



MULTIFAMILY MONTH IN REVIEW:
NEW YORK CITY | JUNE 2016

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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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MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | JUNE 2016

Following a trend seen throughout 2016, New York City's multifamily market maintained strong dollar volume with fewer transactions in June. Brooklyn drove most of the month's activity, supported by Northern Manhattan and Queens.

For the month, New York City saw 67 transactions comprised of 106 buildings totaling \$1 billion in gross consideration. This represents an 8% increase dollar volume, a 9% decrease in transaction volume and a 28% decline in building volume compared to June 2015, which saw \$934 million in gross consideration across 74 transactions comprised of 148 buildings..

Manhattan had a light month seeing 10 transactions across 11 buildings totaling \$142 million in gross consideration.

With \$302 Million in dollar volume, Brooklyn led June in terms of dollar volume. The activity was led by the \$49.55 million purchase of the Bergen Gardens multifamily complex, a portfolio of 6 walk-up buildings on the border of Bergen Beach and Flatlands.

The Bronx saw 14 transactions totaling \$75 million in June. While this represents a sharp increase across the board compared to May, it falls far short of the \$187 million in gross considerations in 2015. However, a 135-unit elevator complex was bought by Skyc Management for \$24.6 Million at \$177 per square foot. Also notable was 3307 Hull Avenue which traded at a 4% cap rate and an 11.9 GRM.

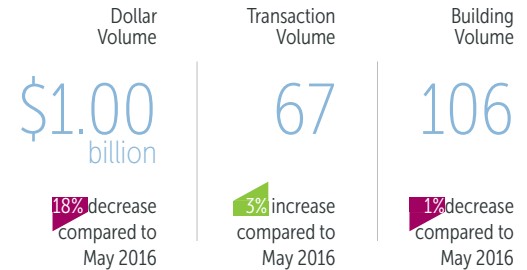
Led by the sale of the 236-unit, elevator mixed-use building at 1951-1965 1st Avenue, for \$103 Million, or \$412 per square foot, Northern Manhattan had another strong month. The submarket as a whole saw 16 buildings trade across 13 transactions, totaling \$259 million in gross consideration. Another notable transaction was Prana Investment's purchase of a three building walk-up portfolio in Washington Heights for \$45.8 million, or \$307 per square foot.

Queens experienced an extremely active month headlined by Related Companies purchase of a 444-unit Section 8 multifamily portfolio in Astoria for \$121 million, or \$363 per square foot. Also notable was A&E Real Estate's buying of La Mesa Verde Apartments in Jackson Heights for \$72.1 million or \$376 per square foot, a 324-unit elevator building.

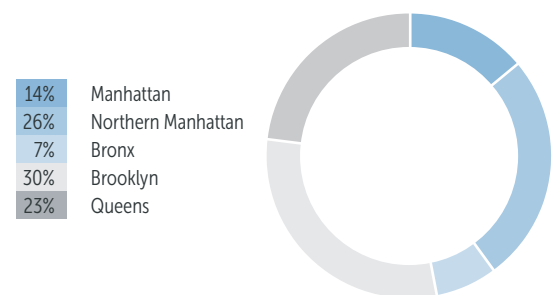
For the six months ending in June 2016 (page 5), the average monthly transaction volume increased slightly to 60 transactions per month. With the sale of Stuyvesant Town no longer skewing the numbers, the average monthly dollar volume decreased significantly to \$1.255 Billion.

METRICS		JUN 2016	% CHANGE VS. MAY 2016	MAY 2016	% CHANGE VS. JUN 2016	JUN 2015
New York City	Transaction Vol	67	3%	65	-9%	74
	Building Vol	106	-1%	107	-28%	148
	Dollar Vol	\$1,009,073,657	-18%	\$1,226,933,975	8%	\$934,907,302
	Total Units	3,680	16%	3,184	0%	3,695

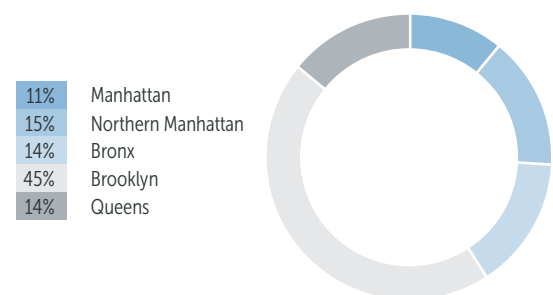
JUNE 2016 SNAPSHOT



DOLLAR VOLUME COMPARISON BY LOCATION CHART



BUILDING VOLUME COMPARISON BY LOCATION CHART



LEGEND:

