



COSTAR INSIGHT

## Developers bet on 'almost-New York' apartment boom

In six months, nearly 9,000 units have been delivered in neighborhoods close to the city



The largest property completed during the third quarter was The Journal, a 1,723-unit development in Jersey City. (CoStar)

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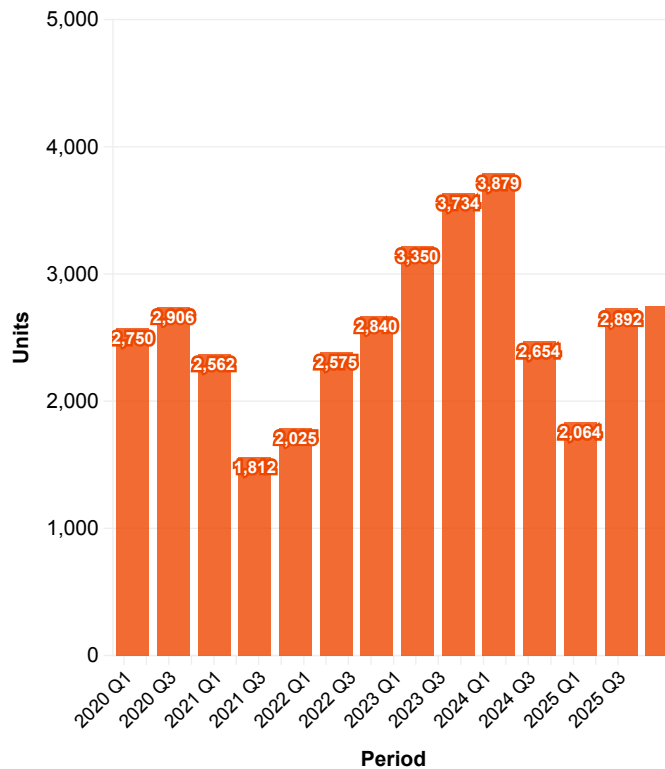


Want to live in New York City? Well, developers are hoping you will strongly consider neighborhoods just outside of it.

These markets are adding luxury units in amenity-rich buildings near transit hubs, with rents that are far more approachable than those of their recently built NYC counterparts.

Over the past two quarters, more than 8,700 units have been completed in neighborhoods just outside the Big Apple. Nearly 5,000 units were completed in the third quarter alone, marking the highest quarterly total in five years.

## Total apartment completions outside New York City



Source: CoStar, October 2025



Where have developers been most active? [Yonkers](#) and [New Rochelle](#) on the New York side of the Hudson River, and [Jersey City](#) and [Bergen County](#) in New Jersey. These areas continue to experience increased construction activity, a sign that developers view the affordability gap in New York City as a lasting opportunity.

## Homes across the Hudson

Jersey City has long been part of New York's migration story, but the scale of its current apartment boom stands out. Between 2020 and 2024, more than 13,000 units came online, and as of today, more than 7,000 are under construction.

Jersey City officials have invested heavily in public spaces and infrastructure to enhance lifestyle appeal. Waterfront and downtown districts, such as Exchange Place, Newport and Journal Square, are evolving into walkable communities that offer a diverse range of dining, retail and cultural options. With door-to-door commute times of less than 30 minutes into Manhattan's office core, many renters increasingly view Jersey City as a deliberate choice, not a compromise.

The latest addition is among the region's largest multifamily developments: [The Journal](#), a pair of 64-story glass towers completed in the third quarter of 2025. The project comprises 1,723 rental units, 45,000 square feet of luxury amenities and 40,000 square feet of ground-floor retail space, anchored by a new Target.

## Renting in the suburbs

For renters seeking even more value and willing to accept longer commutes, developers are active in suburban markets across Westchester and Bergen counties.

Recently built apartment buildings in these areas offer one-bedroom units with monthly rents ranging from \$2,500 to \$3,000; that's half of what similar units in recently built buildings in desirable NYC neighborhoods command. Even so, renters here can find door-to-door commute times to Midtown Manhattan that are still under an hour.

For young families priced out of the city as well as the rising costs of homeownership, these developments offer a blend of affordability, extra space and access to suburban schools.

## Don't expect a construction boom in NYC

From 2020 to 2024, [New York's apartment inventory grew by 6%](#), a far cry from the more than 20% growth witnessed in markets such as Orlando, Florida, Phoenix and Austin, Texas.

Market participants note that construction activity in New York City peaked in recent years as developers aimed to get ahead of the expiration of the 421-a tax incentive, which had spurred the construction of housing units. The tax incentive that replaced it, 485-x, has [largely been panned as a far weaker alternative, with stalled projects resulting](#).

These issues with city government have generated some pessimism about the prospects of New York's apartment market, [according to a poll](#) of participants at a CoStar webinar for commercial and multifamily real estate professionals. About 40% of respondents cited government-related concerns as the biggest challenge facing New York City's apartment market.

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