

LIVE WEBINAR

WAKING UP
THE CITY THAT NEVER SLEEPS

WELCOME TO COFFEE & CAP RATES

Sponsored by

BERDON ACCOUNTANTS
AND ADVISORS™
LISTEN. SOLVE. DO. >™

Ariela
PROPERTY ADVISORS

ABOUT ARIEL PROPERTY ADVISORS

Complementary Divisions

INVESTMENT SALES



Quality
Brokerage Service

CAPITAL SERVICES



Debt &
Equity Solutions

RESEARCH



Asset Evaluations
& Market Reports



LEGAL OUTREACH

Real Estate Professional Exposure Program



LEGAL  **UTREACH**

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LISTEN. SOLVE. DO. >

F B
FISHER BROTHERS

C **camber**
property group

Signature

SIGNATURE BANK

LET'S MAKE A DEAL 2020-2021 PROGRAM



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| <u>Date</u> | <u>Presenter(s)</u> | <u>Topic</u> | <u>Summary</u> |
|-------------|---|--|---|
| 11/5/20 | Ariel Property Advisors & Berdon LLP | <i>Kickoff & Introduction to Real Estate</i> | <i>Introduction to Shimon Shkury, Meyer Mintz, and team mentors; overview of curriculum and project; lesson on understanding the different asset classes.</i> |
| 11/19/20 | Fisher Brothers | <i>Interworkings of a Real Estate Company</i> | <i>Lessons on Development and Construction Management, Asset Management, and Property Management, with Property Management activity.</i> |
| 12/17/20 | Ariel Property Advisors | <i>How Investors Evaluate a Property</i> | <i>Lesson on analyzing an income-producing property with sample activity.</i> |
| 1/21/21 | Ariel Property Advisors | <i>Investment Sales</i> | <i>Lesson on Investment Sales and Marketing; project groups meet to discuss marketing their building.</i> |

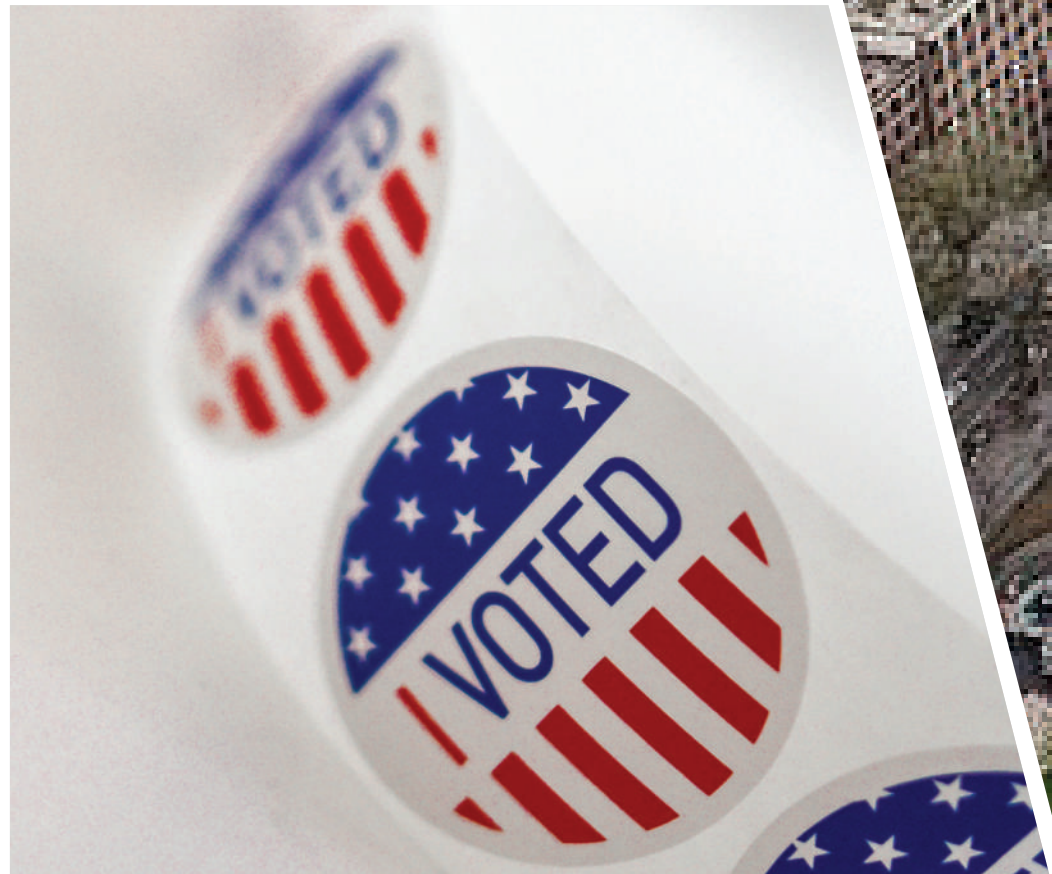
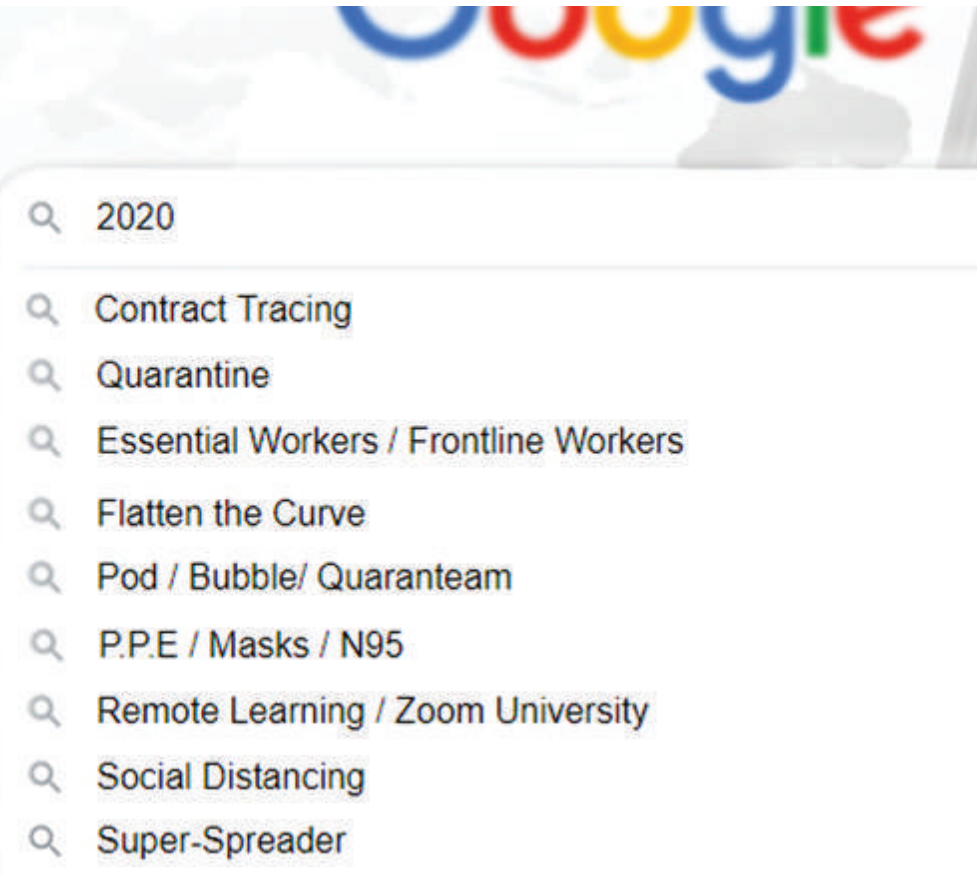
Upcoming Sessions

