

## MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | APRIL 2017

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## ABOUT THE REPORT | CONTENT

Ariel Property Advisors is pleased to present its Multifamily Month In Review: New York City. The report provides a monthly overview of market activity, benchmark transactions, revenue and expense trends, and current events that affect the multifamily real estate market.

The Multifamily Month In Review is distributed to our clients on a monthly basis. Past versions of the Multifamily Month In Review can be found at [arielpa.nyc/investor-relations/research-reports](http://arielpa.nyc/investor-relations/research-reports)

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# MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | APRIL 2017

The New York City multifamily market saw dollar and transaction volumes hold in April, while building volume increased significantly as a result of an uptick in outer-borough portfolio trades. While these figures represent an improvement over last month's numbers, all three volume metrics fell well below the activity seen in April of 2016. Looking at the trailing 6-month averages, transaction volume continued to drop lower and now stands at its lowest level since May of 2011. In terms of pricing, prices per square foot and per unit improved or held in all sub-markets; however, capitalization rates and gross rent multipliers were a mixed-bag. Queens, in particular, has exemplified this trend as the borough's average price per square foot has risen by 9% since January to \$387, while its average capitalization rate has risen to 4.38% from 4.05%, and its average gross rent multiple has fallen by nearly 3% to 15.55.

For the month, New York City saw 29 transactions comprised of 51 buildings totaling \$477.12 million in gross consideration. These numbers represent a 0% change in transaction volume and a 31% increase in building volume, but a 4% slide in dollar volume compared with the previous month.

Manhattan registered less than \$100 million in dollar volume for the second consecutive month as the borough posted \$93.07 million in gross consideration across ten transactions consisting of ten buildings. While these numbers represent month-over-month improvements across the board, they demonstrate a noticeable drop compared to the same period last year with dollar volume falling by 80%, transaction volume sliding by 33%, and building volume declining by 52%. One significant trade during the month took place in Greenwich Village, where an 11-unit walk-up building located at 601 Hudson Street sold for \$12.75 million, representing \$1,335 per square foot and \$1,159,091 per unit.

Northern Manhattan continued to experience light volume for the month as just four transactions consisting of five buildings took place. However, all four transactions during the month exceeded \$10 million, buoying dollar volume to \$83.05 million, a 54% month-over-month increase. The sub-market's largest sale of the month took place in Washington Heights, where a 57-unit mixed-use elevator building located at 720 West 181st Street sold for \$32 million, or \$626 per square foot, a reported capitalization rate of 4.32% and gross rent multiple of 15.72. Another notable transaction took place in Central Harlem at 9 West 110th Street, where the 31-unit mixed-use walk-up building sold for \$13.65 million, or \$577 per square foot.

The Bronx saw more than twice the number of buildings sell in April compared with the previous month's figures despite declines in transaction and dollar volumes, which can be largely explained by the sale of two institutional-caliber portfolios. For the month, the borough saw seven transactions consisting of 23 buildings totaling \$115.28 in gross consideration, a month-over-month decline of 30% and 31% for transaction and dollar volumes, respectively. The largest of these sales was the 11-building, 291-unit portfolio in Fordham, which was sold by Prana Associates for \$49.3 million, or \$189 per square foot. The other significant portfolio to trade was the six-building, 209-unit package that Pistilli Realty bought for \$38.5 million, or \$209 per square foot.

Brooklyn, once again, saw the steepest month-over-month declines of any sub-market as just three transactions took place, producing a total dollar volume of \$25.48 million in gross consideration, representing a 40% and 72% drop, respectively. Notable sales included the \$11.7 million sale of a 70-unit elevator Section 8 building located at 761 Bushwick Avenue in Bushwick and the \$11.4 million sale of 66 Graham Avenue in Williamsburg, where the price for the 37-unit mixed-use walk-up building represented \$440 per square foot and \$308,108 per unit.

Queens led all sub-markets in dollar volume this month with \$130.25 million trading across five transactions consisting of ten buildings and the borough was the only sub-market to register month-over-month and year-over-year increases across all metrics. The largest transaction in the City this month took place in Astoria, where the Kushner Companies sold a four-building, 154-unit portfolio for \$76.25 million, or \$617 per square foot.

