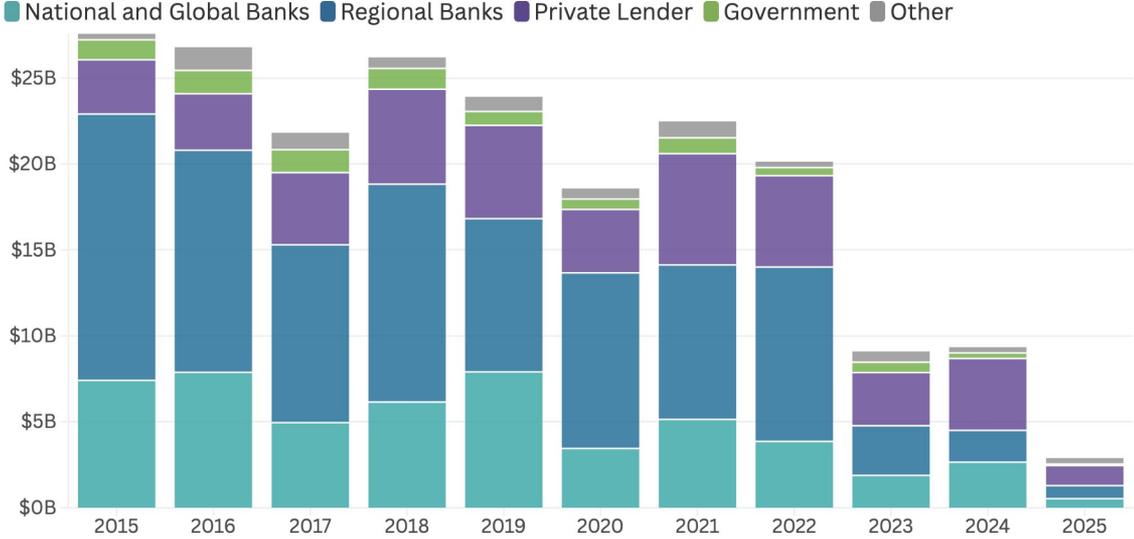
Lender Types

At right is a breakdown of lender types currently holding the debt on Rent Stabilized properties. Regional and community banks have historically been the biggest source of mortgage financing for Rent Stabilized properties.



Lenders: Change Over Time

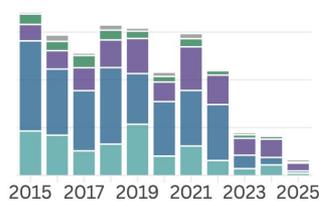
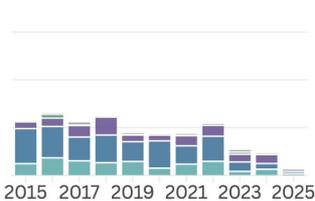
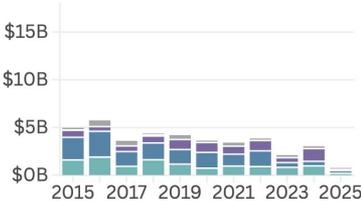
However, lender behavior has shifted dramatically since rates began to rise in mid-2022. Regional bank lending activity has virtually dried up relative to historic levels.



