New York City’s Pipeline of Condos For Sale Is Shrinking

The supply for entry-level condos, those priced at $1,800 or less, is projected to plunge 74%, according to the report.

The rooftop pool under construction. *Photographer: Stephanie Keith/Bloomberg*

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New York City’s pipeline of market-rate homes is shrinking, a bad sign for efforts to address the ongoing housing shortage.

An average 13,000 condo and rental units will come to market annually through 2029, down from the 13,400 average over the last decade, according to Corcoran Sunshine Marketing Group’s 2026 Pipeline report. The supply of for-sale housing is especially crunched: New condos launched for sale across Manhattan and studied areas of Brooklyn and Queens are projected to fall 11%.

About 52,000 combined market-rate condo and rental units will come to market through 2029, according to the report. That's far below what the city says it needs to end its housing crisis. Mayor Zohran Mamdani's administration estimates New York needs 700,000 additional housing units over the next decade, or roughly 70,000 a year, across all income levels.

"These numbers are definitely low and definitely below what we think the market could support or certainly what it needs," said Ryan Schleis, senior vice president of research & analytics at Corcoran Sunshine.

The supply for entry-level condos, those priced at $1,800 per square foot or less, is projected to plunge 74%, according to the report. Schleis said stubbornly high interest rates are to blame, cooling demand for potential buyers outside the luxury market and adding to rising development expenses that make new projects harder to justify financially. As a result, new condo buildings are smaller and more expensive. Manhattan has almost 3,000 luxury units in the pipeline priced at $2,400 per square foot or more. Core Manhattan has only around 170 entry-level units in the works.

Manhattan developers have brought fewer than 1,500 new for-sale units to market annually in recent years, below the roughly 1,800 units that typically sell each year. That gap that has been growing since 2019, when a change to the state's rent law also effectively ended the practice of converting rental buildings into condos or co-ops. These conversions once accounted for a steady for-sale supply and were typically priced more affordably.

Instead, developers are increasingly betting on rentals, which offer steady cash flow in a city where roughly two-thirds of households rent. More than 40,500 rental units are expected to come to market through 2029, about 78% of the 52,000 total units in development. Government incentives have reinforced the imbalance with tax-abatement programs largely favoring rental development, while nearly 13,000 units from office-to-residential conversions in core Manhattan areas are expected to be rentals.

"There's always people that need to rent in New York. There's definitely never enough rental housing," Corcoran's Schleis said. "But with how things are going, we're just going to see fewer and fewer opportunities for home buyers who are looking for things under $3 million in particular."