For the six months ending in April of 2017 (page 5), the average monthly transaction volume for New York City fell to 36 transactions per month from 38 in the previous month and the average monthly dollar volume decreased to \$816.99 million from \$827.51 million during the same period.

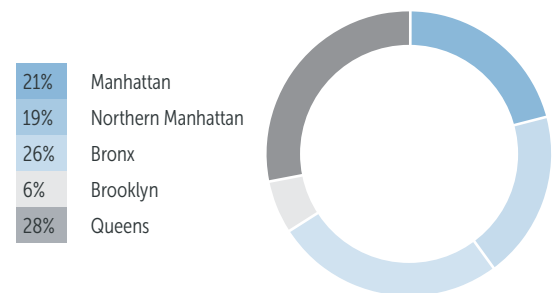
## NEW YORK CITY

METRICS	APRIL 2017	% CHANGE VS. MARCH 2017	MARCH 2017	% CHANGE VS. APRIL 2016	APRIL 2016
Transaction Vol	29	0%	29	-36%	45
Building Vol	51	31%	39	-41%	86
Dollar Vol	\$447,118,000	-4%	\$466,220,061	-52%	\$940,876,253
Total Units	1,534	-17%	1,851	-37%	2,442

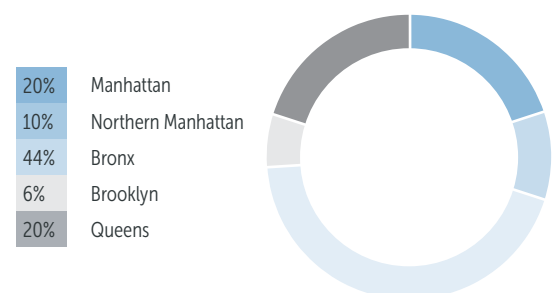
## APRIL 2017 SNAPSHOT

Dollar Volume	Transaction	Building Volume
\$447 million	29	51
4% decrease compared to March 2017	unchanged compared to March 2017	31% increase compared to March 2017

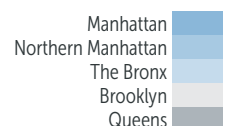
## DOLLAR VOLUME COMPARISON BY LOCATION CHART



## BUILDING VOLUME COMPARISON BY LOCATION CHART



## LEGEND:

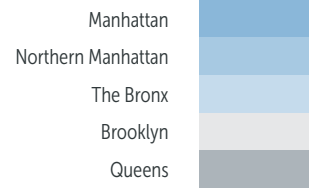


Manhattan is defined as below 96<sup>th</sup> Street on the east side and below 110<sup>th</sup> Street on the west side

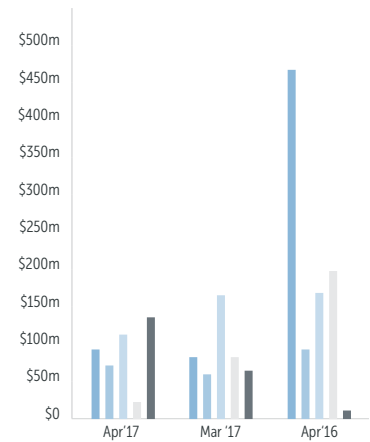
# MULTIFAMILY MARKET PERFORMANCE BY SUB-MARKET

