

# Queens 2022 Mid-Year Commercial Real Estate Trends

by Ariel Property Advisors  
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Investment Sales  
Capital Services  
Research

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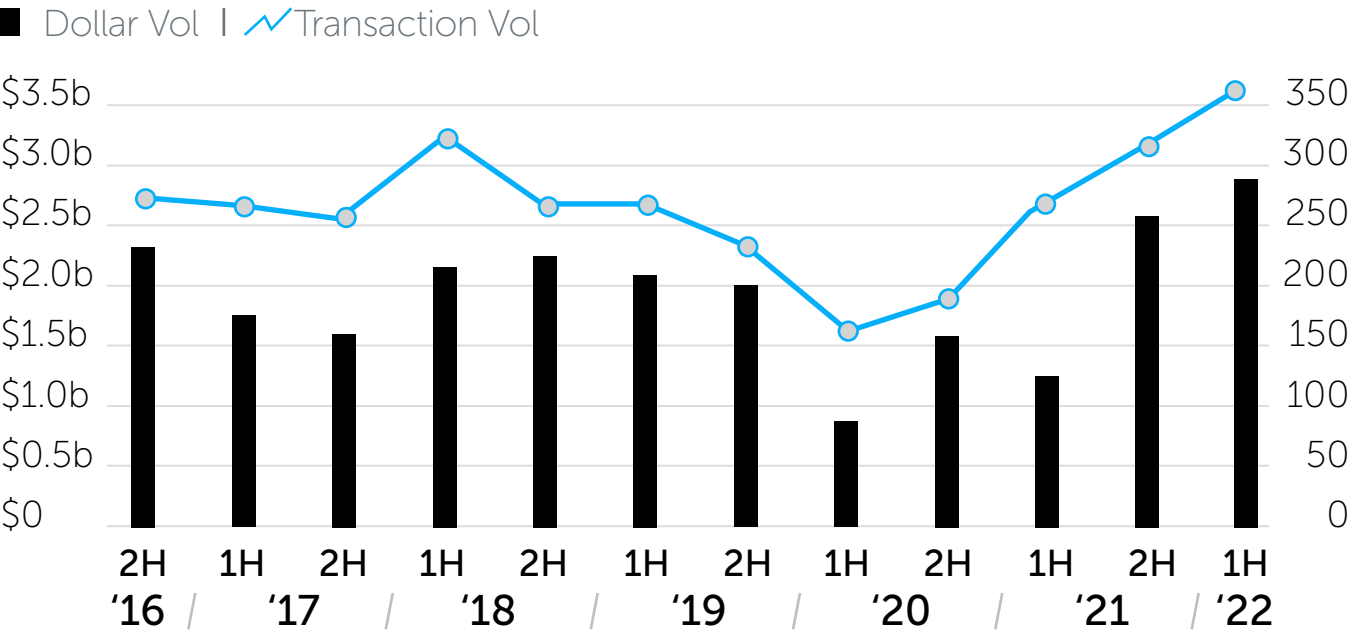
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# 2022 Mid-Year Overview

The Queens investment sales market in the first half of 2022 achieved the best-performing half on record by all volume metrics with \$2.86B in sales, 354 transactions over 467 properties, up 13%, 6%, and 11% respectively when compared to 2H 2021. The top three performing asset classes by dollar volume were multifamily, industrial, and development, with the industrial market setting a record for dollar volume. This strong performance was fueled by the post-Covid bounce back in the rental markets for apartments, warehouses, and retail along with the urgency to close on transactions prior to the rapidly increasing interest rates.