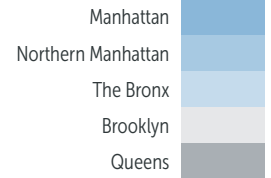


Manhattan is defined as below 96th Street on the east side and below 110th Street on the west side

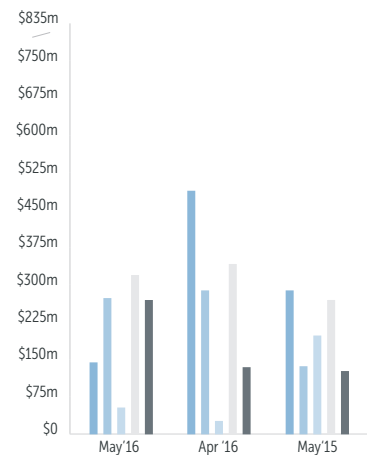
MULTIFAMILY MARKET PERFORMANCE BY SUB-MARKET

	METRICS	JUN 2016	% CHANGE VS. MAY 2016	MAY 2016	% CHANGE VS. JUN 2015	JUN 2015
Manhattan	Transaction Vol	10	-33%	15	-41%	17
	Building Vol	11	-63%	30	-59%	27
	Dollar Vol	\$142,325,000	-71%	\$492,837,000	-52%	\$298,604,000
	Total Units	197	-76%	833	-53%	423
N. Manhattan	Transaction Vol	13	30%	10	44%	9
	Building Vol	16	-11%	18	-61%	41
	Dollar Vol	\$259,164,346	-10%	\$286,812,500	136%	\$109,977,011
	Total Units	852	15%	743	20%	711
The Bronx	Transaction Vol	14	133%	6	-26%	19
	Building Vol	16	167%	6	-45%	29
	Dollar Vol	\$75,335,000	208%	\$24,477,225	-60%	\$187,264,375
	Total Units	486	184%	171	-60%	1,202
Brooklyn	Transaction Vol	24	-4%	25	0%	24
	Building Vol	48	26%	38	7%	45
	Dollar Vol	\$302,220,311	-5%	\$319,807,250	26%	\$240,581,916
	Total Units	1,204	19%	1,014	14%	1,058
Queens	Transaction Vol	6	-33%	9	20%	5
	Building Vol	15	0%	15	150%	6
	Dollar Vol	\$230,029,000	123%	\$103,000,000	134%	\$98,480,000
	Total Units	941	122%	423	213%	301