- 2/18/21: Berdon LLP hosting *Equity and Due Diligence***
- 3/18/21: Camber Property Group hosting *Construction Process***
- 4/22/21: Signature Bank hosting *Funding the Purchase Price***
- 5/6/21: Students present their final projects to a group of "investors"**

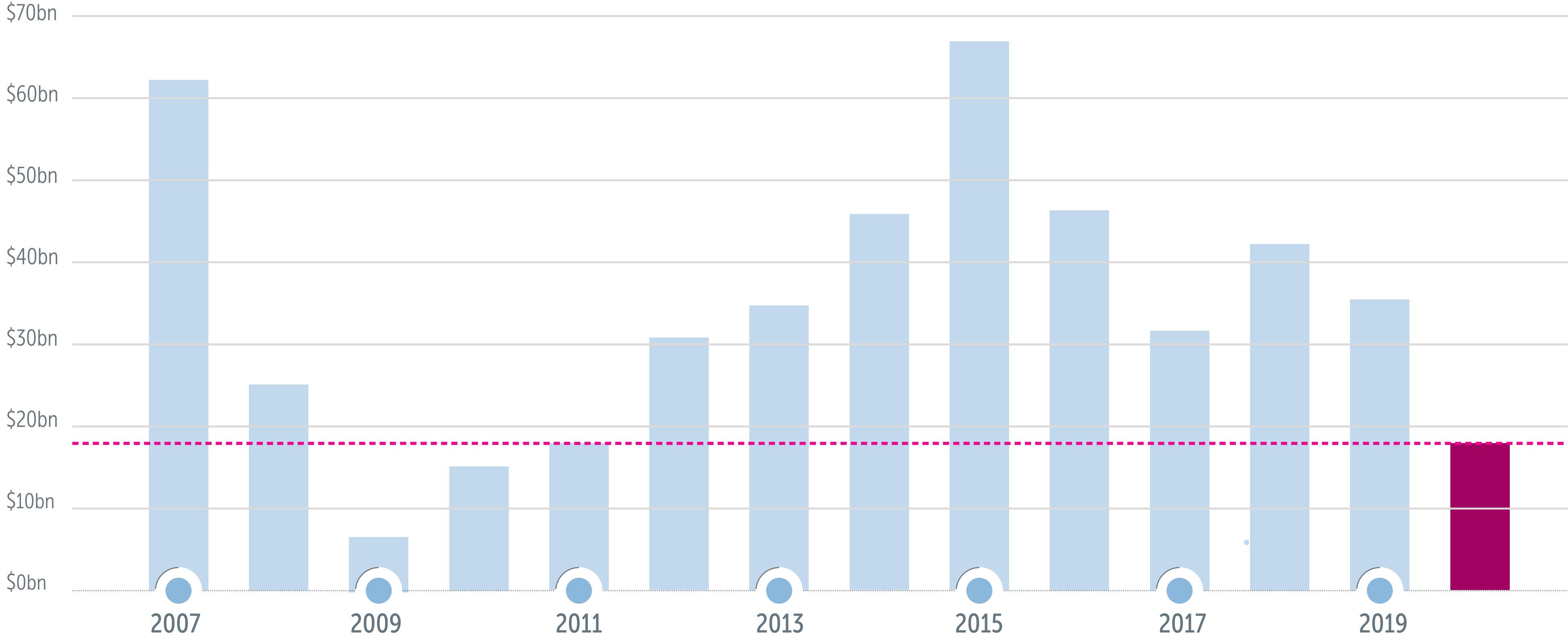
COFFEE & CAP RATES / FEBRUARY 2020



NYC DURING PANDEMIC



NYC DOLLAR VOLUME 2007-2020



MULTIFAMILY PRICING

\$/SF VS. 2019

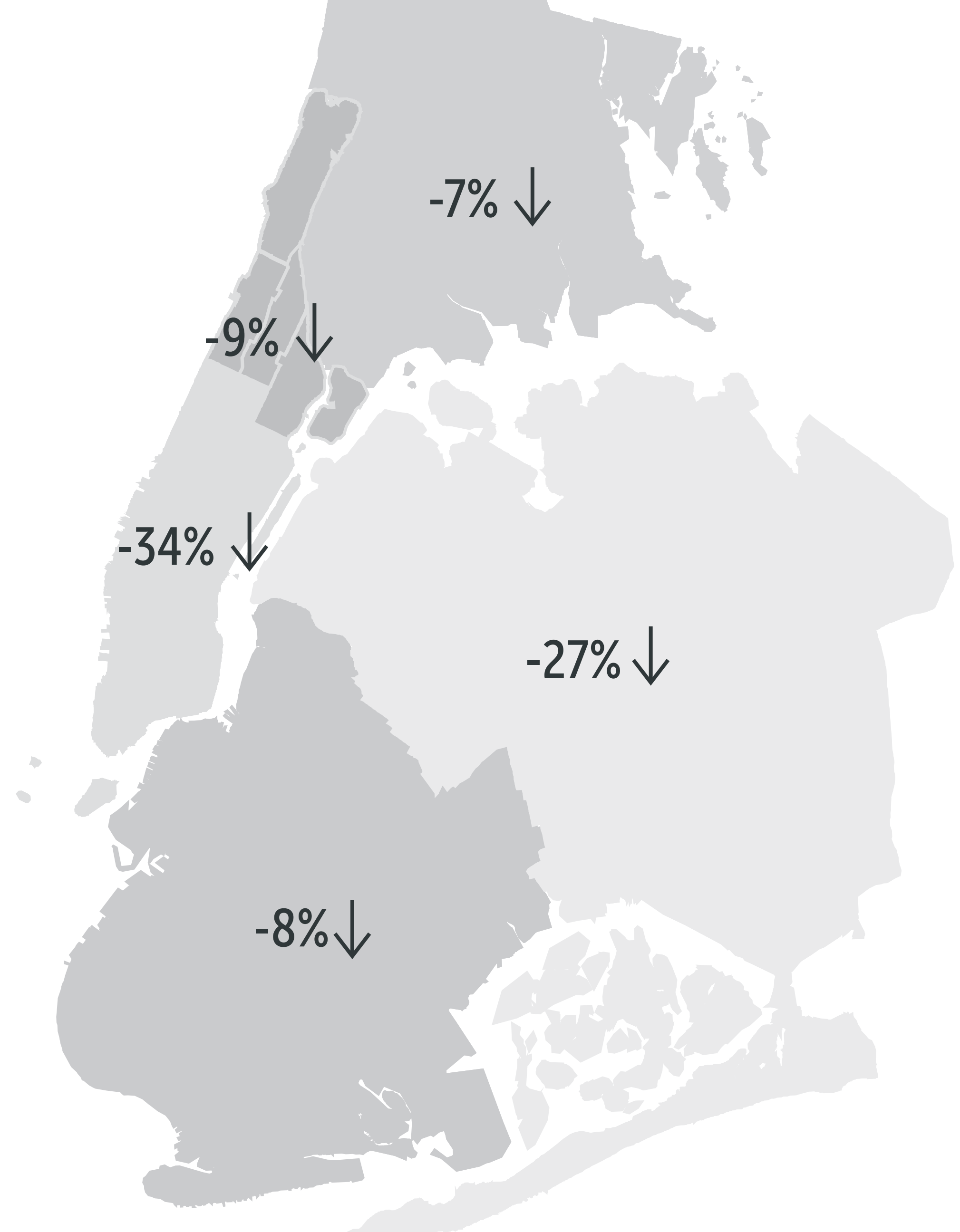
MANHATTAN: **\$624**

BROOKLYN: **\$388**

N. MANHATTAN: **\$324**

QUEENS: **\$249**