### Real Estate Timeline



Volume  
1H 2022 vs 2H 2021

13% ↑  
\$2.86b  
Dollar

6% ↑  
354  
Transaction

11% ↑  
467  
Property

### Dollar Volume Comparison

Product Type	1H 2022	VS 2H'21	2H 2021	VS 1H'21	1H 2021
Multifamily	\$804,842,196	28%	\$629,009,134	240%	\$236,911,275
MF-MU 10+ resi units	\$503,720,226	30%	\$386,449,000	418%	\$97,274,000
MF-MU 6-9 resi units	\$93,153,906	-1%	\$93,860,656	95%	\$47,650,000
MF-MU Small	\$207,968,064	40%	\$148,699,478	126%	\$91,987,275
Commercial*	\$230,177,484	-42%	\$394,041,470	-37%	\$367,621,738
Ind / WH / Sto**	\$751,536,993	40%	\$536,869,950	125%	\$334,166,600
Development	\$675,399,297	-5%	\$712,832,802	250%	\$192,830,000
Office	\$333,094,134	123%	\$149,127,000	634%	\$45,363,500
Special Purpose	\$64,132,075	-36%	\$100,591,908	-10%	\$70,974,317
GRAND TOTAL	\$2,859,182,179	13%	\$2,522,472,264	129%	\$1,247,867,430

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

# 2022 Mid-Year Outlook

The outlook for the remainder of 2022 is mixed with some asset classes continuing to do well, while others may struggle to keep pace. Rising interest rates, rising inflation, and the expiration of Affordable New York will impact the multifamily and development sector for the remainder of 2022. Because most of the developments in Queens are for rental consumption, the expiration of Affordable New York (421a) will impede the growth in this asset class. The multifamily assets will likely remain the most transactional section of the market.

The industrial, warehouse, and self-storage assets will continue to flourish in Queens due to ample space and zoning for these types of properties. Additionally, the demand for industrial space during and post-Covid have pushed rents to new highs.

Despite a strong first half and favorable market indicators, we’re expecting a slowdown in the investment sales market by the end of 2022 due to the Federal Reserve’s aggressive monetary policy to curb inflation, which is drastically increasing interest rates.

### Transaction Volume Comparison

Product Type	1H 2022	VS 2H’21	2H 2021	VS 1H’21	1H 2021
Multifamily	198	21%	164	96%	101
MF-MU 10+ resi units	38	58%	24	100%	19
MF-MU 6-9 resi units	50	-4%	52	79%	28
MF-MU Small	110	25%	88	104%	54
Commercial*	53	-12%	60	-18%	65
Ind / WH / Sto**	50	16%	43	-2%	51
Development	37	-3%	38	37%	27
Office	10	11%	9	43%	7
Special Purpose	6	-70%	20	-14%	7
GRAND TOTAL	354	6%	334	37%	258

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

# Multifamily Highlights

- There were 198 multifamily transactions in 1H 2022, which equates to roughly 75% of the multifamily transactions for all of 2021
- 55% of the multifamily transactions from 1H 2022 were small mixed-use and multifamily properties, setting a record at 110 transactions for over \$200 million
- Despite HSTPA, roughly half of the 10+ unit properties that sold in 1H 2022 were predominantly rent-stabilized buildings
- Interestingly, the price per square foot and the price per unit increased in 1H 2022 and the cap rate lowered when compared to 2020 and 2021

