

# Bronx 2022 Mid-Year Commercial Real Estate Trends

by Ariel Property Advisors

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Investment Sales  
Capital Services  
Research

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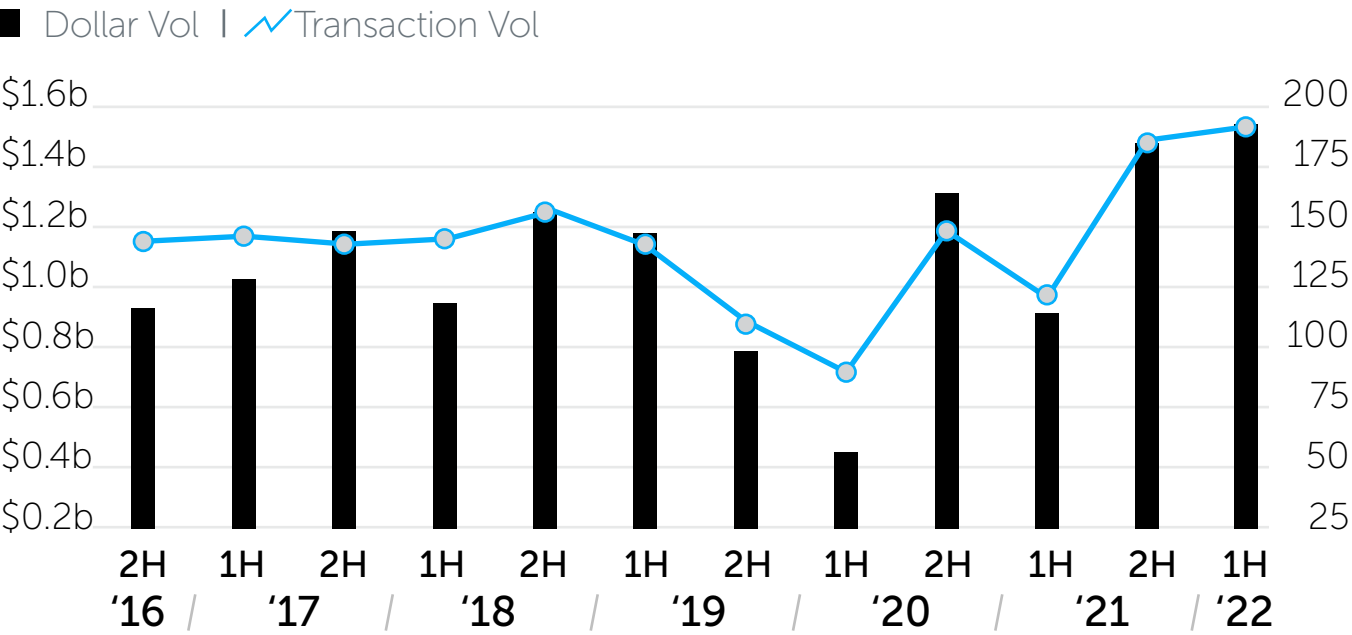
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# 2022 Mid-Year Overview

The Bronx saw record dollar volume and the second most transactions ever recorded with \$1.54 billion spent over 191 transactions. These were slight increases over the second half of 2021 and significant increases year over year. Multifamily was the most transactional asset class with 90 transactions in the first half of 2022 and was approximately 50% of the total dollar volume in the borough. The overall increase in activity is an indication from investors of the upside and opportunities found in the Bronx. Interestingly, dollar volume was up across all asset classes except for development which had the same number of transactions as 2H 2021

### Real Estate Timeline



Volume  
1H 2022 vs 2H 2021

2%  
↑

\$1.54b  
Dollar

3%  
↑

191  
Transaction

-17%  
↓

272  
Property

### Dollar Volume Comparison

Product Type	1H 2022	VS 2H'21	2H 2021	VS 1H'21	1H 2021
Multifamily	\$756,028,188	8%	\$699,512,335	120%	\$343,504,716
MF-MU 10+ resi units	\$689,395,358	8%	\$635,737,335	116%	\$318,684,216
MF-MU 6-9 resi units	\$22,963,019	28%	\$17,975,000	30%	\$17,705,500
MF-MU Small	\$43,669,811	-5%	\$45,800,000	514%	\$7,115,000
Commercial*	\$148,169,534	12%	\$131,969,787	61%	\$91,903,623
Ind / WH / Sto**	\$301,081,132	5%	\$285,855,865	63%	\$184,304,300
Development	\$231,001,106	-30%	\$332,270,000	-11%	\$259,986,245
Office	\$32,037,736	45%	\$22,100,000	96%	\$16,335,000
Special Purpose	\$76,567,922	99%	\$38,416,373	333%	\$17,701,374
GRAND TOTAL	\$1,544,885,618	2%	\$1,510,124,360	69%	\$913,735,258

\*Commercial includes retail and hotel properties  
\*\*Ind / Wh / Sto: Industrial / Warehouse / Self Storage

# 2022 Mid-Year Outlook

With back to back record breaking halves, the Bronx continued its movement from the second half of 2021. The activity was robust as the deals that went into contract in the fourth quarter of 2021 closed in 2022 and borrowers sought to transact before anticipated interest rate spikes.

Looking ahead, it will be interesting to see how the market reacts to the significant headwinds in front of us: inflation, negative GDP growth, and the Federal Reserve continuing to raise interest rates. However, with the continued interest in Bronx real estate opportunities, there is investor confidence that the Bronx will provide areas of growth and success for investors down the line.