BRONX: **\$179**



DEVELOPMENT PRICING

*\$/BSF VS. 2019

MANHATTAN: **\$469**

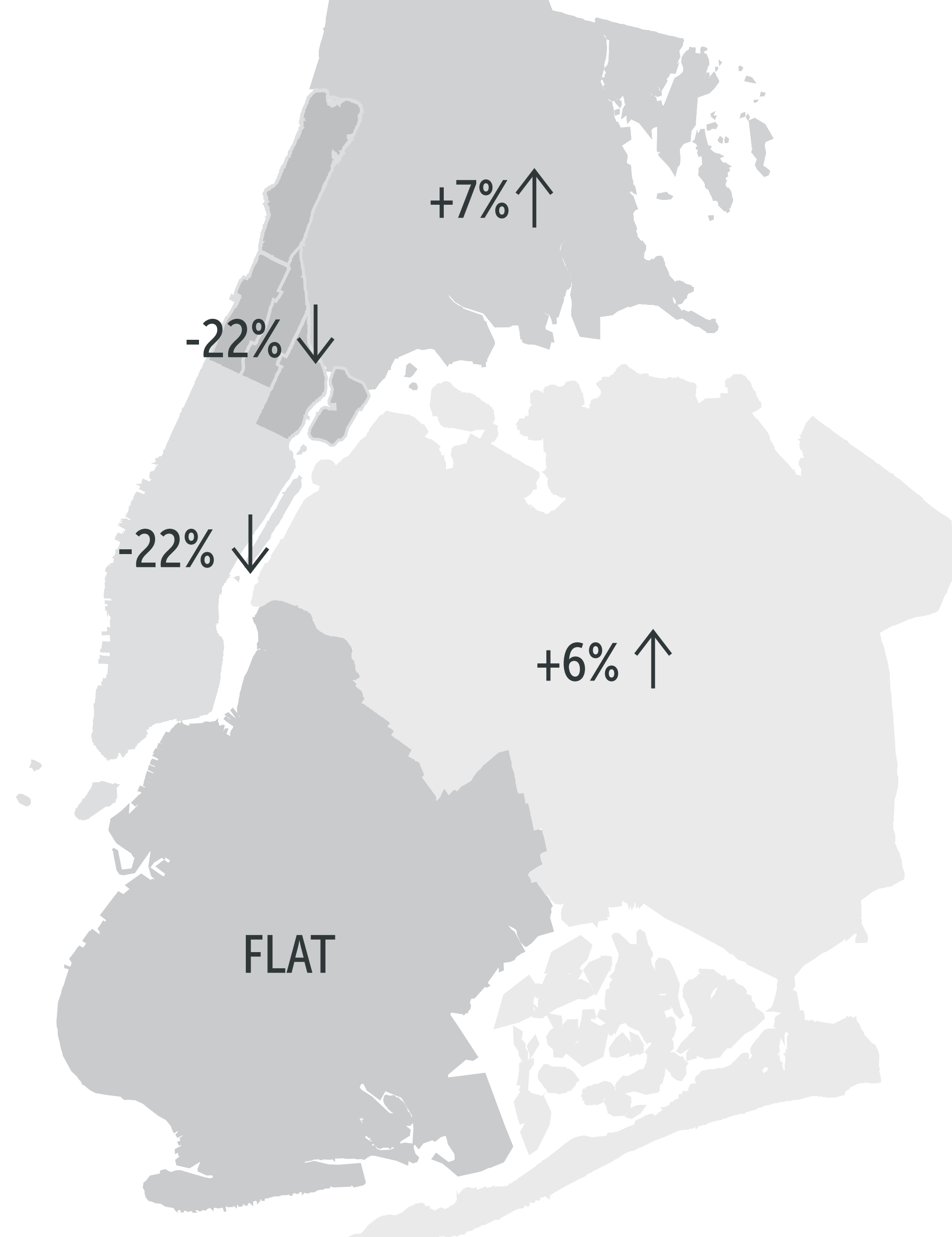
BROOKLYN: **\$251**

N. MANHATTAN: **\$169**

QUEENS: **\$222**

BRONX: **\$87**

* Vacant land only



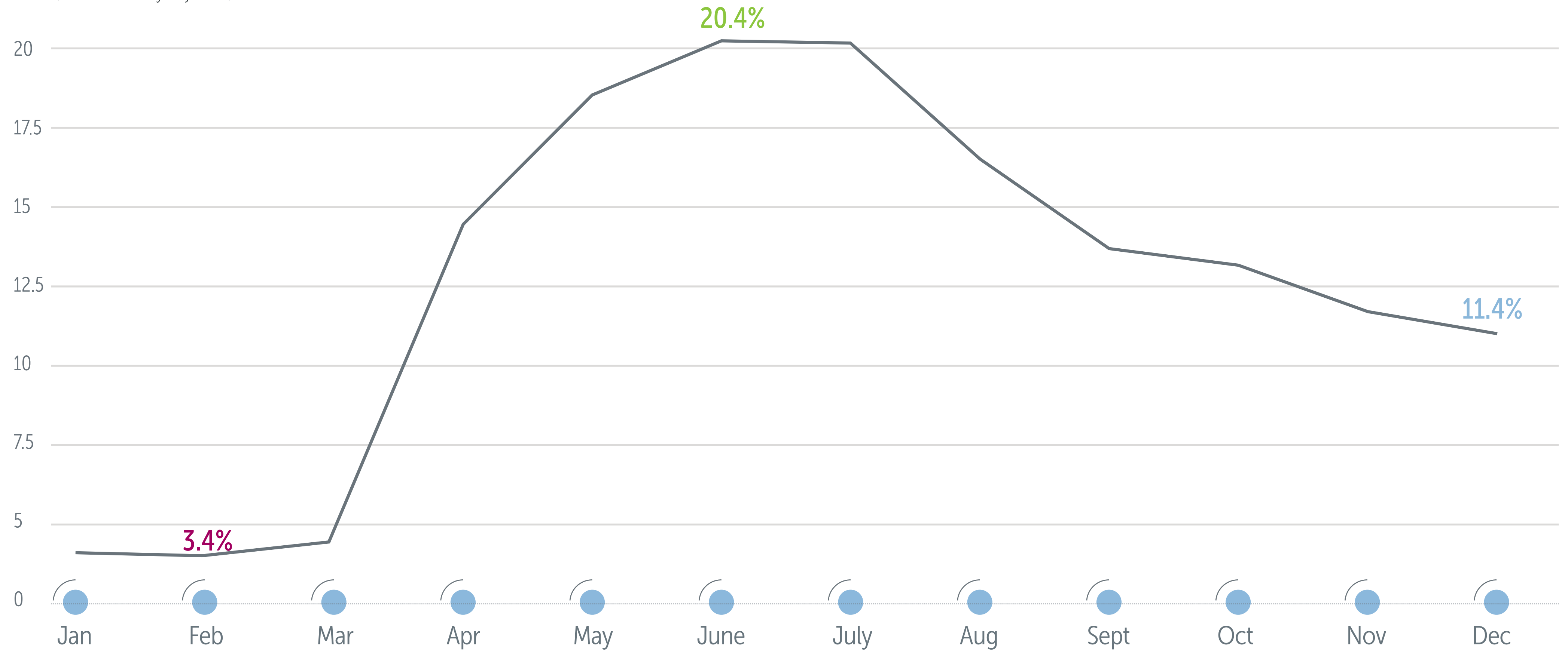


REACTION!