Volume  
1H 2022 vs 2H 2021

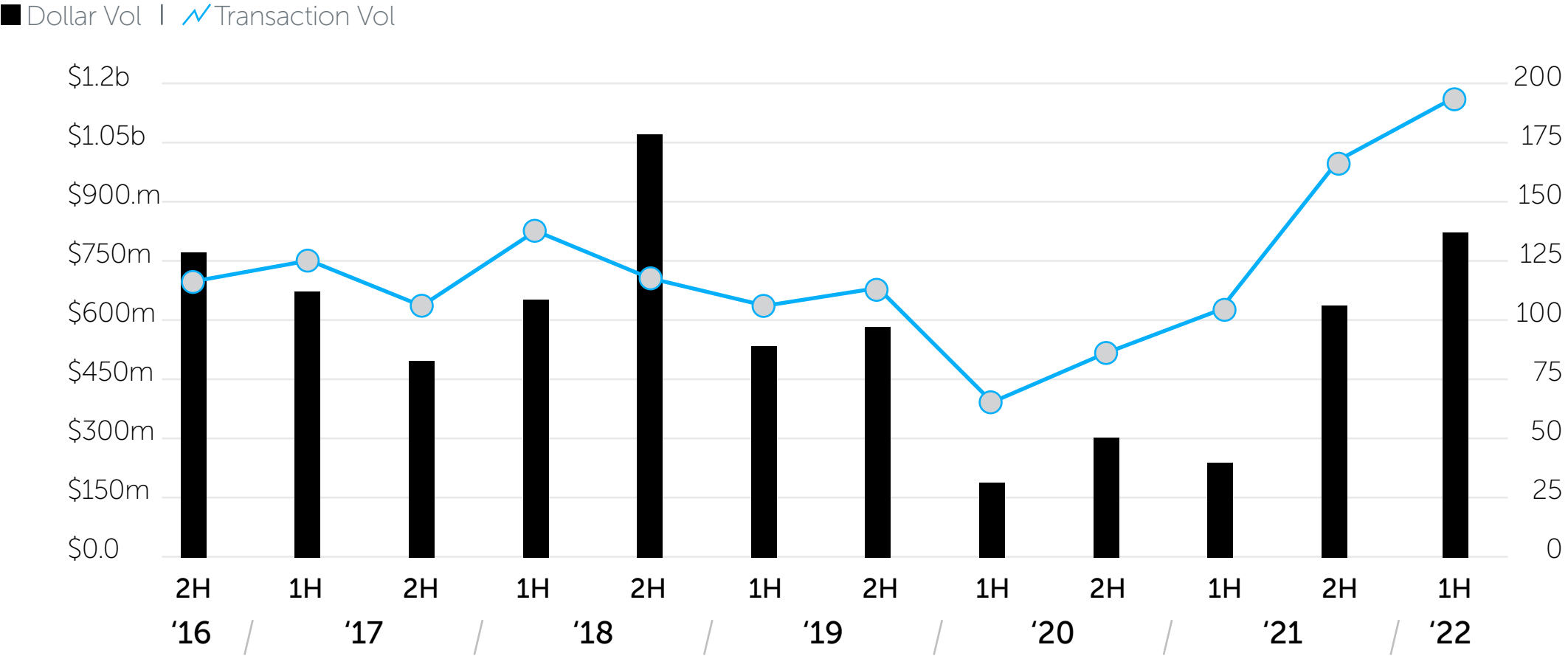
28%  
↑  
Dollar

\$805M

21%  
↑  
Transaction

198

Real Estate Timeline



Property Value Metrics - Multifamily\*

Year	2016	2017	2018	2019	2020	2021	1H 2022
\$/SF	\$346	\$371	\$365	\$343	\$246	\$286	\$295
\$/Unit	\$283,588	\$282,834	\$294,798	\$276,261	\$213,813	\$226,938	\$240,684
Cap Rate	4.27%	4.25%	4.31%	4.46%	5.46%	5.40%	5.32%
GRM	15.44	15.31	15.71	14.67	10.35	10.93	11.03

\*reflects multifamily transactions of 10+ residential units

## Featured Transaction



Queens Village  
Cunningham Heights  
Apartments

Sale Amount:  
**\$130,000,000**  
\$/SF:  
**\$158**  
Buyer:  
**A&E Real Estate Holdings**  
Seller:  
**Cunningham Associates LP**  
  
Sale Date: **2/24/2022**

# Ind / WH / Sto Highlights

- Set a record for dollar volume in 1H 2022 with over \$750 million, the second most active asset class in Queens, accounting for 26% of the borough’s dollar volume while equating to 14% of all the transactions for 1H 2022
- 7 of the top 15 trades by dollar volume in 1H 2022 were industrial and warehouses
- 27-11 49th Avenue, the largest property sold in 1H 2022 by dollar amount, sold for \$105.5 million, a 40% increase from the \$70 million previous sale just two years prior