METRICS		APRIL 2017	% CHANGE VS. MARCH 2017	MARCH 2017	% CHANGE VS. APRIL 2016	APRIL 2016
MANHATTAN	Transaction Vol	10	67%	6	-33%	15
	Building Vol	10	43%	7	-52%	21
	Dollar Vol	\$93,068,000	8%	\$86,484,525	-80%	\$463,900,000
	Total Units	137	20%	114	-79%	665
N. MANHATTAN	Transaction Vol	4	0%	4	-33%	6
	Building Vol	5	-44%	9	-44%	9
	Dollar Vol	\$83,050,000	54%	\$53,850,000	-16%	\$99,116,106
	Total Units	255	13%	226	14%	223
THE BRONX	Transaction Vol	7	-30%	10	-42%	12
	Building Vol	23	109%	11	-28%	32
	Dollar Vol	\$115,275,000	-31%	\$166,400,536	-34%	\$174,635,147
	Total Units	666	-36%	1,042	-42%	1,154
BROOKLYN	Transaction Vol	3	-40%	5	-70%	10
	Building Vol	3	-50%	6	-86%	21
	Dollar Vol	\$25,475,000	-72%	\$89,860,000	-87%	\$195,125,000
	Total Units	117	-46%	217	-65%	337
QUEENS	Transaction Vol	5	25%	4	150%	2
	Building Vol	10	67%	6	233%	3
	Dollar Vol	\$130,250,000	87%	\$69,625,000	1,508%	\$8,100,000
	Total Units	359	42%	252	470%	63