FUNDAMENTALS

Unemployment Rate / 2020

NYC (Not Seasonally Adjusted)



FUNDAMENTALS

Unemployment Rate / 2004 -2020

NYC (Not Seasonally Adjusted)

We are in a health crisis, not a financial crisis



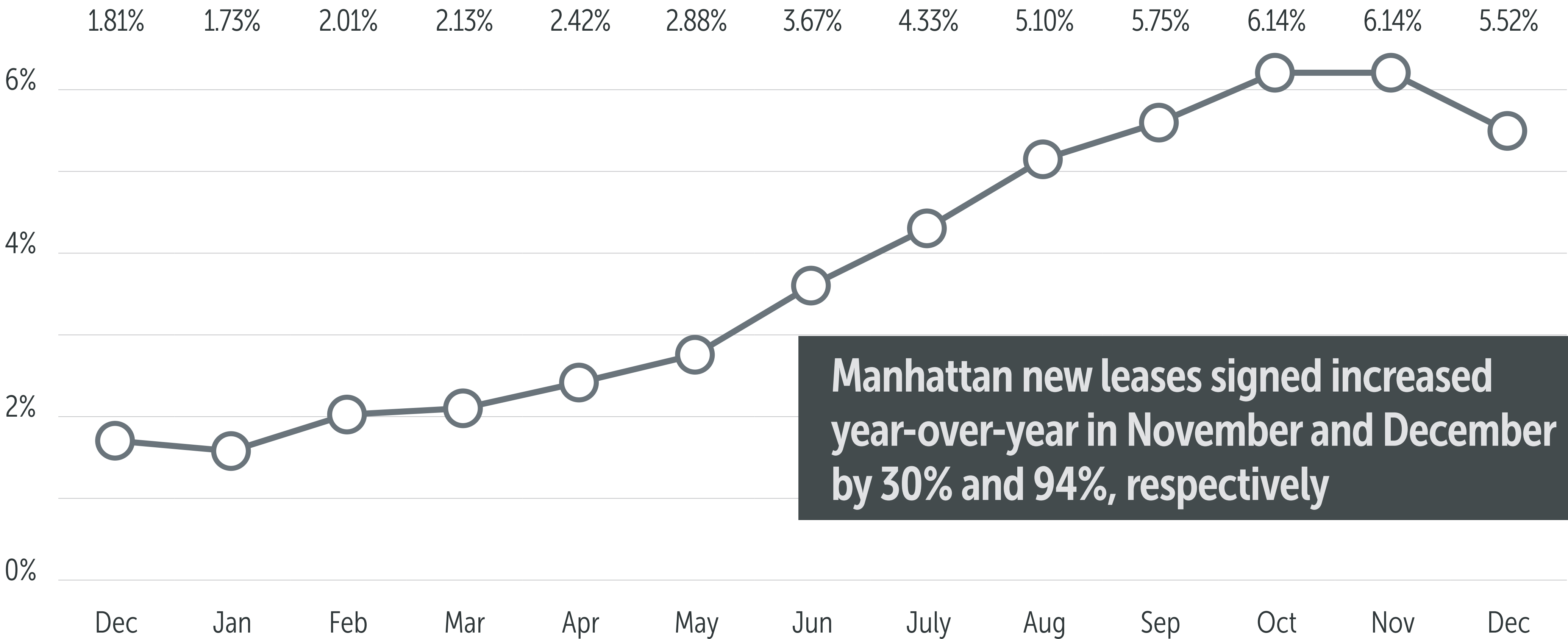
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**Roughly 5 percent of residents — or about 420,000 people
— left the city between March 1 and May 1**

”

NY Times, May 15, 2020

FUNDAMENTALS - RESIDENTIAL RENTAL VACANCY



Manhattan new leases signed increased year-over-year in November and December by 30% and 94%, respectively

Source Douglas Elliman



FUNDAMENTALS - OFFICE, RETAIL, HOSPITALITY

-45%

MANHATTAN OFFICE
LEASING ACTIVITY
VS 10-YEAR AVERAGE

-25%

MANHATTAN
RETAIL RENT PER SF
VS 2019

-54%

NYC HOTEL
OCCUPANCY
VS 2019

DISTRESS OPPORTUNITIES

| Luxury Condos | Multifamily/HSTPA | COVID-19 Related |
|---|---|--------------------------------|
| Mezz/Preferred Equity | Mezz/Preferred Equity | Hospitality |
| Bridge/Hard Money | Transitional Lenders | Retail driven assets |
| Conventional Lenders (to a much lesser extent) | Conventional Lenders (to a much lesser extent) | Office (to a lesser extent) |