Volume  
1H 2022 vs 2H 2021

40%  
↑  
Dollar

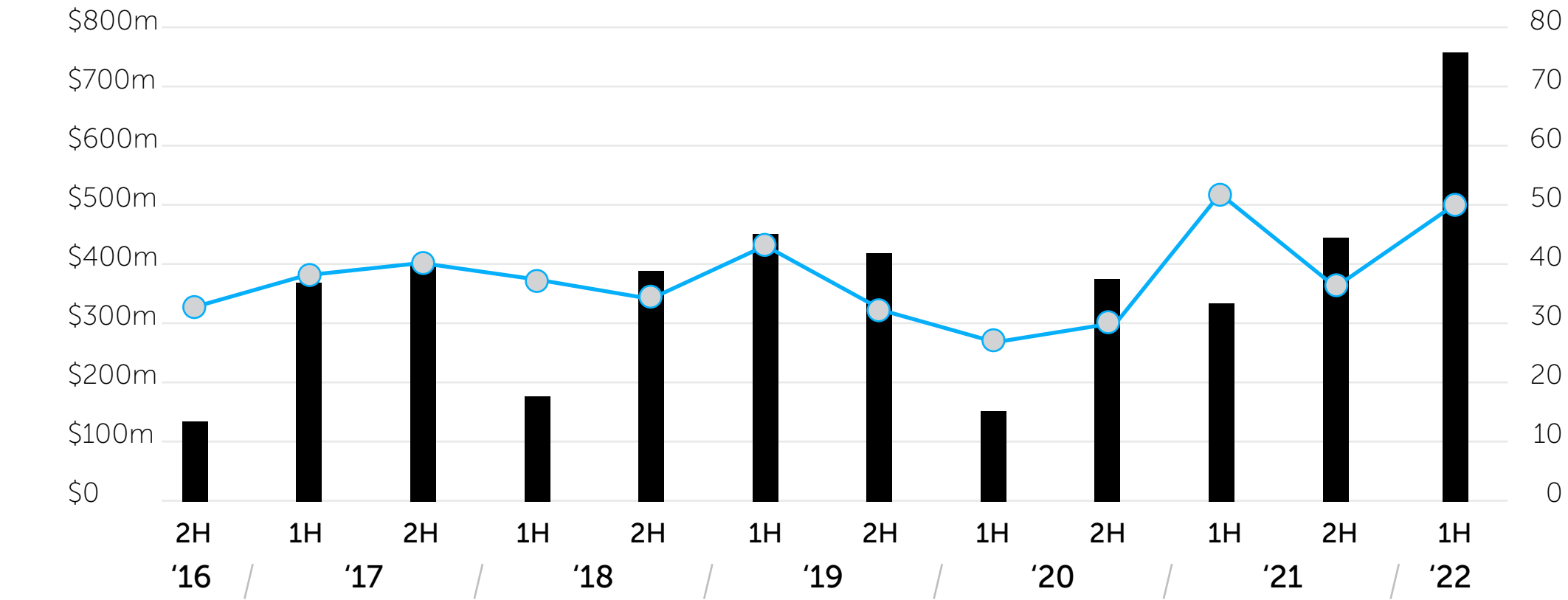
\$752M

16%  
↑  
Transaction

50

Real Estate Timeline

■ Dollar Vol | ✓ Transaction Vol



Property Value Metrics - Ind / WH / Sto\*

Year	2016	2017	2018	2019	2020	2021	1H 2022
\$/Gross SF	\$357	\$333	\$360	\$366	\$404	\$411	\$444
\$/Lot SF**	\$160	\$138	\$187	\$239	\$161	\$219	\$372

\*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



Long Island City  
27-11 49<sup>th</sup> Avenue

Sale Amount:  
**\$105,500,000**

\$/SF:  
**\$491**

Buyer:  
**Morgan Stanley**

Seller:  
**Traub Capital LLC**

Sale Date: **6/3/2022**



# Development Highlights

- Development in Queens recorded \$675 million in dollar volume, the third most active asset class
- Accounting for 24% of the total dollar volume in 1H 2022 but only 10% of the transaction volume
- 43-30 24th Street was the biggest sale of 1H 2022 for \$176 million with almost 700,000 buildable sq. ft.
- \$/BSF remained steady at \$214/BSF when compared with 2017-2021

