

Residential Cap Rates by Metro

Q2 2026 · Yield

Executive Summary

Compression in primary luxury metros has stalled; secondary coastal markets show 40-80 bps of expansion year-over-year. Selectivity matters more than vintage in this cycle.

Metro	Cap Rate	YoY Δ	DOM (days)
Manhattan (luxury condo)	3.6%	+10 bps	112
Aspen (SFR)	2.3%	-15 bps	186
Malibu (SFR)	2.8%	+25 bps	144
Miami Beach (waterfront)	3.9%	+45 bps	98
Hamptons (SFR)	2.6%	+5 bps	201

Findings

Manhattan luxury condos: cap rates flat at 3.4–3.8%, but effective yields rising as carry costs normalize.

Aspen and Park City single-family: persistent compression below 2.5% on trophy assets — driven by scarcity, not fundamentals.

Miami Beach and Palm Beach: spreads widening between waterfront and second-tier inventory; selective entry windows opening.

Recommendation

Prefer markets where days-on-market has expanded >25% YoY without distressed pricing — a signal of healthy repricing rather than dislocation.