### Transaction Volume Comparison

Product Type	1H 2022	VS 2H'21	2H 2021	VS 1H'21	1H 2021
Multifamily	90	25%	72	84%	49
MF-MU 10+ resi units	58	26%	46	66%	35
MF-MU 6-9 resi units	15	36%	11	88%	8
MF-MU Small	17	13%	15	183%	6
Commercial*	27	-13%	31	35%	20
Ind / WH / Sto**	18	-31%	26	64%	11
Development	44	0%	44	22%	36
Office	5	0%	5	150%	2
Special Purpose	7	0%	7	75%	4
GRAND TOTAL	191	3%	185	57%	122

\*Commercial includes retail and hotel properties  
\*\*Ind / Wh / Sto: Industrial / Warehouse / Self Storage

# Multifamily Highlights

- Multifamily continued to be the leading asset class in the borough as investors looked to transact on stable income-producing assets in anticipation of interest rate hikes and higher inflation. Overall, the Bronx recorded high numbers in terms of dollar volume that we have not seen since 2016 with \$756 million in sales, an 8% increase from the second half of 2021.
- The borough continued to see institutional capital invest into the borough acquiring affordable portfolios. New international investors entered the market because of the high yield relative to the other boroughs. There were five transactions over \$20 million generating approximately 54% of the dollar volume recorded year to date.
- The multifamily sector recorded the first uptick in pricing metrics since the passage of HSTPA in 2019. Cap rates compressed by 7% and GRMs grew by 9% as investors were looking to take advantage of the discount that the Bronx offers relative to the other boroughs.
- The sale of 2103 Honeywell Avenue and 2001 Story Avenue for \$169 million is the second highest multifamily sale on record for the Bronx. FBE Limited sold the free-market portfolio for \$280 per square foot and \$307k per unit.

Volume  
1H 2022 vs 2H 2021

8%  
↑  
Dollar

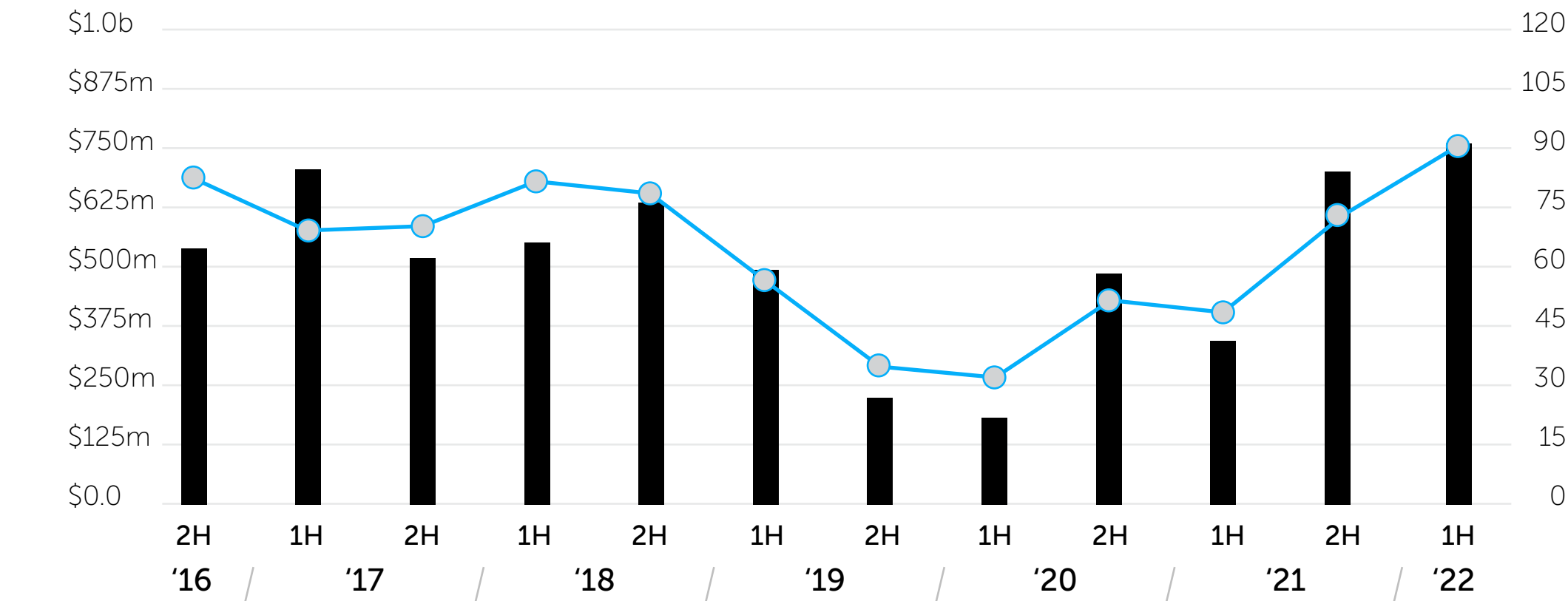
\$756M

25%  
↑  
Transaction

90

Real Estate Timeline

■ Dollar Vol | ▲ Transaction Vol



Property Value Metrics - Multifamily\*

Year	2016	2017	2018	2019	2020	2021	1H 2022
\$/SF	\$184	\$196	\$213	\$193	\$182	\$172	\$188
\$/Unit	\$163,290	\$175,503	\$185,436	\$171,855	\$161,545	\$152,775	\$156,381
Cap Rate	5.19%	4.94%	4.94%	5.33%	5.74%	5.97%	5.53%
GRM	11.06	11.89	12.08	11.00	10.28	9.18	10.02