POCKETS OF STRENGTH

POCKETS OF STRENGTH

Affordable Housing & Multifamily Capital

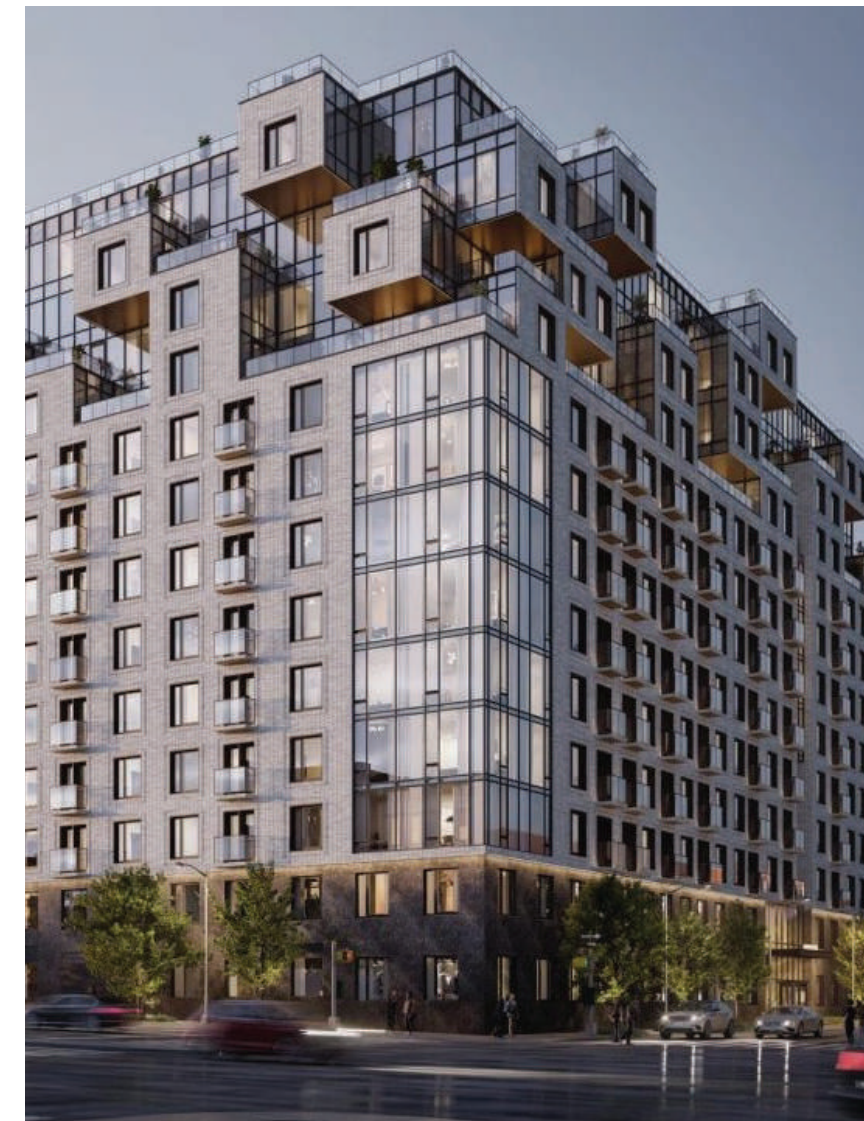
Free Market Buildings



Manhattan
265-275 CHERRY STREET
\$423M | 658K SF



Bronx
1600 SEDGWICK AVENUE
\$115M | 416K SF



Brooklyn
BRUMAN MF PORTFOLIO
\$122.5M | 162K SF

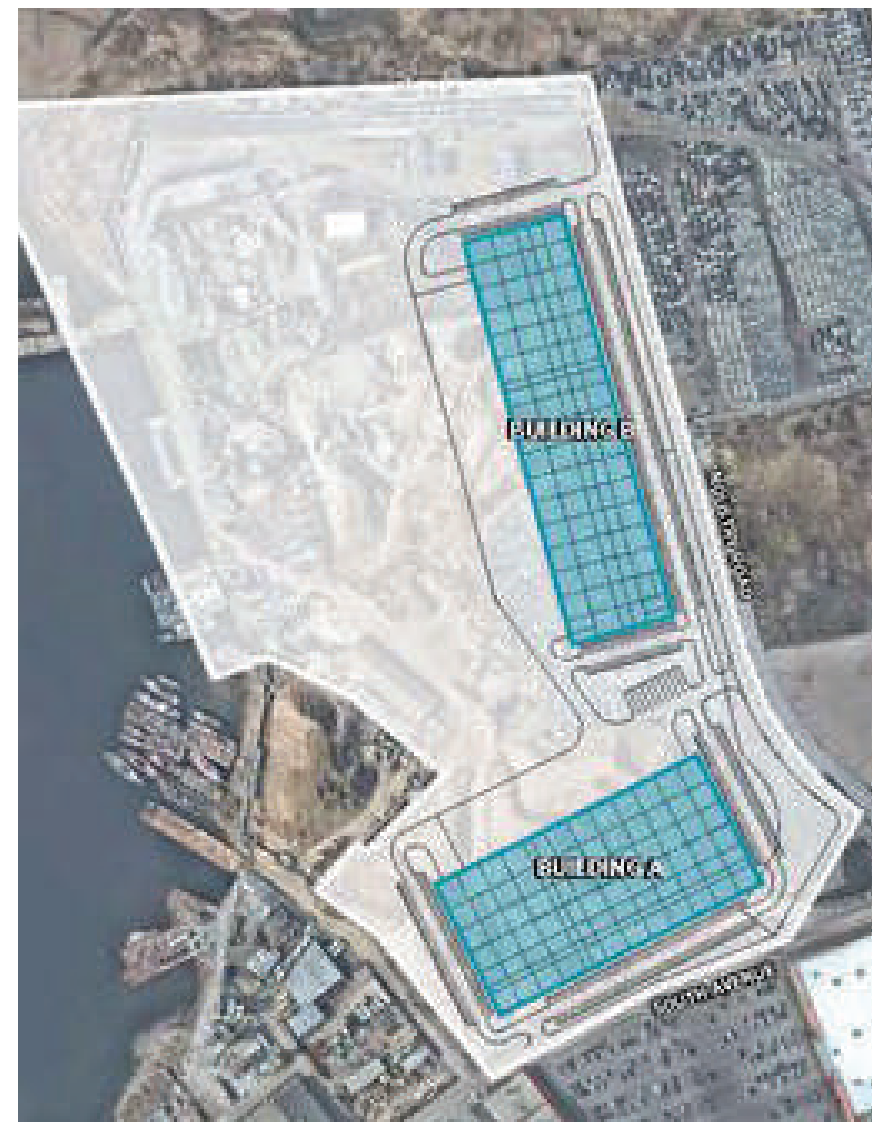


Manhattan
400 EAST 58TH STREET
\$62M | 140K SF

POCKETS OF STRENGTH

Industrial / Special Purpose

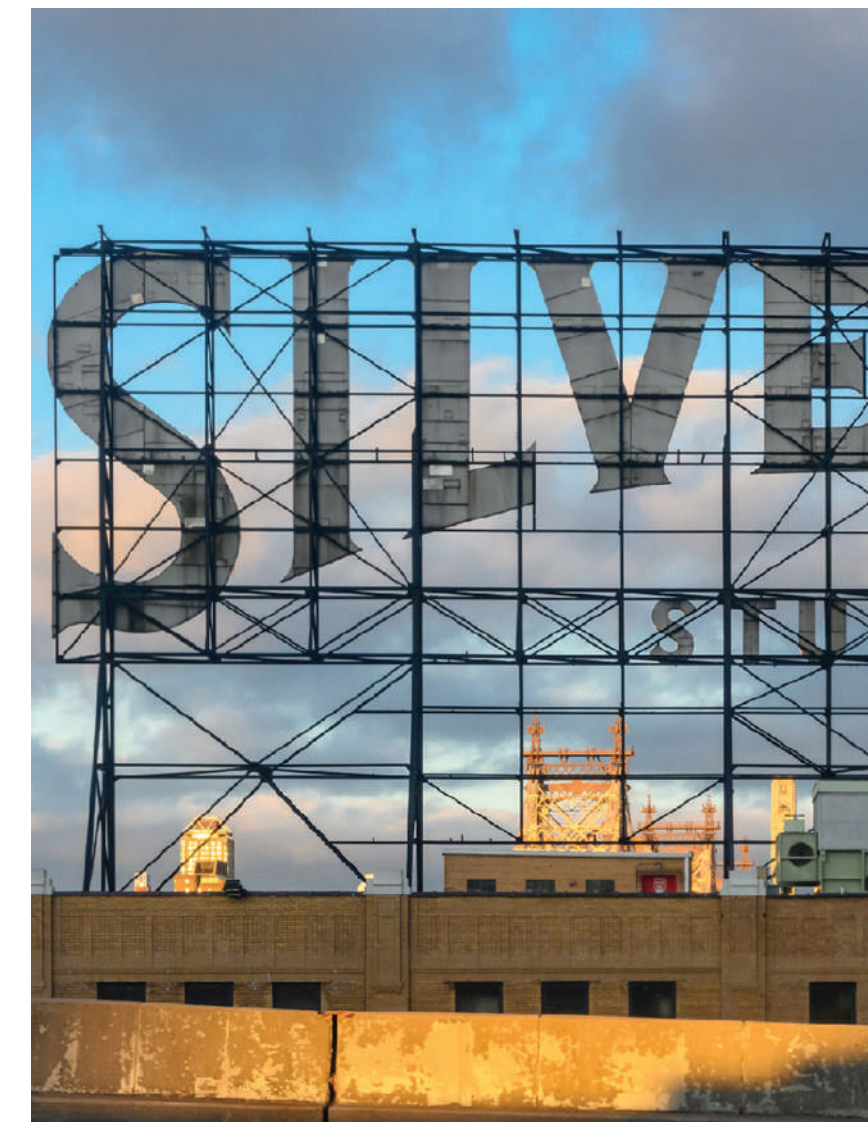
Investment Sales Activity



Staten Island
1900 SOUTH AVENUE
\$65M | 45 ACRES



Queens
27-11 49TH AVENUE
\$75M | 215K SF



Queens & Bronx