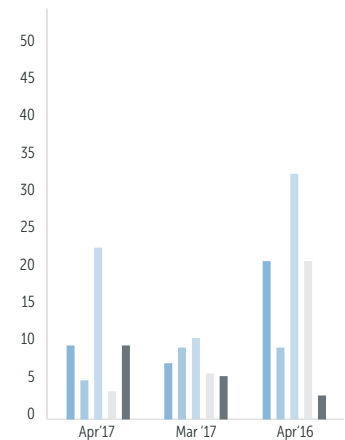
## LEGEND



## DOLLAR VOLUME COMPARISON GRAPH

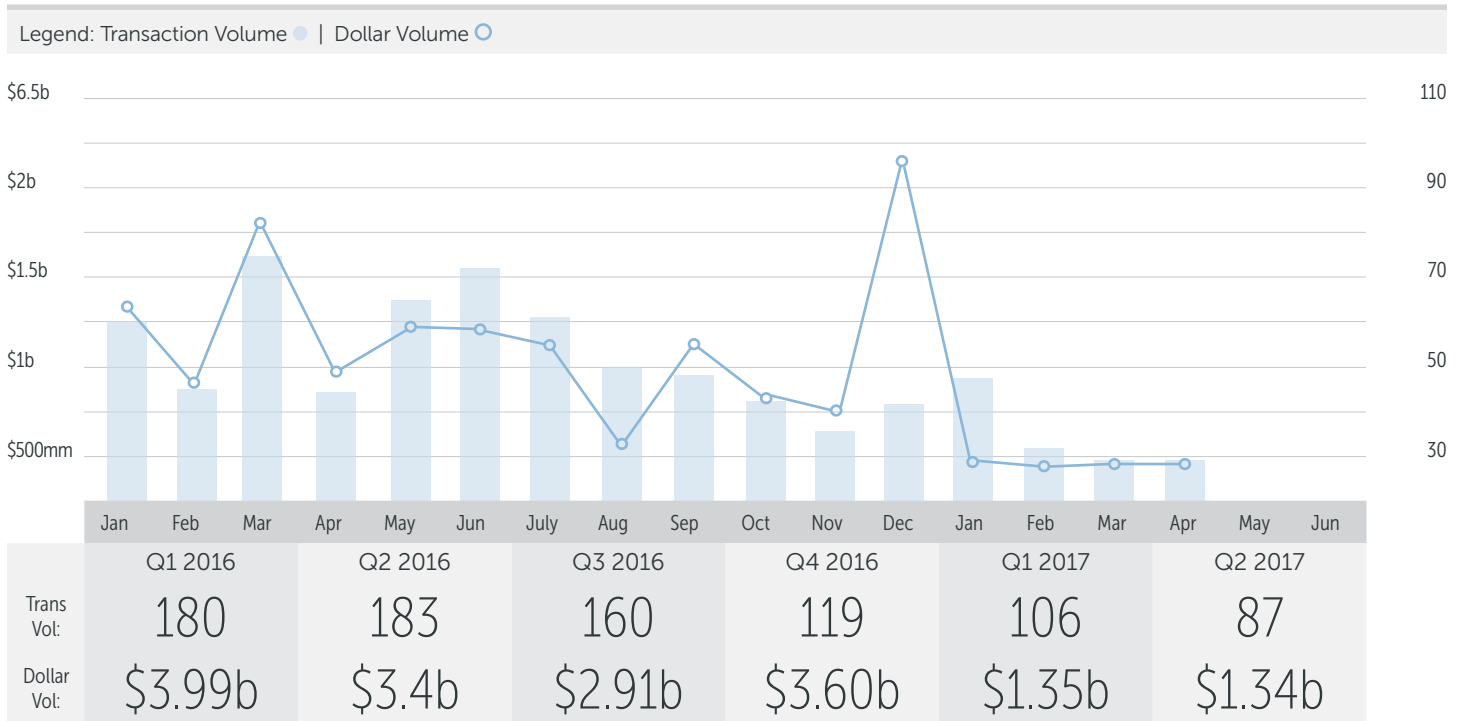


## BUILDING VOLUME COMPARISON GRAPH

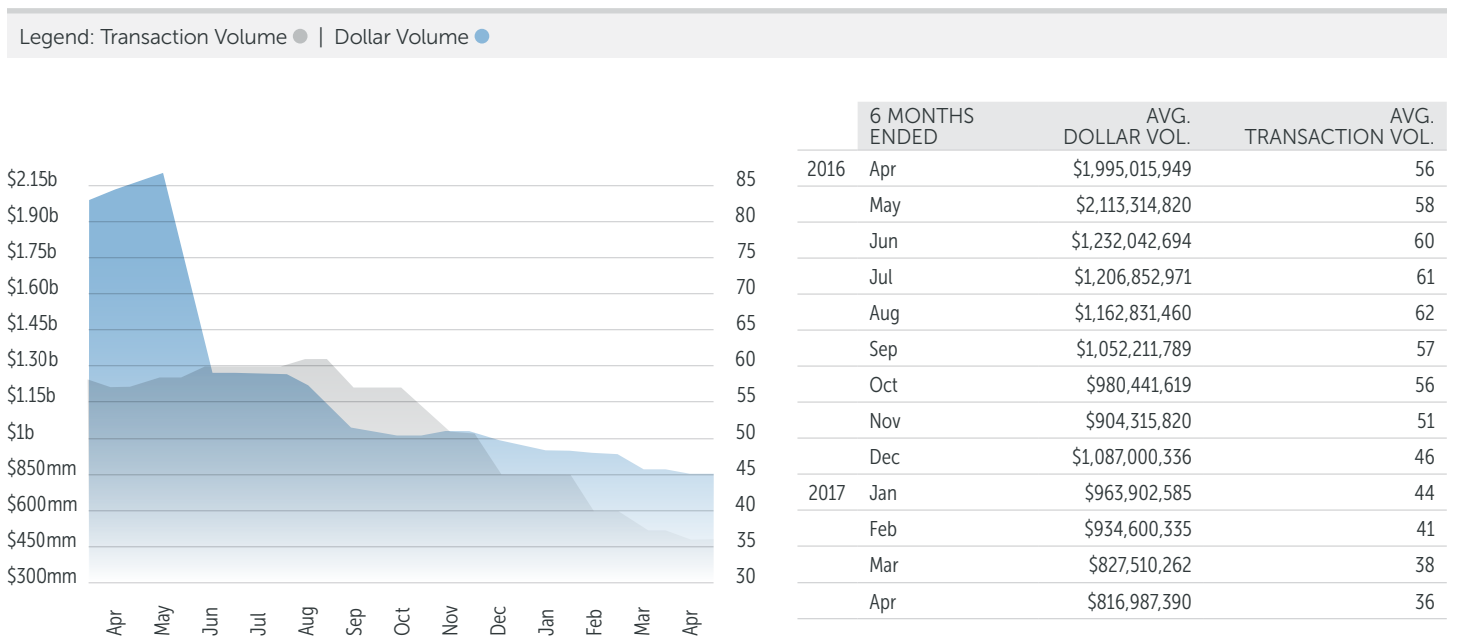


# TRANSACTION & DOLLAR VOLUME BY QUARTER | TRAILING 6-MONTH MOVING AVERAGE

## MULTIFAMILY TRANSACTION TIMELINE



## THE TRAILING 6-MONTH MOVING AVERAGE



# PRICING INDICATORS & DISTRIBUTIONS

## TRANSACTION SUMMARY

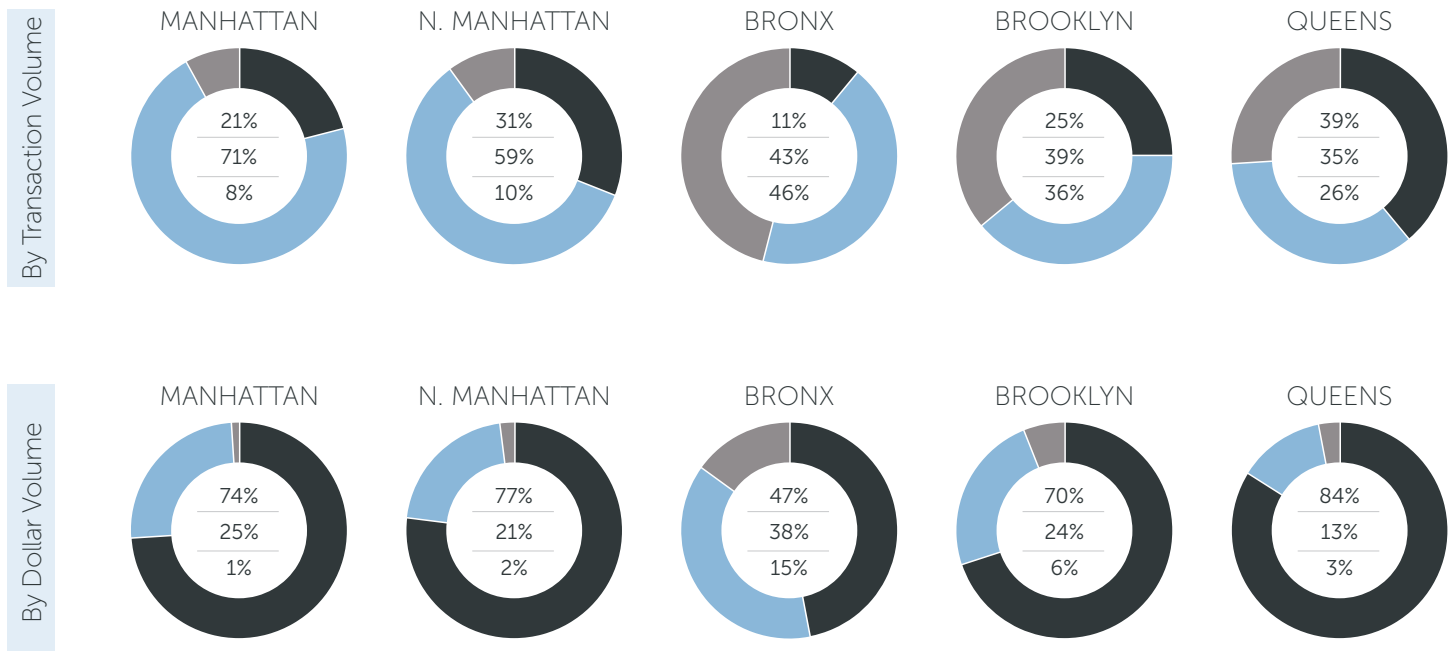
NOV 2016 - APR 2017 TRAILING NUMBERS							NOV 2015 - APR 2016 TRAILING NUMBERS					
Location / Criteria	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction
Manhattan	56	70	\$1,812,116,040	\$12,638,258	2,514	20	74	107	\$8,203,157,728	\$14,762,500	14,912	23
N. Manhattan	29	106	\$900,782,500	\$13,000,000	3,133	36	49	86	\$881,257,687	\$7,085,544	3,329	28
Bronx	54	88	\$566,816,119	\$5,142,500	3,445	34	89	194	\$992,253,961	\$4,450,000	6,503	30
Brooklyn	53	88	\$910,496,683	\$7,500,000	2,570	27	86	121	\$1,184,070,319	\$5,875,000	2,967	20
Queens	23	43	\$711,713,000	\$12,850,000	3,140	38	39	55	\$709,356,000	\$9,700,000	2,743	40
Summary	215	395	\$4,901,924,342	\$10,300,000	14,802	29	337	563	\$11,970,095,695	\$7,650,000	30,454	25