1-25% Stabilized

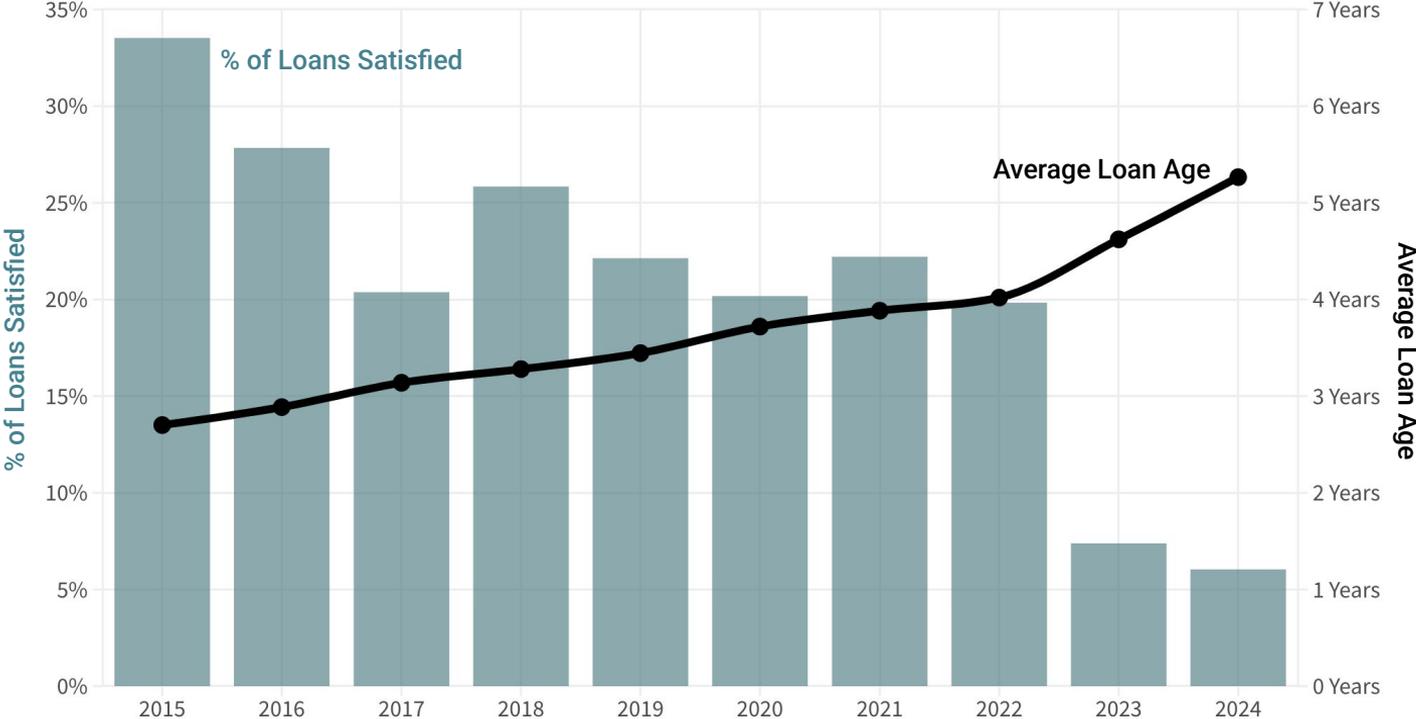
25-75% Stabilized

75-100% Stabilized



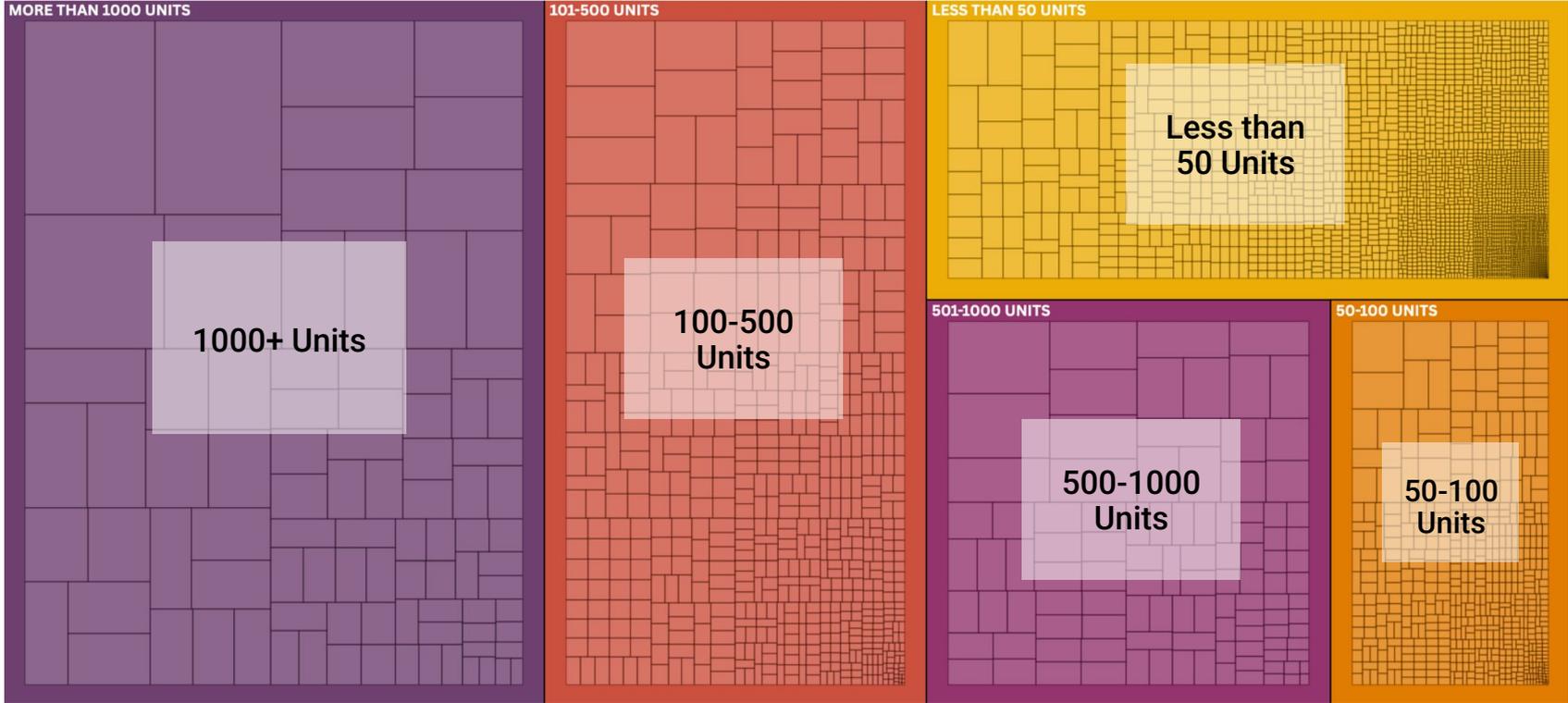
Loan Satisfactions and Average Loan Age

As the lending market has dried up, both lenders and borrowers have become stuck. The average age of these mortgages continues to grow, and the percentage of loans refinanced each year has dropped.



