



MULTIFAMILY MONTH IN REVIEW:
NEW YORK CITY | AUGUST 2016
Released October 2016 | By Ariel Property Advisors

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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

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MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | AUGUST 2016

Following several consecutive months that each saw more than \$1 billion in multifamily property sales, New York City experienced its lightest month of multifamily sales activity so far in August. Much of this decline can be attributed to a lack of institutional-caliber deals during the month, as only three transactions topped \$40 million in August.

For the month, New York City saw 48 transactions comprised of 63 buildings totaling \$574.7 million in gross consideration. This represents a 32% decrease in dollar volume and a 25% decline in building volume compared to August 2015, which saw \$842.6 million in gross consideration across 48 transactions comprised of 84 buildings.

Manhattan led the city in dollar volume with \$168.19 million in multifamily sales across 16 transactions consisting of 19 buildings. On the Upper East Side, a 40-unit 20,540 square foot walk-up multifamily building at 341-343 East 65th Street sold for \$16.5 million, which represents \$803 per square foot. In the East Village, 94 Saint Marks Place a 10-unit walk-up building traded for \$6.4 million, which translates to \$912 per square foot or \$640,000 per unit.

Brooklyn was a close second with \$159.7 million in multifamily sales across 9 transactions during August. Notable among them was Sugar Hill Capital Partners' purchase of 315 Seigel Street, a 51-unit walk-up building in East Williamsburg, for \$39.5 million, a value that represents a relatively high price per square foot of \$742. In Crown Heights, a 29-unit elevated mixed-use building at 90-94 Sullivan Place sold for \$21.5 million, or \$458 per square foot.

Following a very strong July that saw over \$400 million in multifamily transactions, Northern Manhattan had a relatively light August with \$70.2 million in sales. In Washington Heights, an elevated mixed-use building at 220 Wadsworth Avenue sold for \$15.6 million, which translates to \$275 per square foot, and reportedly a capitalization rate of 3.42%. Elsewhere, in Central Harlem the walk-up building 208 West 140th Street traded for \$6.25 million or \$409 per square foot.

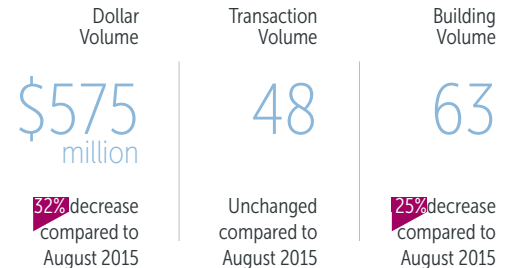
The Bronx saw 6 transactions totaling \$20.1 million in August as all of the deals that closed for the month were under \$5 million. In Crotona Park, a 21-unit walk-up building at 878 East 176th Street sold for \$3.5 million, which represents to \$191 per square foot. Also notable was 2275 Morris Avenue in Fordham, the 28-unit mixed-use building traded for \$4.65 million, or \$233 per square foot.

Queens saw 582 units trade across just 9 transactions totaling \$156.4 million in gross considerations for the month of August. RCR purchased a pair of elevated buildings at 41-15 50th Avenue & 45-41 39th Place for \$48.5 million, which translates to \$294 per square foot or \$303,125 per unit. Another notable transaction was Zara Realty's purchase of 51-25 Van Kleeck Street, a 76-unit elevated building in Elmhurst, that which traded for \$21.1 million or \$325 per square foot, which reportedly represents a cap rate of 3.35% and a gross rent multiple of 15.81.

