

MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | JANUARY 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

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MUTIFAMILY MONTH IN REVIEW: NEW YORK CITY | JANUARY 2017

The New York City multifamily market got off to a slow start in 2017, with dollar volume and building volume dropping significantly. However, transaction volume remained constant from the previous month suggesting that the drop-off was led by a surge of institutional-caliber portfolios that traded hands at the end of 2016. Looking at the trailing 6-month averages, both dollar volume and transaction volume declined further, a trend that carries over from the latter half of 2016. Record pricing continues to creep higher as the price per square foot and price per unit both saw slight appreciation.

For the month, New York City saw 45 transactions comprised of 64 buildings totaling \$560.52 million in gross consideration. Compared to the previous month, January transaction volume was constant, while building volume was down 55%, and dollar volume was down 73%.

Manhattan fell well below December's figures, pulling in a relatively low \$159.25 million in gross considerations across just 13 transactions. In the East Village, a 28-unit walk-up building at 114-116 East 7th Street traded for \$13.84 million or \$684 per square foot. Another notable transaction was in Hell's Kitchen where a 12-unit walk-up mixed-use building at 328-330 West 46th Street was purchased for \$12.5 million which represents \$1,416 per square foot or \$1,041,667 per unit and a reported capitalize rate of 3.57%.

Northern Manhattan recorded \$61.66 million in dollar volume across 6 sales, representing declines of 89% and 45% respectively when compared with the prior month. Despite the drop off from a particularly active December 2016, January did see several significant transactions occur. In East Harlem, a 45-unit elevator building at 109 East 102nd Street sold for \$14.7 million or \$488 per square foot. Another noteworthy trade was in Inwood at 48 Post Avenue where the 29-unit walk-up building changed hands for \$5.83 million representing a price per square foot of \$261 and a price per unit of \$201,121.

Brooklyn saw \$249.88 million in multifamily sales across 12 transactions and 22 properties during January, a 15% decline from the \$294.73 million in dollar volume seen in December. In Sheepshead Bay, a 135-unit elevator building at 1245 Avenue X traded for \$37 million, or \$297 per unit and \$274,074 per unit. Another notable sale was in Bedford-Stuyvesant at 1449 Fulton Street where the 21-unit mixed-use walk-up building sold for \$7.9 million, or \$416 per square foot.

The Bronx had 8 transactions totaling \$48.92 million in gross considerations for January, essentially in-line with the previous month. One significant transaction that took place was in Highbridge where two 94-unit mixed-use walk-up buildings at 65 Jesup Place & 1465 Jesup Avenue traded for \$14.5 million, representing \$181 per square foot and \$154,255 per unit. Another noteworthy sale was in Melrose at 271 East 150th Street, the 20-unit mixed-use walk-up building sold for \$2.74 million, or \$259 per square foot and \$136,933 per unit.

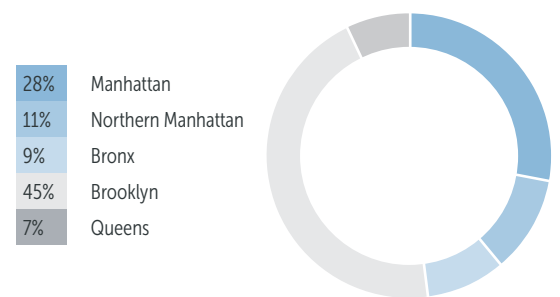
Queens registered just \$40.82 million in dollar volume, an 85% decrease from December, a month that was marked by several large institutional-caliber transactions. In Sunnyside, a 16-unit mixed-use walk-up building at 41-52 49th Street was purchased for \$4.55 million or \$517 per square foot. Another noteworthy sale was in Ridgewood at 10-18 Cypress Avenue, the 6-unit walk-up building was sold for \$1.9 million, which represents \$362 per square foot and \$316,667 per unit.

For the six months ending in January 2017 (page 5), the average monthly transaction volume fell to 43 transactions per month and the average monthly dollar volume decreased to \$935.18 million.