SILVERCUP STUDIOS
\$482M | 10.4 ACRES

Leasing Activity



Brooklyn &
Staten Island

POCKETS OF STRENGTH

Office

Investment Sales Activity

Leasing Activity



Manhattan
410 10TH AVENUE
\$810M | 530K SF



Manhattan
1375 BROADWAY
\$435M | 465K SF



Manhattan
LORD & TAYLOR BUILDING
\$978M | 660K SF



Manhattan

POCKETS OF STRENGTH

Quality Assets Being Financed



Northern Manhattan
30 MORNINGSIDE DRIVE
LENDER: ARBOR REALTY TRUST
AMOUNT: \$180M



Manhattan
100 PARK AVENUE
LENDER: AAREAL CAPITAL CORPORATION
AMOUNT: \$360M



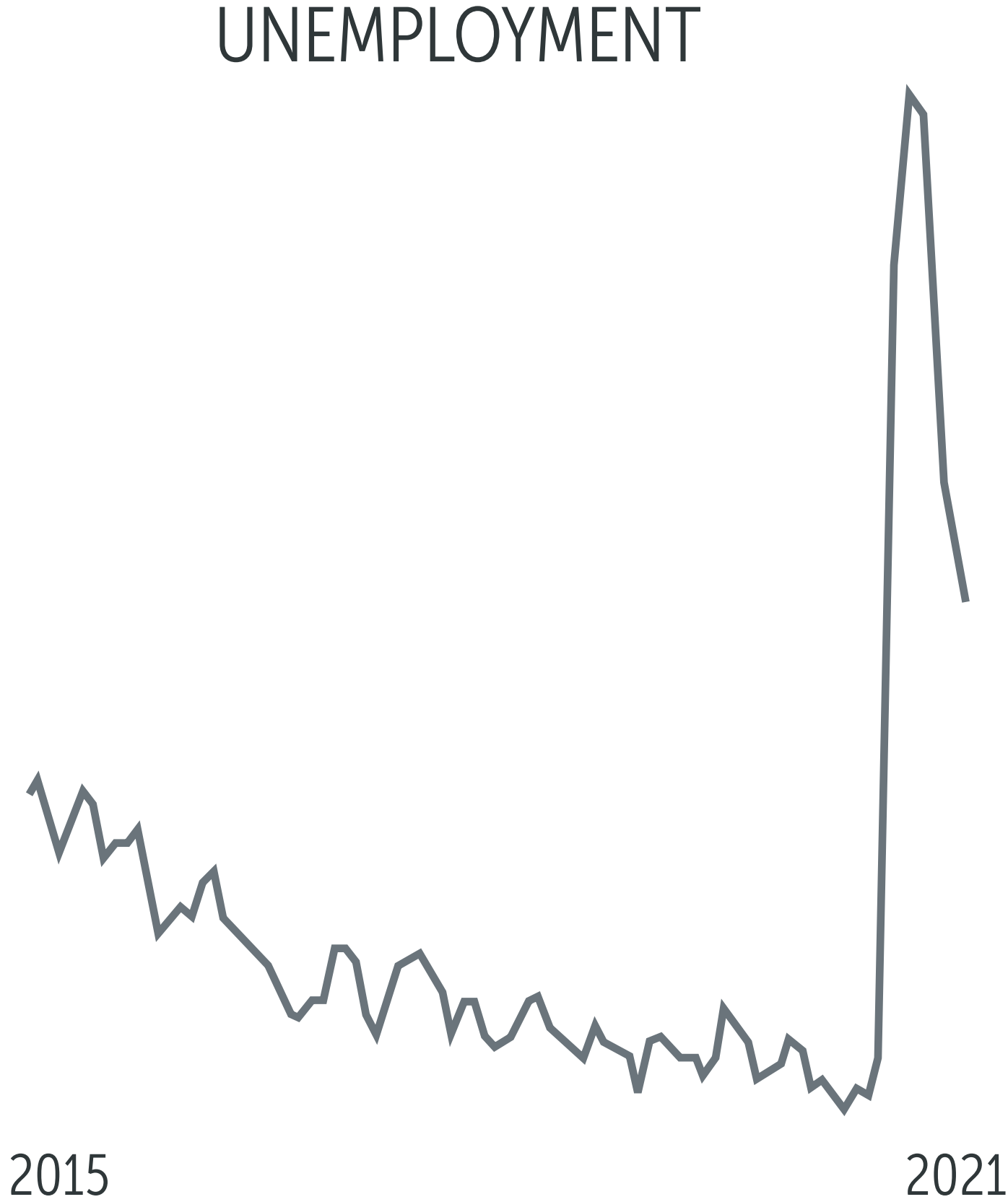
Queens
55-15 GRAND AVENUE
LENDER: JPMORGAN CHASE
AMOUNT: \$316M