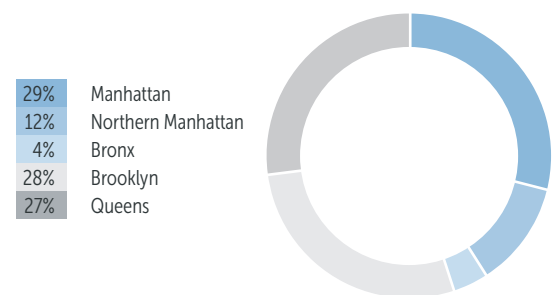
For the six months ending in August 2016 (page 5), the average monthly transaction volume increased slightly to 61 transactions per month and the average monthly dollar volume decreased slightly to \$1.2 billion

METRICS	AUG 2016	% CHANGE VS. JUL 2016	JUL 2016	% CHANGE VS. AUG 2015	AUG 2015
New York City Transaction Vol	48	-21%	61	0%	48
Building Vol	63	-44%	112	-25%	84
Dollar Vol	\$574,702,833	-49%	\$1,124,920,851	-32%	\$842,604,287
Total Units	1,743	-63%	4,728	-23%	2,277

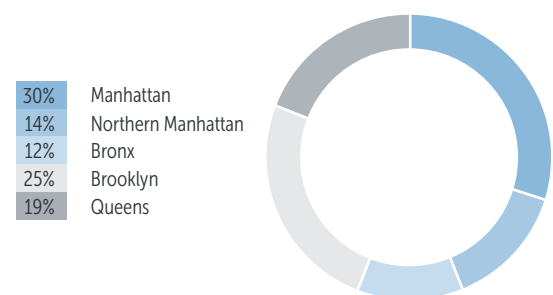
AUGUST 2016 SNAPSHOT



DOLLAR VOLUME COMPARISON BY LOCATION CHART



BUILDING VOLUME COMPARISON BY LOCATION CHART



LEGEND:

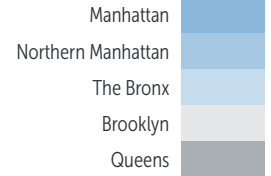


Manhattan is defined as below 96th Street on the east side and below 110th Street on the west side

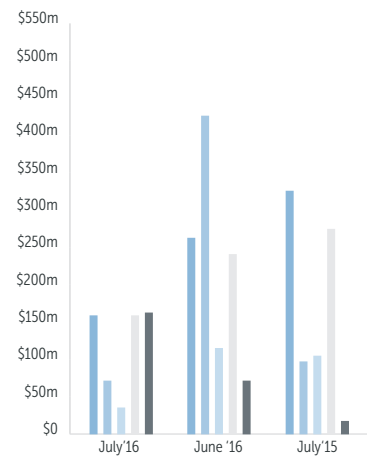
MULTIFAMILY MARKET PERFORMANCE BY SUB-MARKET

	METRICS	AUG 2016	% CHANGE VS. JUL 2016	JUL 2016	% CHANGE VS. AUG 2015	AUG 2015
Manhattan	Transaction Vol	16	45%	11	100%	8
	Building Vol	19	-27%	26	90%	10
	Dollar Vol	\$168,190,000	-36%	\$261,825,000	-50%	\$337,550,000
	Total Units	273	-50%	548	28%	213
N. Manhattan	Transaction Vol	8	-20%	10	60%	5
	Building Vol	9	-55%	20	-44%	16
	Dollar Vol	\$70,200,000	-84%	\$432,620,000	-29%	\$99,262,297
	Total Units	289	-86%	2,140	-2%	296
The Bronx	Transaction Vol	6	-60%	15	-33%	9
	Building Vol	7	-71%	24	-36%	11
	Dollar Vol	\$20,115,000	-82%	\$113,477,850	-82%	\$111,890,000
	Total Units	130	-85%	839	-81%	683
Brooklyn	Transaction Vol	9	-47%	17	-61%	23
	Building Vol	16	-50%	32	-63%	43
	Dollar Vol	\$159,737,833	-35%	\$246,650,149	-42%	\$276,851,990
	Total Units	469	-49%	912	-53%	1,006
Queens	Transaction Vol	9	12%	8	200%	3
	Building Vol	12	20%	10	200%	4
	Dollar Vol	\$156,460,000	122%	\$70,347,852	818%	\$17,050,000
	Total Units	582	101%	289	637%	79