\*reflects multifamily transactions of 10+ residential units

## Featured Transaction



Unionport  
2103 Honeywell Avenue  
& 2001 Story Avenue

Sale Amount:  
**\$169,000,000**

\$/SF:  
**\$280**

Buyer:  
**3728 Paulding LLC**

Seller:  
**FBE Limited**

Sale Date: **6/7/2022**



# Commercial Highlights

- The Bronx commercial sales market saw \$148 million of sales, a 12% increase from the second half of 2021, and the highest dollar volume since 2H 2016. Transactions were down 13% to 27 but only four fewer than the previous half.
- The average price per square foot was an all-time high of \$559, a 5% increase from 2021 and a 28% increase from 2020.
- The largest commercial transaction for the first half of 2022 was the sale of 459 East 149th Street which featured four retail and office condominiums in the Triangle Plaza Hub. Simone Development purchased the package for \$32 million which included a 50,000 square foot grocery store, Dunkin, Boston Market, and offices. This sale translated to \$579/SF and made up 22% of the total dollar volume.

Volume  
1H 2022 vs 2H 2021

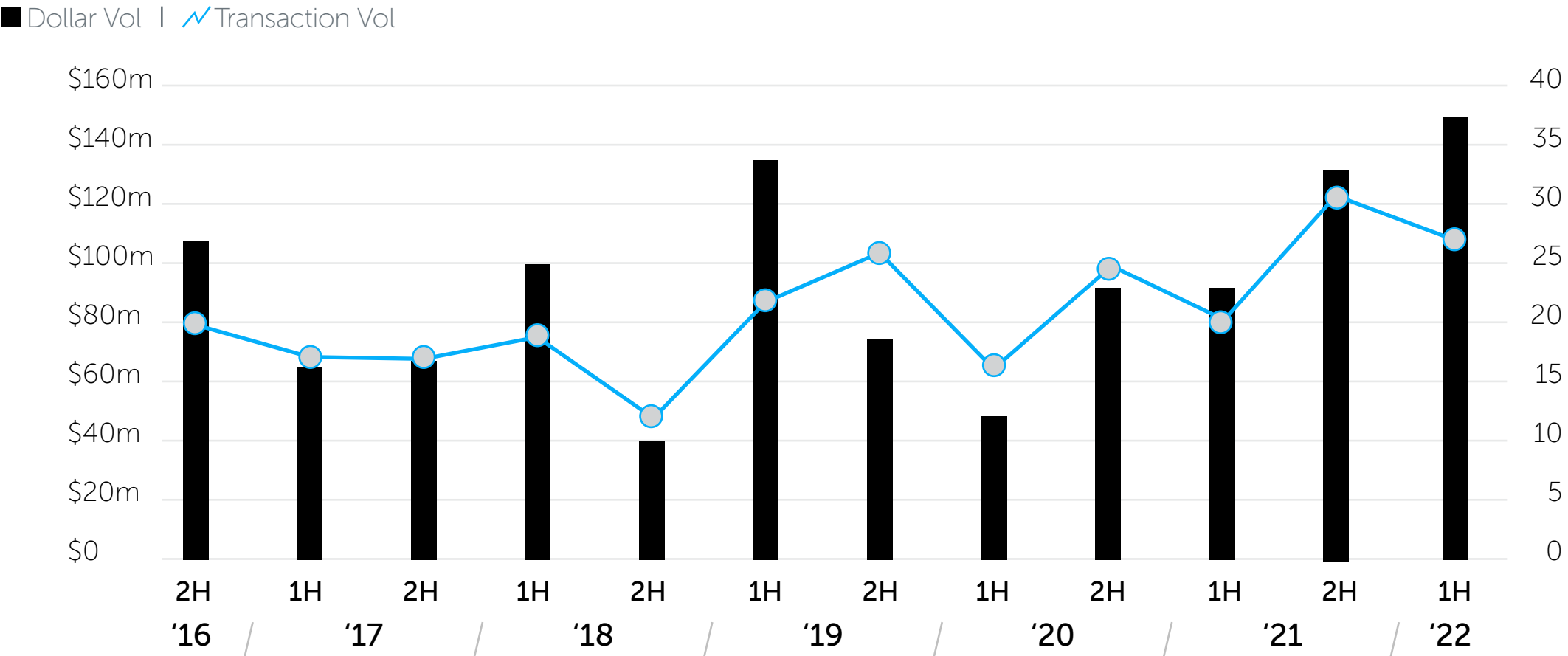
12%  
↑

\$148M  
Dollar

-13%  
↓

27  
Transaction

Real Estate Timeline



Property Value Metrics - Commercial\*

Year	2016	2017	2018	2019	2020	2021	1H 2022
\$/SF	\$457	\$445	\$417	\$489	\$436	\$532	\$559