Volume  
1H 2022 vs 2H 2021

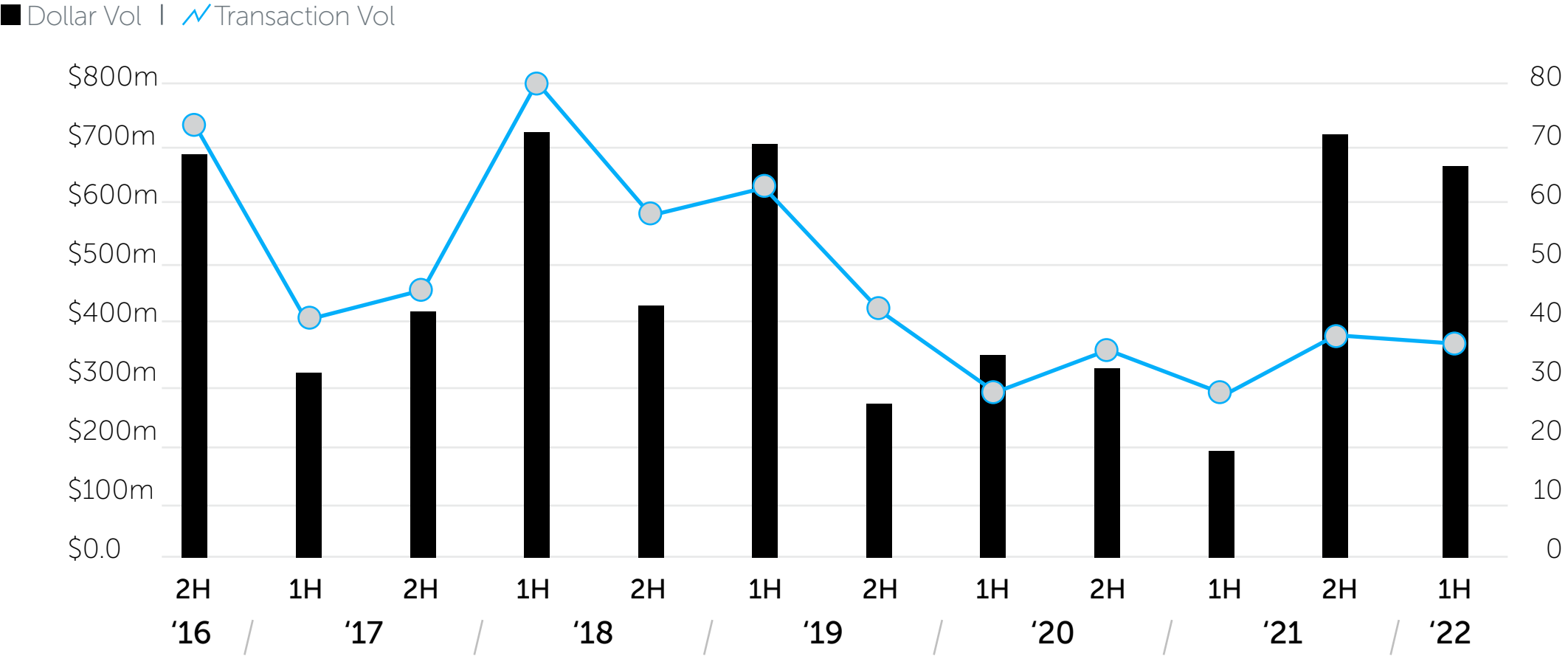
-5%  
↓

\$675M  
Dollar

-3%  
↓

37  
Transaction

Real Estate Timeline



Property Value Metrics - Development\*

Year	2016	2017	2018	2019	2020	2021	1H 2022
\$/BSF	\$185	\$212	\$211	\$208	\$222	\$217	\$214