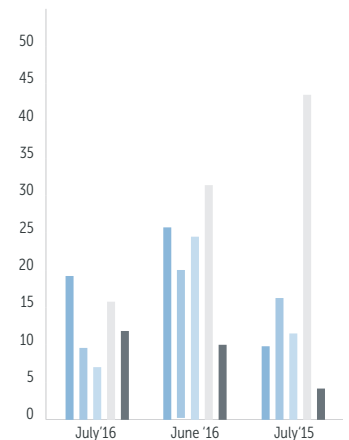
LEGEND



DOLLAR VOLUME COMPARISON GRAPH



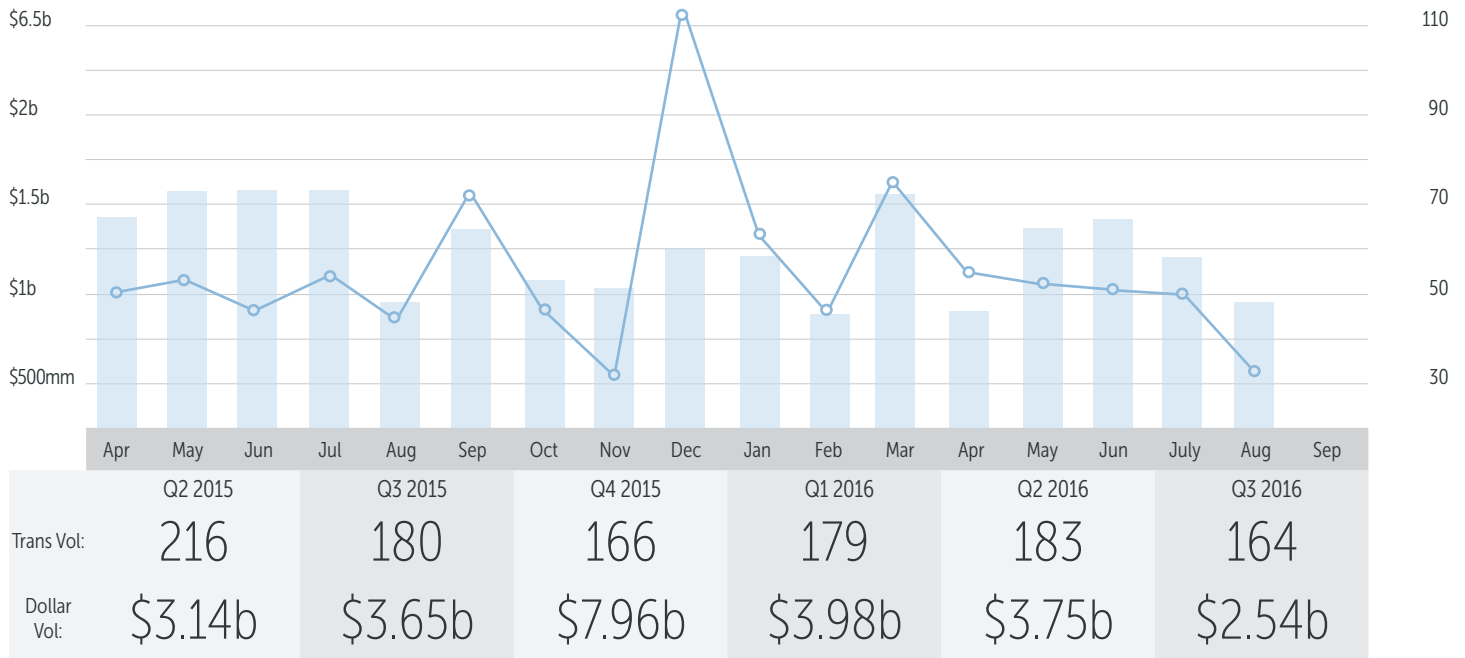
BUILDING VOLUME COMPARISON GRAPH



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

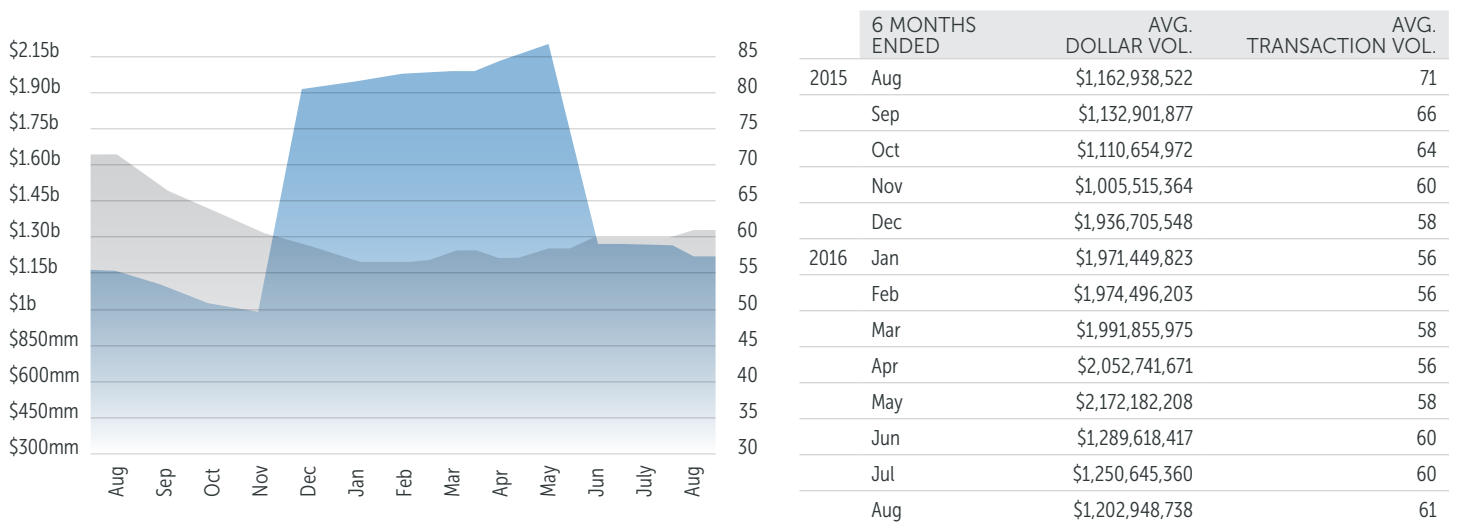
MULTIFAMILY TRANSACTION TIMELINE

LEGEND: Transaction Volume ■ | Dollar Volume ○



THE TRAILING 6-MONTH MOVING AVERAGE

LEGEND: Transaction Volume ■ | Dollar Volume ●



PRICING INDICATORS & DISTRIBUTIONS

MAR 2016 - AUG 2016

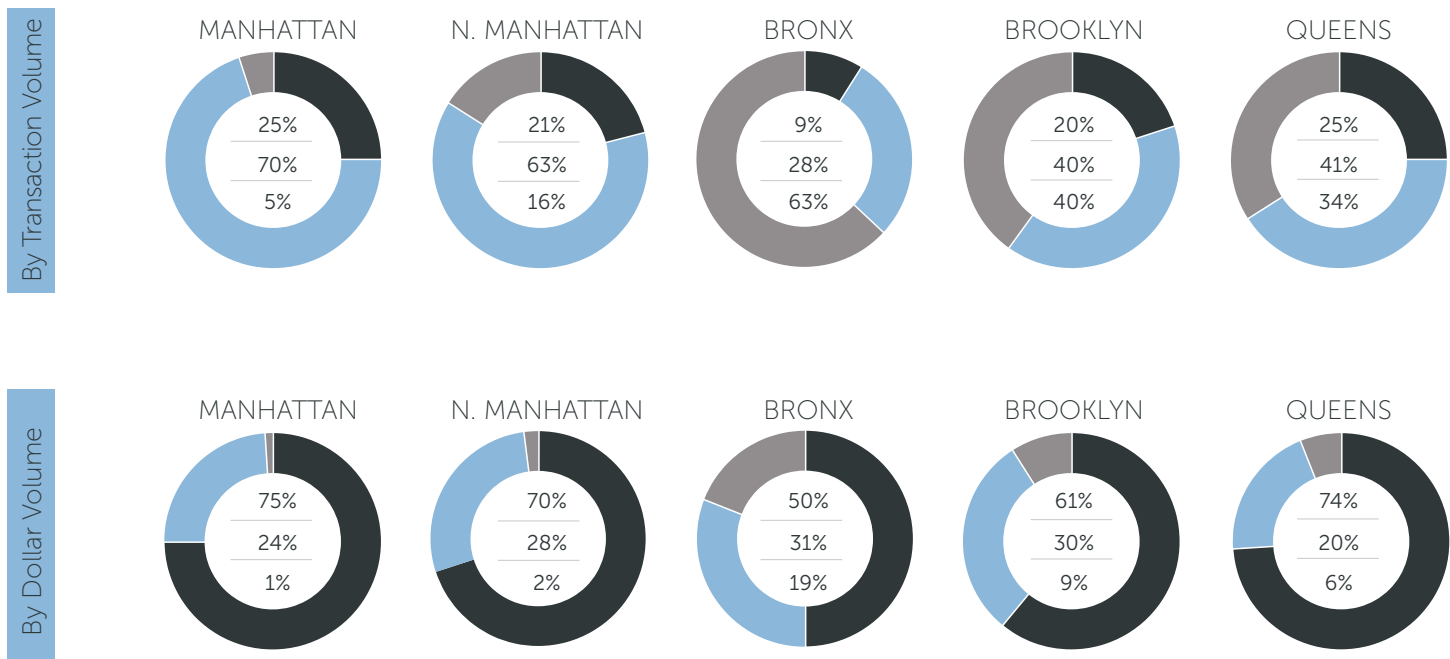
MAR 2015 - AUG 2015

Transaction Summary	Location / Criteria	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction
	Manhattan	81	126	\$2,678,332,000	\$12,000,000	4,118	20