\*reflects transactions of commercial buildings

## Featured Transaction



Fordham  
2374-2386  
Grand Concourse

Sale Amount:  
**\$10,500,000**  
\$/SF:  
**\$540**

Buyer:  
**Emo Realty**  
Seller:  
**Vanbarton Group**

Sale Date: **1/6/2022**

# Ind / WH / Sto Highlights

- Vacancy rates in the industrial sector stayed low showing strong tenant interest in the asset class
- Mayor Adams has announced plans to help push growth for Bronx industrial by planning a \$40 million revitalization of Hunts Point, along with the continued construction of one of the largest industrial projects in NYC in the Hunts Point neighborhood being built by Turnbridge Equities.
- Continued demand from institutional investors as The Blackstone Group, Storage Post, and Brookfield Properties all made large purchases in the Bronx in the first half of 2022
  - Blackstone’s acquisition of two industrial buildings on Commerce Avenue for \$81.75 million (\$545 \$/SF) was the largest industrial transaction year to date and further supports the flood of institutional money coming into the industrial sector of the Bronx.
- Brookfield and Storage Post both transacted on self-storage buildings for \$64 million and \$48.2 million, respectively

Volume  
1H 2022 vs 2H 2021

5%  
↑  
Dollar

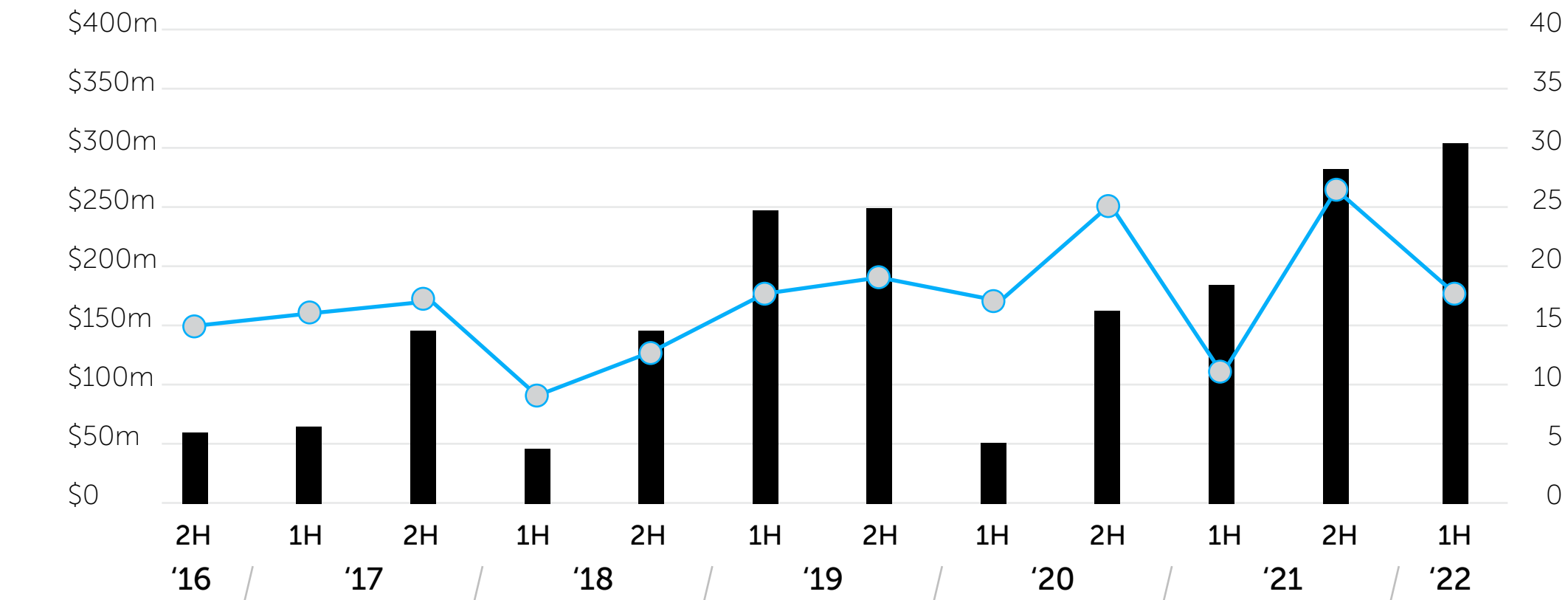
\$301M

-31%  
↓  
Transaction

18

Real Estate Timeline

■ Dollar Vol | ✓ Transaction Vol



Property Value Metrics - Ind / WH / Sto\*

Year	2016	2017	2018	2019	2020	2021	1H 2022
\$/Gross SF	\$173	\$216	\$245	\$286	\$262	\$332	\$329
\$/Lot SF**	\$99	\$112	\$102	\$176	\$206	\$223	\$201

\*Ind / Wh / Sto: Industrial / Warehouse / Self Storage  
\*\*\$/Lot SF applies only to properties where the gross building square footage is less than 50% of the lot square footage

## Featured Transaction



Unionport  
1160-1174  
Commerce Avenue

Sale Amount:  
**\$81,750,000**  
\$/SF:  
**\$545**  
Buyer:  
**The Blackstone Group**  
Seller:  
**Bradford N. Swett Management LLC**

Sale Date: **4/28/2022**

# Development Highlights

- Transaction activity has remained consistent over the last two years for development sites from 2021 into Q1 of 2022 as developers pushed to take advantage of the Affordable NY/421a tax exemption before its expiration on June 15th. There were 44 transactions in the first half of 2022 which was the same as the last six months of 2021, the second highest of all time.
- There are fewer institutional transactions taking place in the first six months of 2022 which led to the lower dollar volume
- Overall, 8,550 new affordable units have been created in the Bronx since 2014 with the South Bronx having the largest increase throughout all of NYC. We are seeing a continued effort by the city and developers to increase affordable housing throughout the Bronx with new large affordable developments.
- Pricing has increased 5% over 2021 to \$86/BSF, in line with pre-pandemic levels