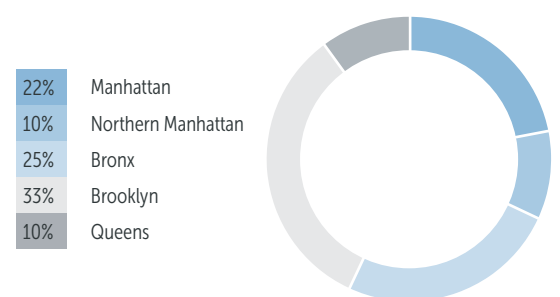
JANUARY 2017 SNAPSHOT

Dollar Volume	Transaction Volume	Building Volume
\$561 million	45	64
73% decrease compared to December 2016	Unchanged compared to December 2016	55% decrease compared to December 2016

DOLLAR VOLUME COMPARISON BY LOCATION CHART



BUILDING VOLUME COMPARISON BY LOCATION CHART



NEW YORK CITY

METRICS	JANUARY 2017	% CHANGE VS. DECEMBER 2016	DECEMBER 2016	% CHANGE VS. JANUARY 2016	JANUARY 2016
Transaction Vol	45	0%	45	-25%	60
Building Vol	64	-55%	141	-19%	79
Dollar Vol	\$560,524,348	-73%	\$2,068,222,749	-59%	\$1,358,759,190
Total Units	1,560	-70%	5,250	-60%	3,886

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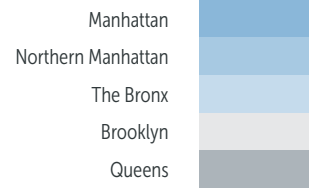
Manhattan	
Northern Manhattan	
The Bronx	
Brooklyn	
Queens	

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

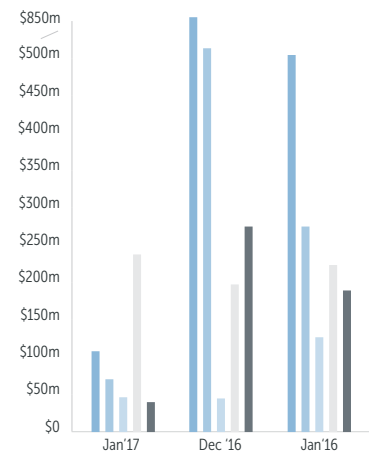
MULTIFAMILY MARKET PERFORMANCE BY SUB-MARKET

METRICS		JANUARY 2017	% CHANGE VS. DECEMBER 2016	DECEMBER 2016	% CHANGE VS. JANUARY 2016	JANUARY 2016
MANHATTAN	Transaction Vol	13	18%	11	8%	12
	Building Vol	14	-12%	16	8%	13
	Dollar Vol	\$159,246,515	-82%	\$865,434,000	-71%	\$541,816,690
	Total Units	305	-76%	1,254	-59%	738
N. MANHATTAN	Transaction Vol	6	-45%	11	-33%	9
	Building Vol	6	-92%	78	-54%	13
	Dollar Vol	\$61,657,500	-89%	\$579,825,000	-77%	\$271,700,000
	Total Units	204	-90%	2,087	-85%	1,321
THE BRONX	Transaction Vol	8	0%	8	-53%	17
	Building Vol	16	45%	11	-41%	27
	Dollar Vol	\$48,923,650	1%	\$48,500,749	-61%	\$126,362,500
	Total Units	304	-7%	328	-63%	832
BROOKLYN	Transaction Vol	12	20%	10	-8%	13
	Building Vol	22	5%	21	47%	15
	Dollar Vol	\$249,881,683	-15%	\$294,725,000	11%	\$225,380,000
	Total Units	609	-28%	846	30%	470
QUEENS	Transaction Vol	6	20%	5	-33%	9
	Building Vol	6	-60%	15	-45%	11
	Dollar Vol	\$40,815,000	-85%	\$279,738,000	-79%	\$193,500,000
	Total Units	138	-81%	735	-74%	525