\*reflects transactions of vacant land or equivalent development sites

## Featured Transaction



Long Island City  
43-30 24<sup>th</sup> Street

Sale Amount:  
**\$176,000,000**

\$/BSF:  
**\$252**

Buyer:  
**Carmel Partners**

Seller:  
**Stawski Partners**

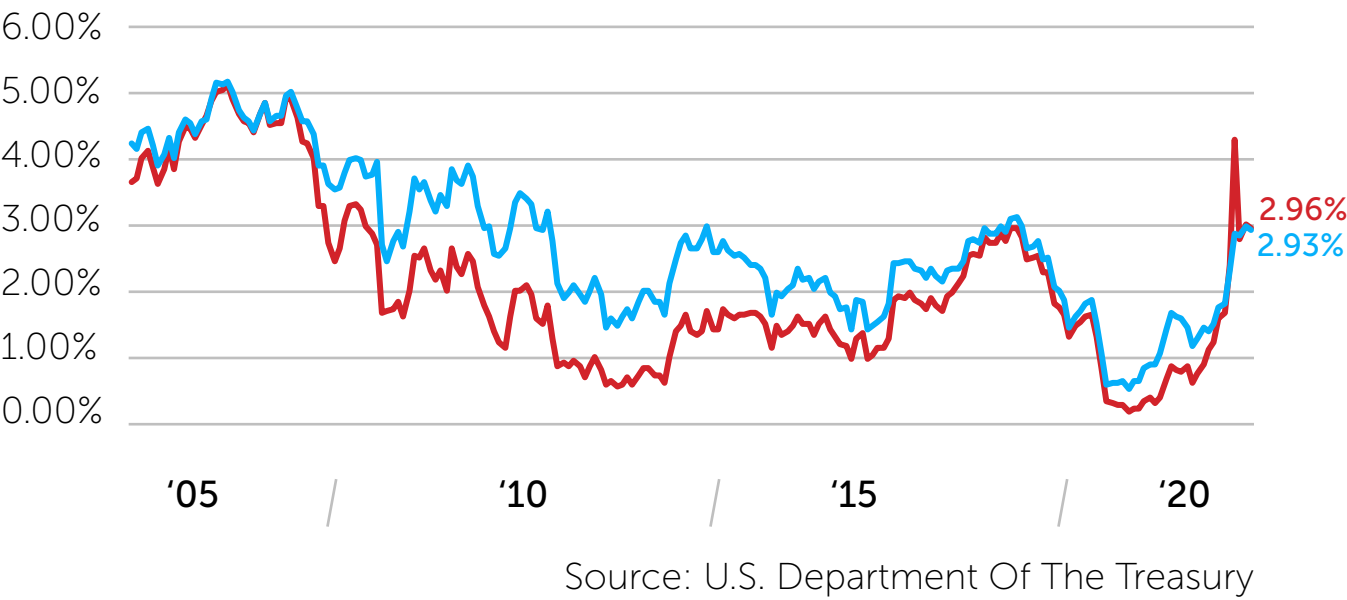