Volume  
1H 2022 vs 2H 2021

-30%

↓

\$231M

Dollar

0%

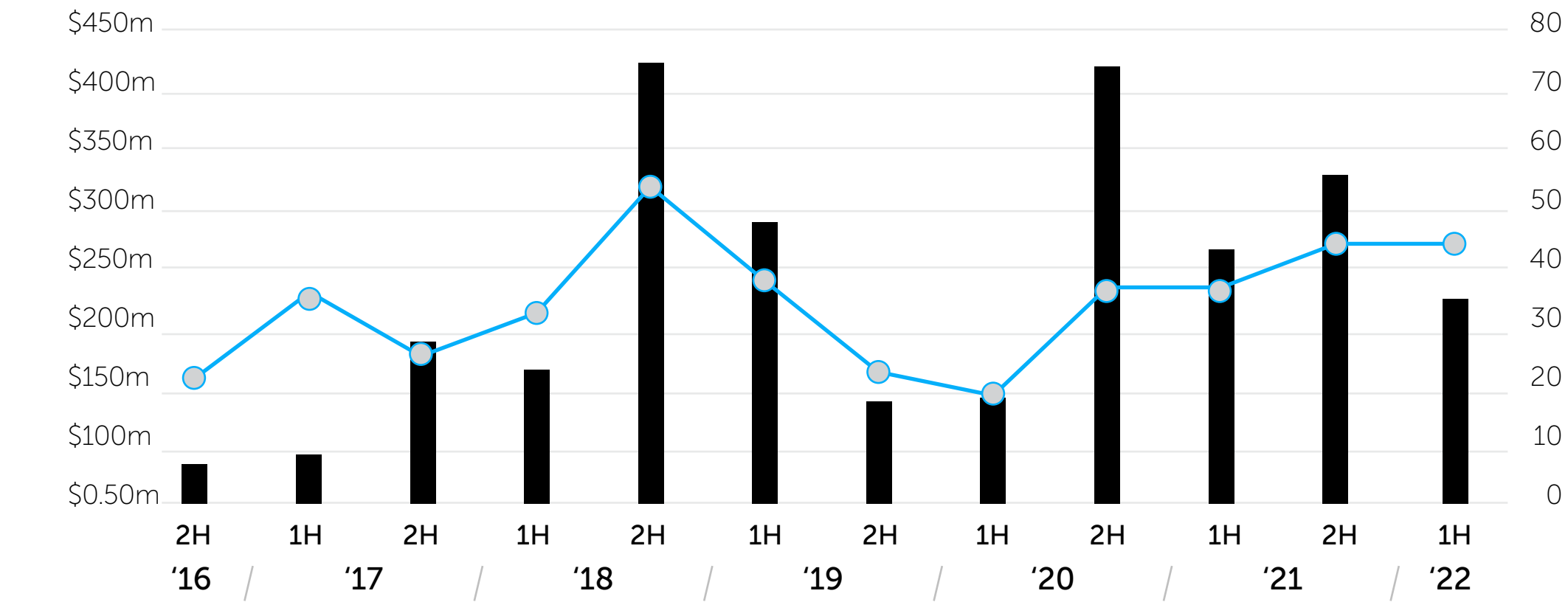
↕

44

Transaction

Real Estate Timeline

■ Dollar Vol | ✓ Transaction Vol



Property Value Metrics - Development\*

Year	2016	2017	2018	2019	2020	2021	1H 2022
\$/BSF	\$64	\$63	\$72	\$81	\$87	\$82	\$86

\*reflects transactions of vacant land or equivalent development sites

## Featured Transaction



Port Morris  
138 Bruckner Boulevard

Sale Amount:  
**\$35,000,000**  
\$/BSF:  
**\$115**  
Buyer:  
**JCS Realty Group LLC**  
Seller:  
**Anjost Corp.**