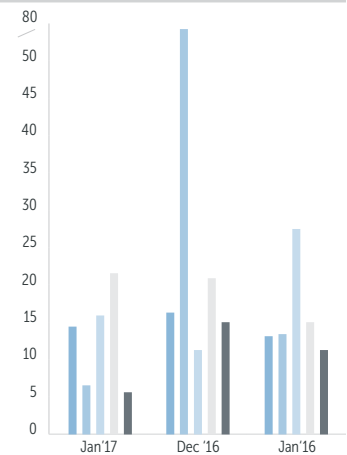
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DOLLAR VOLUME COMPARISON GRAPH

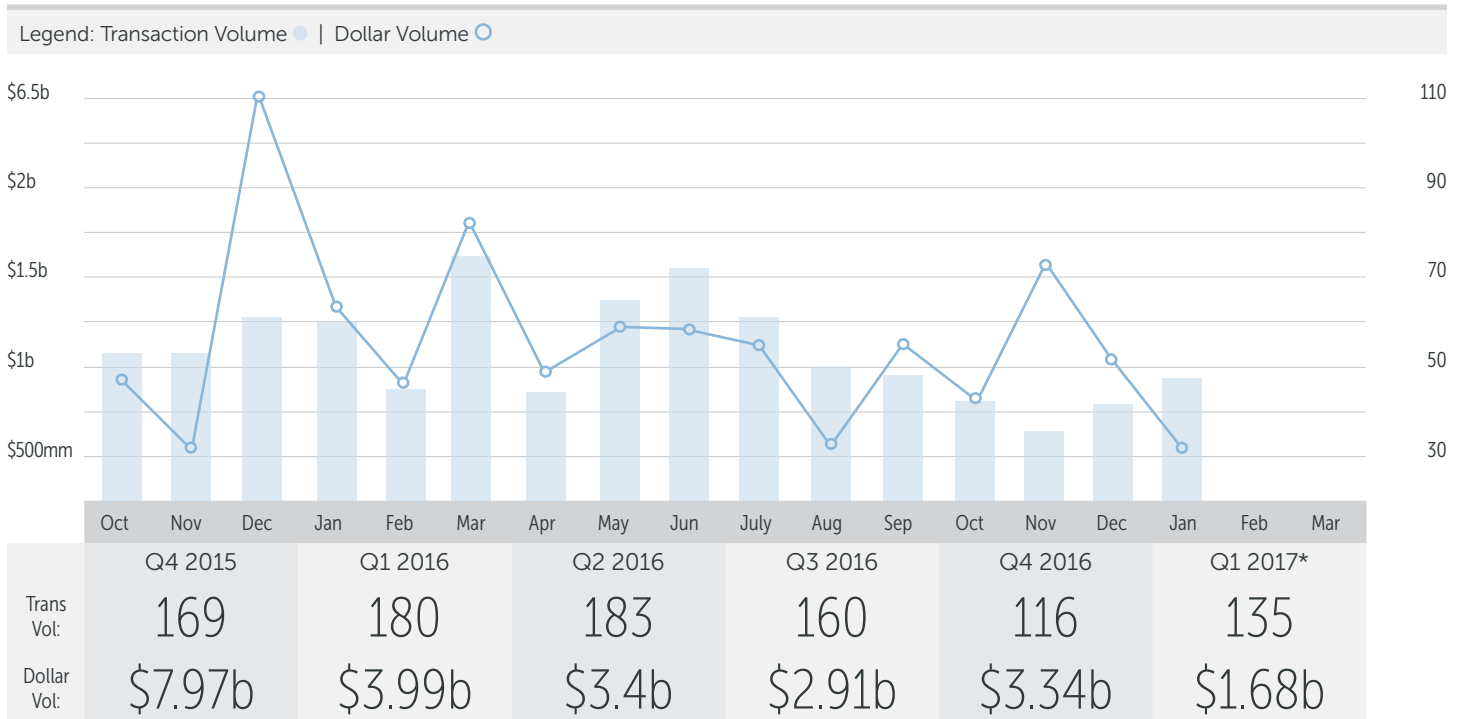


BUILDING VOLUME COMPARISON GRAPH

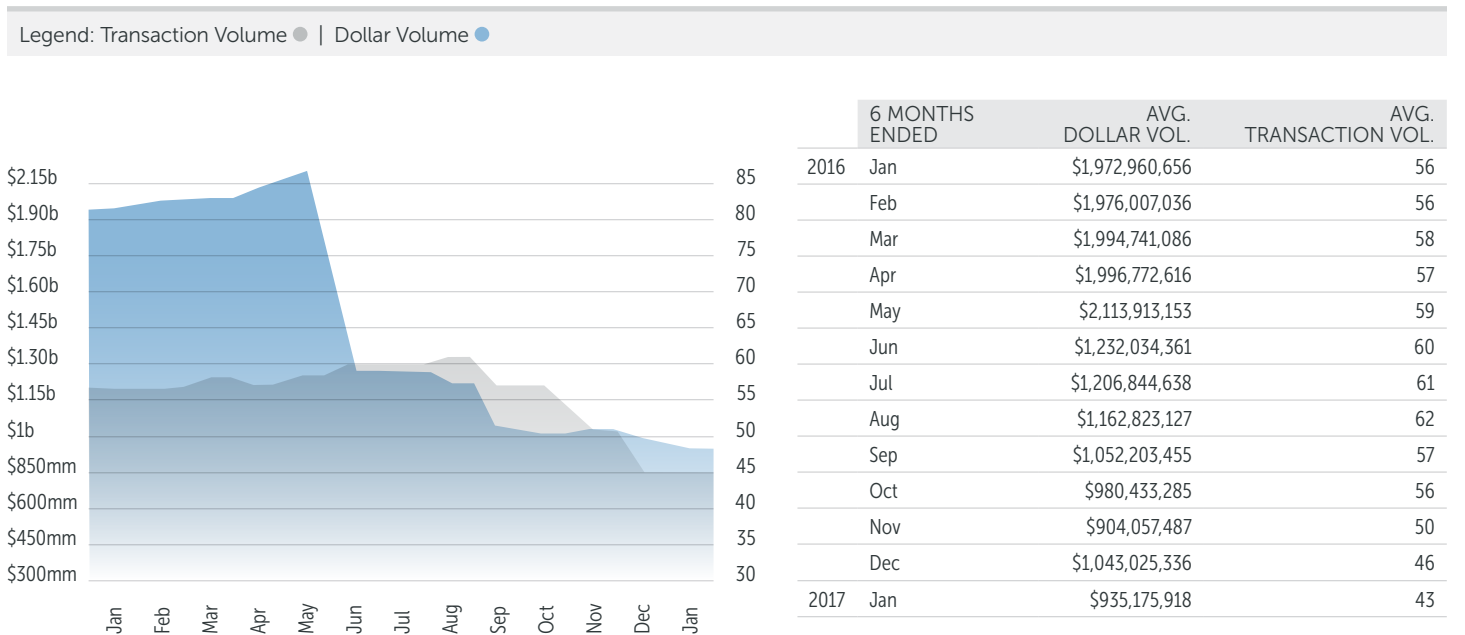


TRANSACTION & DOLLAR VOLUME BY QUARTER | TRAILING 6-MONTH MOVING AVERAGE

MULTIFAMILY TRANSACTION TIMELINE



THE TRAILING 6-MONTH MOVING AVERAGE



PRICING INDICATORS & DISTRIBUTIONS

TRANSACTION SUMMARY

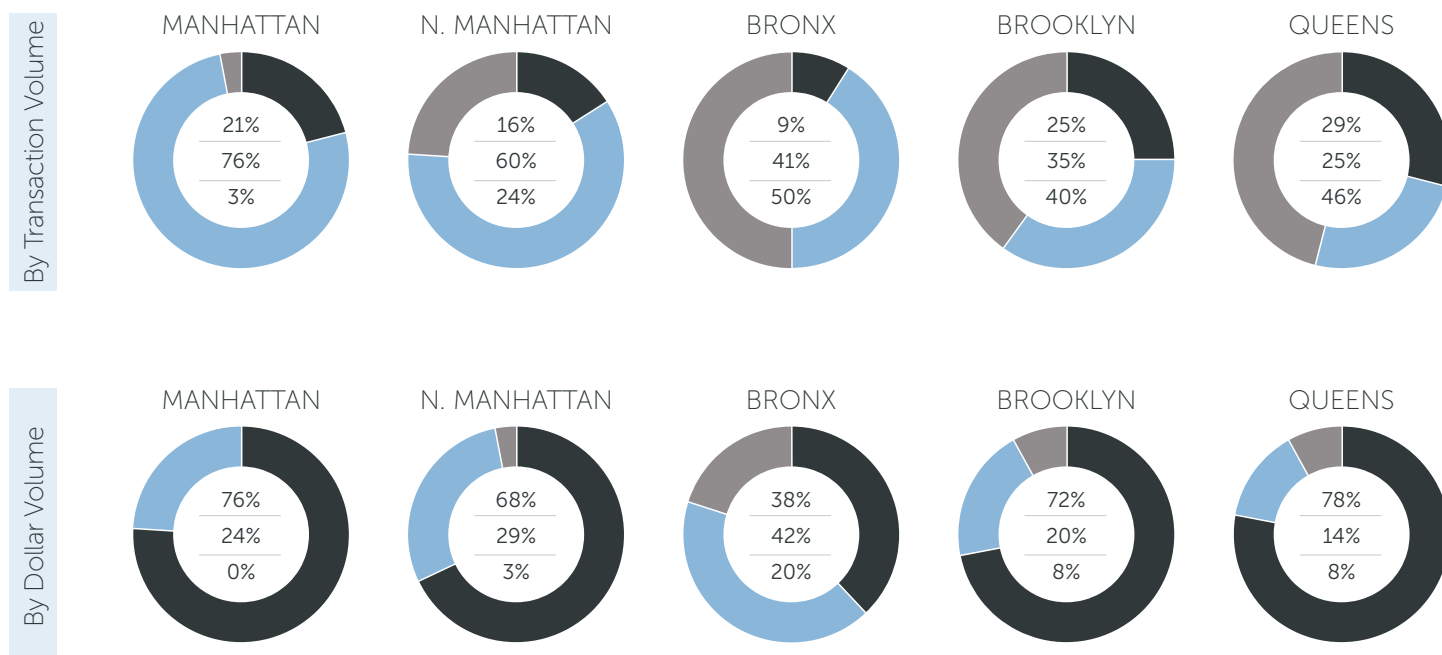
AUG 2016 - JAN 2017 TRAILING NUMBERS							AUG 2015 - JAN 2016 TRAILING NUMBERS					