Sale Date: **3/16/2022**

# 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.

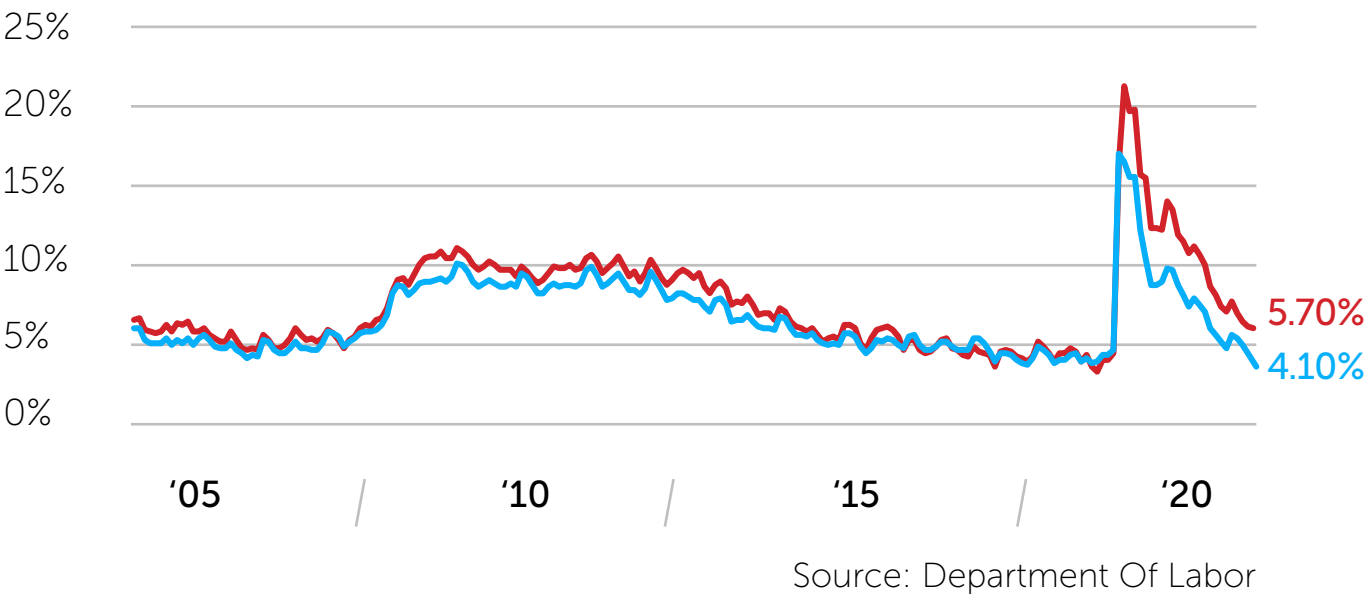
## Financing:

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



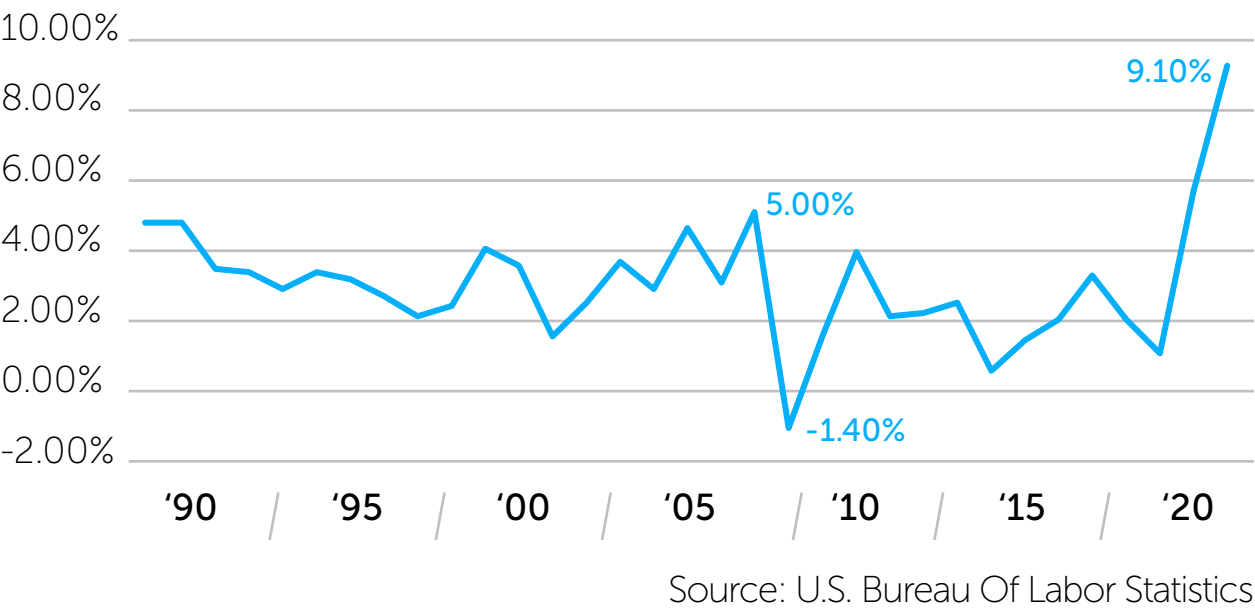
## Unemployment Timeline (As of May 2022):