Sale Date: **1/13/2022**

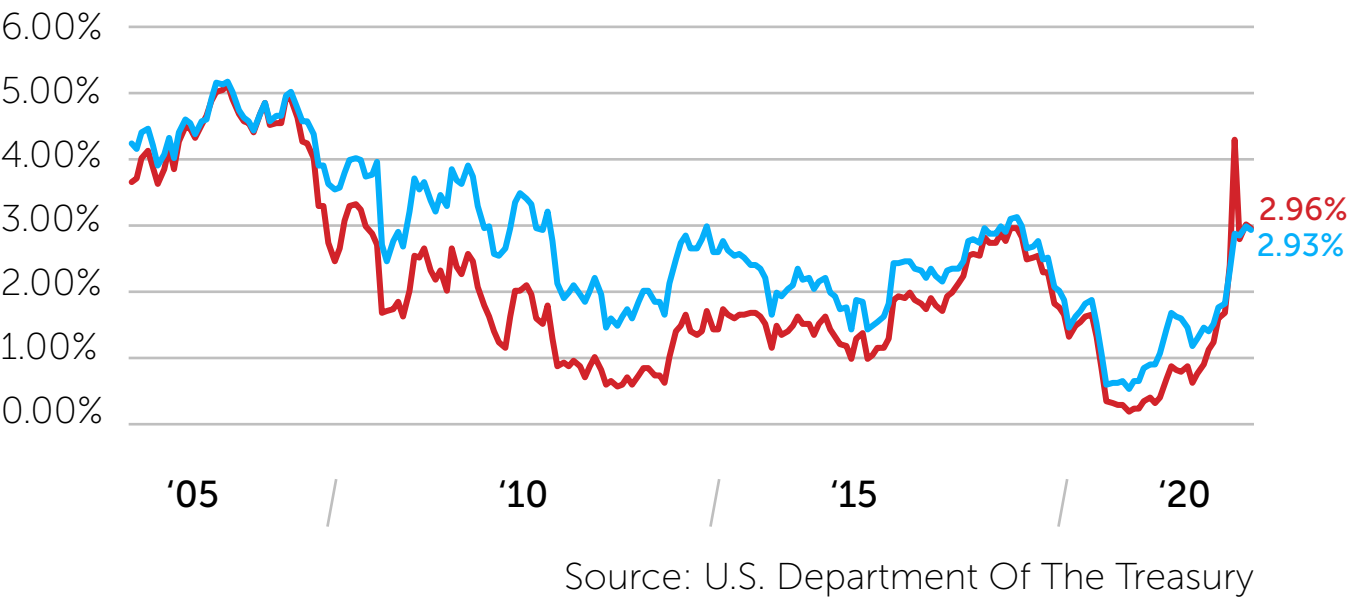


# Macro Economic Overview

A number of macro-economic indicators affect the bottom line of commercial real estate investments in New York City and, in turn, the pricing and demand for these assets during any given period. Ariel Property Advisors’ Research Division tracks national and local metrics to identify key market drivers influencing the real estate industry.

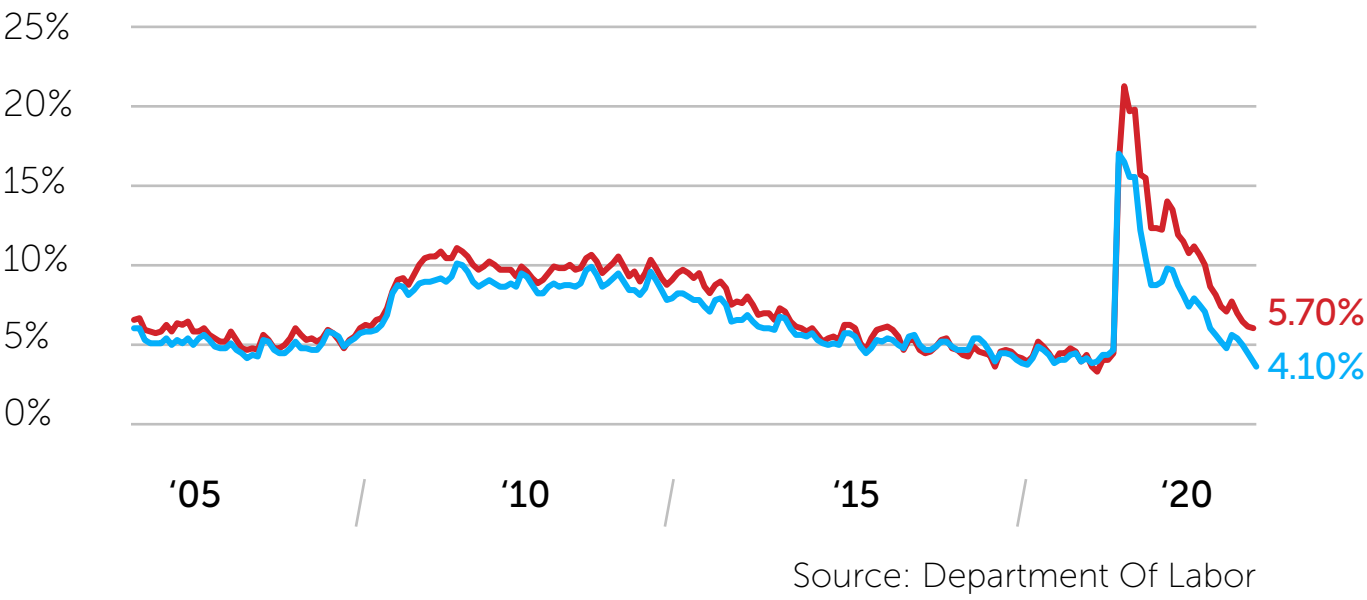
## Financing:

10-Year: 2.93% | 5-Year: 2.96% | as of July 6th, 2022  
Treasury Yield Curve Rates 10-year | 5-year