POSITIVE FUNDAMENTAL SHIFT

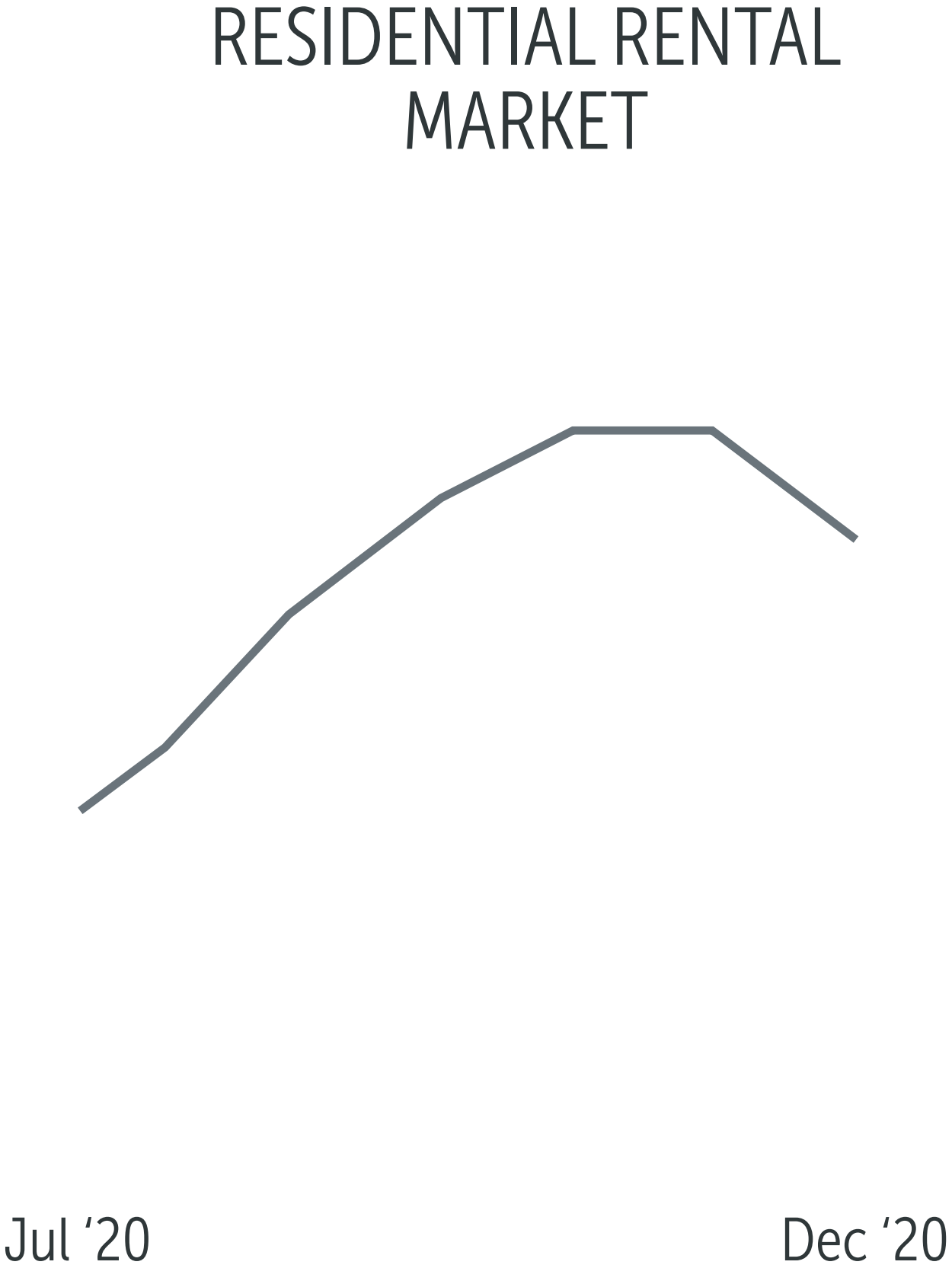
NYS NEW BUSINESS APPLICATIONS



UNEMPLOYMENT



RESIDENTIAL RENTAL MARKET



HEADWINDS

- National Politics / 1031 Exchange
- Local Politics
- Crime
- COVID 19 Mutations

TAILWINDS

- Vaccine
- Interest Rates/Lending Alternatives
- New Capital
- Repurposing
- Land Market Opportunities
- Price Clarity
- Continued Strength for Affordable Housing and Industrial Markets
- New Business Lower Barrier to Entry

THANK YOU!

For a copy of this presentation please visit **arielpa.nyc**



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