## PRICING INDICATORS

NOV 2016 - APR 2017 TRAILING NUMBERS					NOV 2015 - APR 2016 TRAILING NUMBERS			
Location	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM
Manhattan	\$705,202	\$981	3.79%	19.51	\$706,568	\$969	3.61%	19.55
N. Manhattan	\$315,890	\$396	3.98%	15.63	\$293,347	\$344	4.07%	15.36
Bronx	\$166,710	\$189	5.03%	11.83	\$153,043	\$175	5.12%	10.75
Brooklyn	\$300,642	\$359	4.69%	15.55	\$326,937	\$385	4.37%	17.03
Queens	\$312,241	\$387	4.38%	15.55	\$253,177	\$297	4.32%	14.31

## THE TRAILING 6-MONTH MOVING AVERAGE

Legend: \$20MM+ ● | \$5-20mm ● | \$1-5mm ●







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## ABOUT ARIEL PROPERTY ADVISORS

Ariel Property Advisors is an investment real estate services and advisory company located in New York City.

Our company is unique to the industry in that it is structured like an investment bank, with separate divisions for investment sales, capital services and research. This strategic approach to commercial brokerage services allows our professionals to deploy greater resources and provide consistent, seamless execution to every transaction.

We cover all major commercial asset types throughout the New York metropolitan area, but maintain a very sharp focus on multifamily, mixed-use, development, commercial and industrial properties.

From consultation through closing, our professionals are dedicated to achieving optimal results for our clients. Combining the insights of veteran brokers with the latest real estate market intelligence, we find solutions that meet the specific needs of both the client and the asset.

Cultivating long-lasting relationships with the real estate community is essential to the success of both our firm and our clients, so we encourage all market participants to use our company as a resource.

Contact us today for Asset Evaluations, listing information, financing opportunities or our latest market reports.

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## OUR METHODOLOGY

The multifamily transactions included in the analysis occurred at a minimum sales price of \$1 million, with a minimum gross area of 5,000 square feet and with a minimum of 10 units. Our estimated sales statistics reflect all data available on public records and through other sources we deem reliable.

### TYPES OF TRANSACTIONS CONSIDERED:

Transactions in which there was a transfer of ownership and deed document recorded on ACRIS were considered. Data is collected from public sources and other sources we deem reliable.

### LOCATION DEFINITIONS:

Manhattan - South of East 96<sup>th</sup> Street, South of West 110<sup>th</sup> Street  
Northern Manhattan - North of East 96<sup>th</sup> Street, North of West 110<sup>th</sup> Street  
The Bronx - Bronx Borough  
Brooklyn - Brooklyn Borough  
Queens - Queens Borough

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## COMPLIMENTARY ASSET EVALUATION

Please call us at 212.544.9500 to request an Asset Evaluation

Whether you are considering selling your building or you just want to know the current market value of your property, we are available to provide you with a complimentary asset evaluation. Produced by the joint efforts of our investment sales and investment research teams, an Asset Evaluation will provide you with a thorough analysis of your investment property, and will detail our future marketing efforts on your behalf.

The information contained herein has either been given to us by the owner of the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee the accuracy of any information provided herein. As an example, all zoning information, buildable footage estimates and indicated uses must be independently verified. Vacancy factors used herein are an arbitrary percentage used only as an example, and does not necessarily relate to actual vacancy, if any. The value of this prospective investment is dependent upon these estimates and assumptions made above, as well as the investment income, the tax bracket, and other factors which your tax advisor and/or legal counsel should evaluate. The prospective buyer should carefully verify each item of income, and all other information contained herein. June 14, 2017 8:13 PM