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



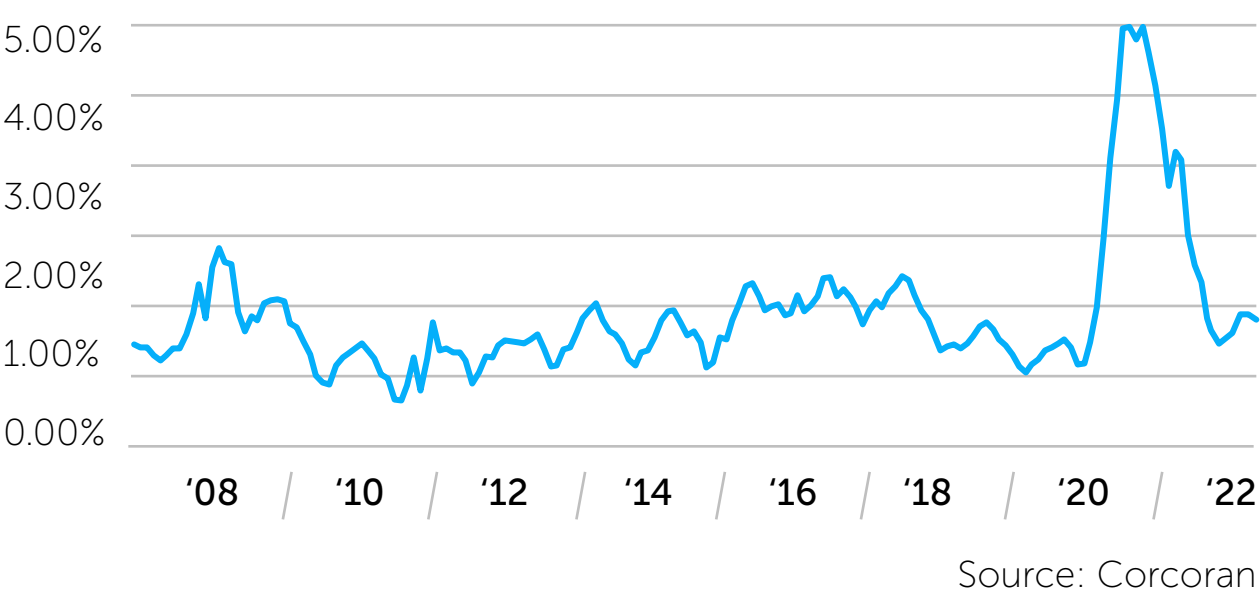
## Consumer Price Index (CPI):

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



## Rental Market / Vacancy:

Manhattan Residential  
Rental Vacancy 2008-2022





# Thought Leadership Featured in Forbes

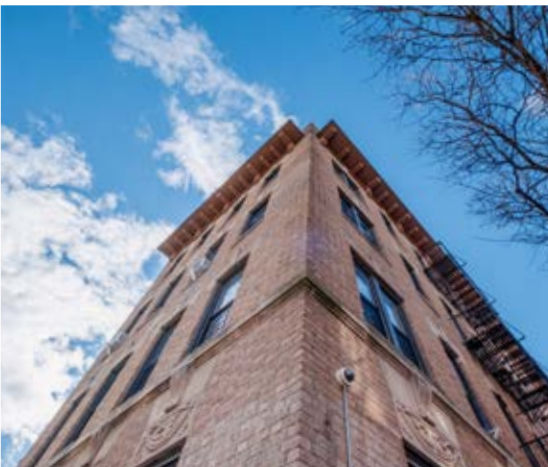
Ariel Property Advisors has been a regular contributor for Forbes. Below is a list of five latest articles that appeared in Forbes.



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



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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.

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