	N. Manhattan	58	98	\$1,399,588,009	\$9,350,000	5,458	33
	Bronx	79	152	\$722,094,555	\$3,600,000	4,759	24
	Brooklyn	106	184	\$1,592,546,011	\$7,337,500	4,766	28
	Queens	41	64	\$825,131,852	\$6,795,000	3,118	30
	Summary	365	624	\$7,217,692,427	\$8,000,000	22,219	25

Pricing Indicators	Location / Criteria	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM
	Manhattan	\$693,008	\$962	3.82%	19.49
	N. Manhattan	\$311,607	\$350	4.09%	15.27
	Bronx	\$153,936	\$174	5.25%	10.92
	Brooklyn	\$305,552	\$358	4.59%	14.75
	Queens	\$269,271	\$342	4.02%	15.66

TRAILING SIX MONTH PERFORMANCE: DEAL DISTRIBUTION BY TRANSACTION COUNT AND DOLLAR VOLUME

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



ABOUT ARIEL PROPERTY ADVISORS

INVESTMENT SALES, INVESTMENT RESEARCH & CAPITAL SERVICES

QUALITY BROKERAGE SERVICES

Building Results



EXCLUSIVE MARKET REPORTS

ASSET EVALUATIONS



Ariel Property Advisors is a commercial 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.

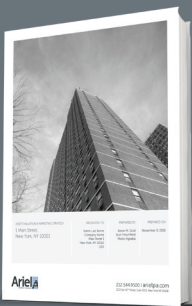
TYPES OF TRANSACTIONS CONSIDERED:

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

If you would like to use or quote this report on the web, we ask that you quote the source as "Multifamily Month In Review: New York City by Ariel Property Advisors" and link report from our website page (<http://arielpa.nyc/research/reports/>)



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. October 19, 2016 4:47 PM