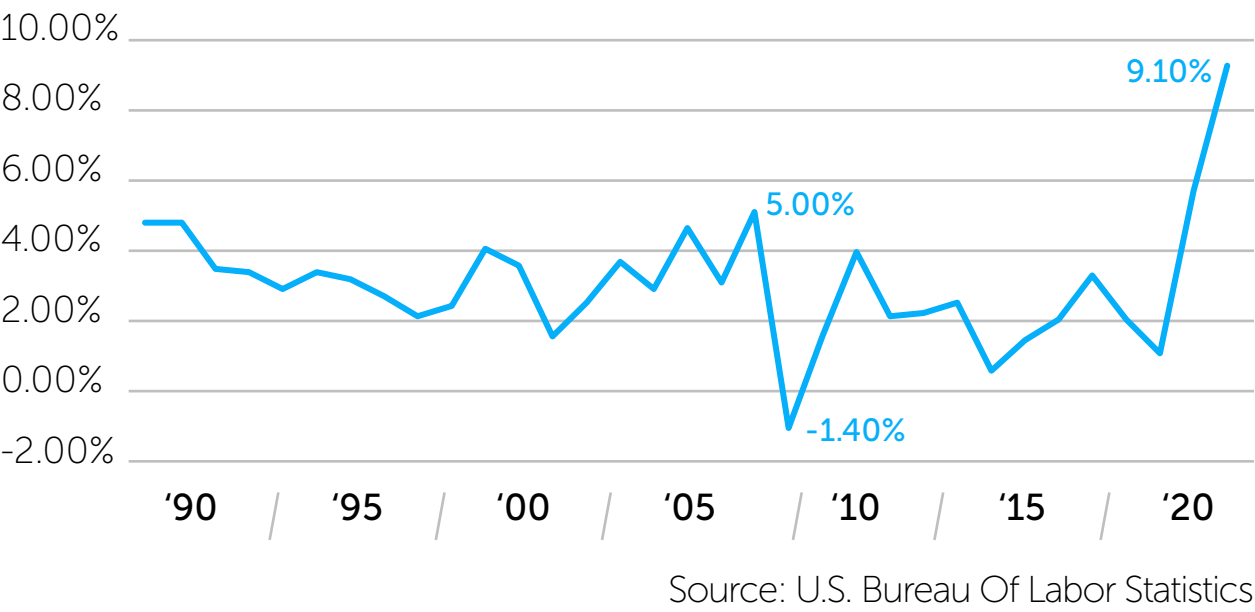
## Unemployment Timeline (As of May 2022):

NYS: 4.10% | NYC: 5.70% as of May 2022  
Unemployment Rate History | **NYS** & **NYC** (Not Seasonally Adjusted)



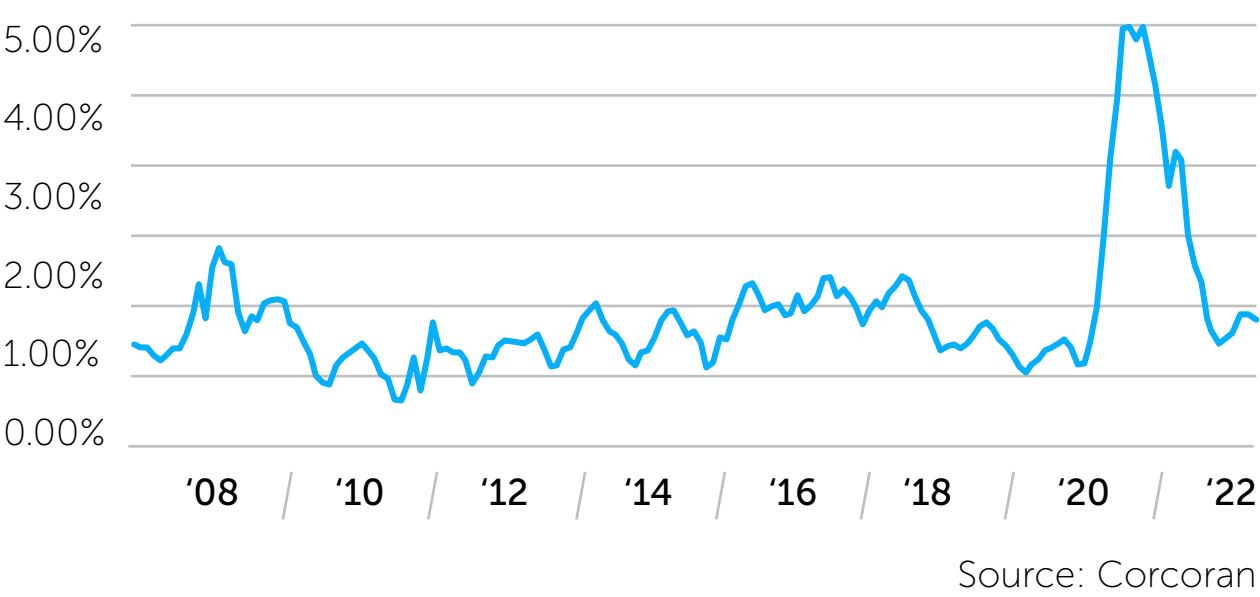
## Consumer Price Index (CPI):

National CPI Growth -  
Growth - June Y-O-Y



## Rental Market / Vacancy:

Manhattan Residential  
Rental Vacancy 2008-2022





# Thought Leadership Featured in Forbes

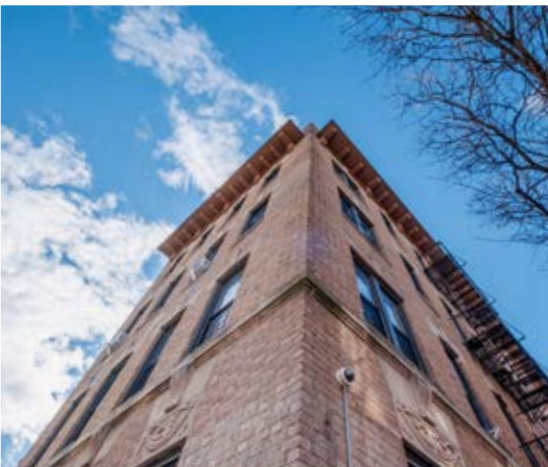
Ariel Property Advisors has been a regular contributor for Forbes. Below is a list of five latest articles that appeared in Forbes.