Location / Criteria	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction
Manhattan	70	96	\$2,552,820,733	\$12,538,258	3,950	21	82	145	\$8,363,248,280	\$14,400,000	15,740	21
N. Manhattan	38	116	\$911,137,500	\$9,100,000	3,236	33	51	110	\$1,005,549,921	\$7,900,000	3,958	30
Bronx	54	75	\$449,263,816	\$5,017,500	3,180	29	72	124	\$684,288,285	\$4,925,000	4,492	33
Brooklyn	69	112	\$1,130,415,181	\$5,900,000	2,941	21	99	151	\$1,203,206,077	\$6,100,000	3,640	23
Queens	28	43	\$567,418,280	\$7,425,000	1,718	29	35	51	\$581,471,375	\$7,300,000	2,202	32
Summary	259	442	\$5,611,055,510	\$7,950,000	15,025	26	339	581	\$11,837,763,938	\$7,365,000	30,032	25

PRICING INDICATORS

AUG 2016 - JAN 2017 TRAILING NUMBERS					AUG 2015 - JAN 2016 TRAILING NUMBERS			
Location	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM
Manhattan	\$667,648	\$961	3.69%	20.04	\$696,543	\$945	3.58%	19.50
N. Manhattan	\$290,138	\$361	3.64%	16.27	\$282,090	\$357	4.03%	15.37
Bronx	\$168,739	\$196	5.47%	11.43	\$147,651	\$171	5.27%	10.31
Brooklyn	\$341,666	\$377	4.81%	15.95	\$320,423	\$381	4.31%	16.61
Queens	\$305,455	\$358	4.13%	15.85	\$258,168	\$293	4.16%	14.60

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 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.