Owner Debt Relative to Units Owned

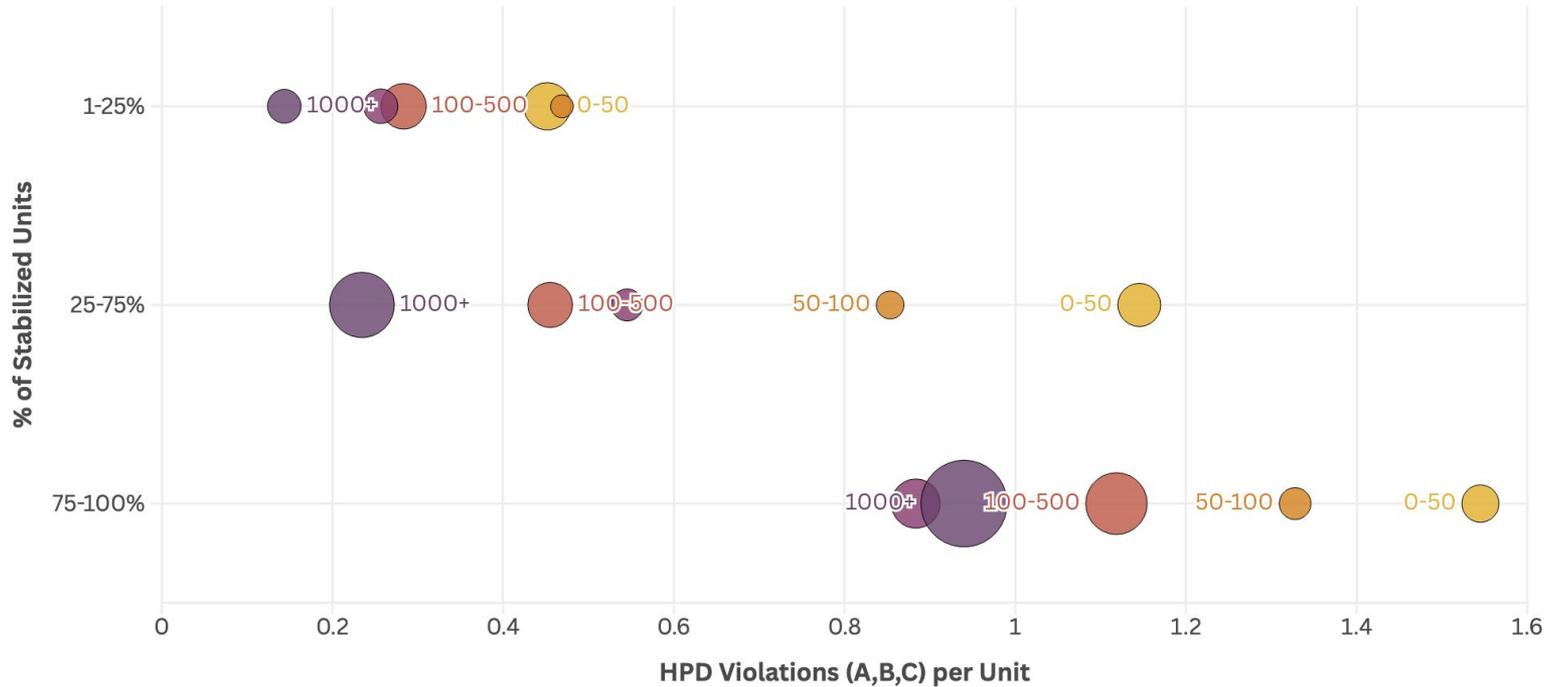
Ownership of Rent Stabilized properties across the city is fragmented. The chart below breaks down total debt on Rent Stabilized buildings by the number of Stabilized units in the owner's portfolio. Each box represents an individual owner's debt.



Violations

Smaller owners, those with less than 100 units in their portfolio, generally exhibit higher number of violations than larger owners, at all levels of Stabilization.

of Stabilized Units in Owner Portfolio 0-50 50-100 100-500 500-1000 1000+



Sources

1. Sale and loan origination / satisfaction data sourced via ACRIS
2. Rent Stabilization information sourced via Dept of Finance and DHCR
3. Property data sourced via DoF, HPD, and PLUTO
4. CMBS data sourced from Cred-IQ

For More Information

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