Jun 28, 2022

Mayor’s Plan Will Continue New York City’s Support For Affordable Housing Development

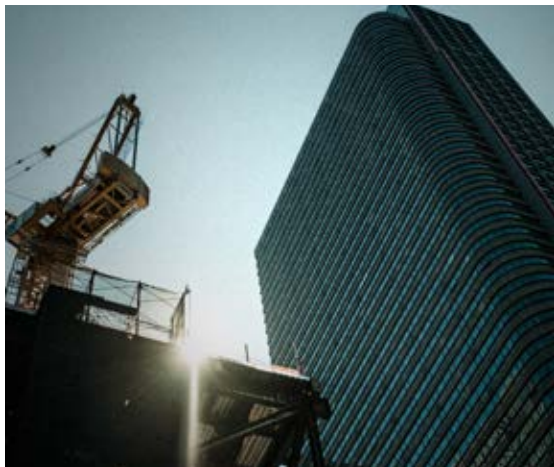
New York City Mayor Eric Adams recently released his affordable housing plan, Housing Our Neighbors: A Blueprint for Housing and Homelessness, and announced \$5 billion in capital funds, bringing the city’s investment to \$22 billion to build and maintain affordable housing over the next ten years.



May 31, 2022

Affordable Housing: Corporate America Can Be Part Of The Solution

E-commerce giant Amazon has launched a \$2 billion Housing Equity Fund to preserve and develop more than 20,000 affordable housing units across three major hubs—Puget Sound, WA, Nashville, TN, and Arlington, VA. .



May 17, 2022

The Sunset Of Rental Construction In New York City (At Least For Now)

Like many American cities, New York City’s demand for housing is staggering. In spite of state laws intended to hold down housing costs, rental prices have increased and low- and middle-income families are finding it even harder to find affordable homes.



May 2, 2022

Today And Tomorrow: A Tale Of NYC’s Multifamily Market

The first quarter of 2022 for the New York City multifamily market experienced robust growth with \$2.87 billion closed, well above the five-year quarterly average of \$1.90 billion, according to research from Ariel Property Advisors.



Mar 8, 2022

The New Queens And Kings Of New York City Real Estate

Brooklyn and Queens have been invigorated by tremendous investor interest and are in many ways more aligned in their market dynamics with the suburbs and middle American cities than with Manhattan.

Read More  
On [Forbes Website](#) [↗](#)  
Or scan the code





# About Ariel Property Advisors

## Geographic Coverage System

Ariel’s unique company structure, with separate divisions for Investment Sales, Capital Services and Research, ensures outstanding service for our clients. Whether it’s implementing a strategic marketing process, compiling a comprehensive Asset Evaluation, securing financing or providing timely market information, every assignment is served by a team of specialized professionals.

## Partners



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President  
& Founder



Victor Sozio  
Founding  
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Ivan Petrovic  
Founding Partner  
/ Operations



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Partner / Sales  
Management



Michael A. Tortorici  
Founding  
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- Mark Anderson - East Harlem
- James Nestor - Washington Heights, Inwood, West Harlem
- Matthew Swerdlow - [Capital Services](#)

### Manhattan

- Michael A. Tortorici - Downtown East
- Matthew L. Gillis - Upper East Side
- Howard Raber, Esq. - Midtown East

### Brooklyn

- Sean R. Kelly, Esq. - Downtown Brooklyn, Fort Greene, Clinton Hill, Cobble Hill, Carroll Gardens, Boerum Hill
- Stephen Vorvolakos - Park Slope, South Slope, Windsor Terrace
- Dov Chein - Crown Heights, Prospect Heights, Prospect Lefferts Gardens

### Bronx

- Jason M. Gold - South Bronx, Melrose, Mott Haven, Morrisania
- Daniel Mahfar - Belmont, Hunts Point, Fordham, Kingsbridge
- Eli Weisblum - [Capital Services](#)

### Queens

- Alexander Taic - Long Island City, Sunnyside
- Dorit Pinhas - Ridgewood, Elmhurst, Maspeth, Middle Village, Woodside
- Matthew Davis - [Capital Services](#)





# Ariel's Listing Activity



Mixed-Use

Franklin & Elliot  
Portfolio

Morrisania, Mount Eden

Price: Please inquire



Development

138 Bruckner  
Boulevard

Mott Haven

**SOLD:** \$35,000,000



Mixed-Use

2330 Hoffman Street

Belmont

Price: Please Inquire



Commercial

1031-1049 Westchester  
Avenue and 1057  
Southern Boulevard

Morrisania

**SOLD:** \$22,750,000



Multifamily

The Grand & Fteley  
Avenue Portfolio

Fordham, Soundview

For Sale: \$13,000,000



Office

111 Bruckner  
Boulevard

Mott Haven

Price: Please Inquire



Multifamily

725-737 Fox Street

Longwood

IN CONTRACT



Multifamily

Beck Street Portfolio

Longwood

IN CONTRACT



Multifamily

643 & 647 Cauldwell  
Avenue

Longwood

For Sale: \$9,250,000



Mixed-Use

1701 Parkview Avenue

Pelham Bay

For Sale: \$7,750,000

Visit our [Website](#)  
Or scan the code





## Investment Sales & Capital Services

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