

What's happening in NYC real estate January 2026

It's the first newsletter of 2026, and hopefully everyone is off to a great start to the year. January moved quickly and was very cold here in NYC, with plenty of activity to talk about.

As is typical with a new calendar year, there's a renewed sense of optimism in the air. The gyms are packed, offices are busy, and everyone seems ready to get moving. The only thing that slowed things down was Mother Nature.

Along with much of the country, New York City was hit with a significant snowstorm, the kind we haven't seen in quite some time. While there was plenty of warning, it didn't stop grocery stores from being overrun with people stocking up on supplies. The storm has passed, but the piles of snow remain, making it an adventure to get around the city.

The real estate market wasted no time kicking off the year. Activity usually builds gradually, but buyers hit the ground running. Aside from a few days of prohibitive weather, showings were active and offers were being made. It's been one of the busiest starts to a year we've seen in a long time, and notably, nothing fundamentally changed other than the calendar.

Inventory remains at historic lows, mortgage rates are hovering around six percent, and prices are still out of reach for many. Buyers may simply be tired of waiting and have accepted this as the new normal. If demand continues at this pace, it's possible we find ourselves back in a seller's market later this year.

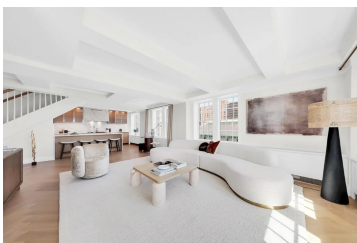
As always, my advice stays the same. Be prepared, stay alert, and be ready to act when opportunity presents itself. Markets shift quickly, and whether you're buying or selling, preparation makes all the difference. If you're considering a move this year, let's grab a warm cup of coffee and talk through a smart plan for the spring.

Our Spotlight this month is on land leases. Many people were surprised by a recent court decision allowing a 450% land lease increase at Carnegie House. It made headlines across major publications and left many wondering how something like that could happen.

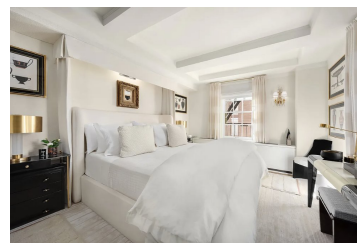
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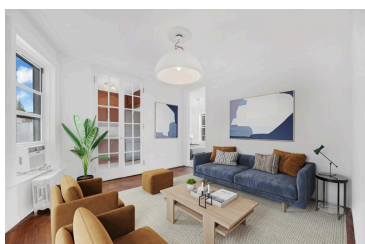
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SPOTLIGHT ON: New York City Land Leases



Land leases were front and center in the news this month after a judge approved a 450% ground rent increase at Carnegie House. The headlines were dramatic and understandably unsettling, but land leases themselves are not new or uncommon in New York City. They've been part of the housing landscape for decades, particularly in older co-ops built on land owned by a separate entity under what's known as a leased-fee arrangement.

In a land lease building, the structure is owned by the cooperative, but the land beneath it is owned by someone else. The building leases that land, often under agreements written many decades ago. These leases can last 100 years or more and typically include built-in escalations or periodic resets tied to the value of the land. That structure is what makes land leases both unique and risky if not fully understood.

A good rule of thumb in Manhattan is this: when you see a listing that feels too good to be true, you start asking questions. A four-bedroom for \$500,000 or a massive apartment at a fraction of the neighborhood price usually has a catch. More often than not, that catch is a land lease.

Land lease apartments typically have three components built into the monthly maintenance. First are the building's operating costs. Second is the land lease payment itself, which is what usually pushes the maintenance higher than comparable buildings. Third are real estate taxes, which in many land lease buildings are passed directly through to shareholders. Because of that structure, land lease apartments almost always trade at a discount.

Carnegie House is an example of what can happen when those risks fully materialize. Its ground lease reset based on the underlying land value, and with 57th Street being some of the most valuable land in the city, the increase was substantial. While this is an extreme case, it's a reminder of why land leases require careful analysis.

That said, not all land leases are bad investments. Some have performed very well, especially when the lease terms are long, predictable, and properly priced into the purchase. On a personal note, I actually did a rental in Carnegie House many years ago, long before it was making headlines. And for anyone curious to see how land leases can still present value, I currently have a very large two-bedroom available for just \$369,000. As with everything in New York City real estate, it comes down to understanding what you're buying and making sure the numbers make sense.

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