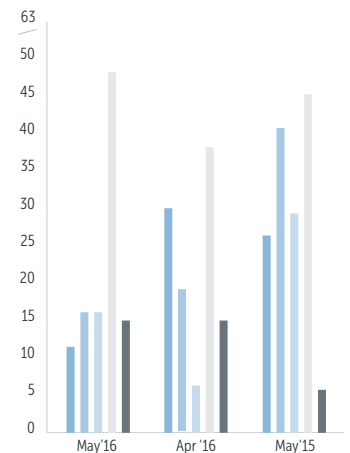
LEGEND



DOLLAR VOLUME COMPARISON GRAPH



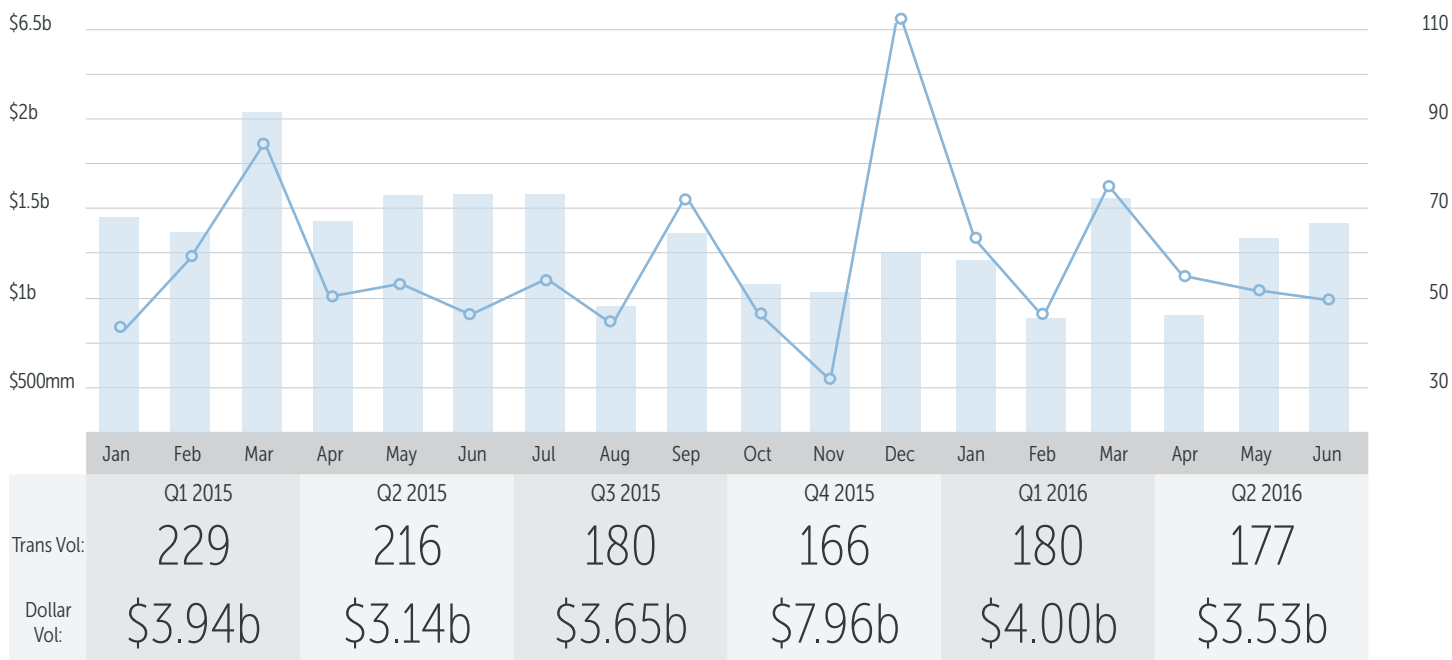
BUILDING VOLUME COMPARISON GRAPH



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

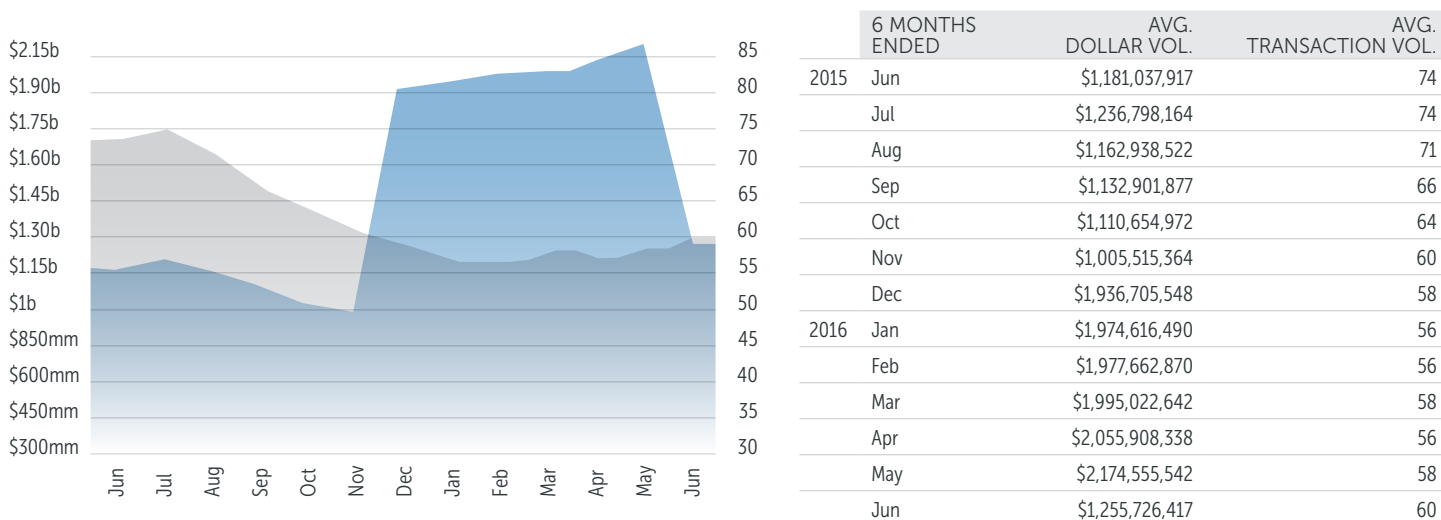
MULTIFAMILY TRANSACTION TIMELINE

LEGEND: Transaction Volume ● | Dollar Volume ○



THE TRAILING 6-MONTH MOVING AVERAGE

LEGEND: Transaction Volume ● | Dollar Volume ●



PRICING INDICATORS & DISTRIBUTIONS

JAN 2016 - JUNE 2016

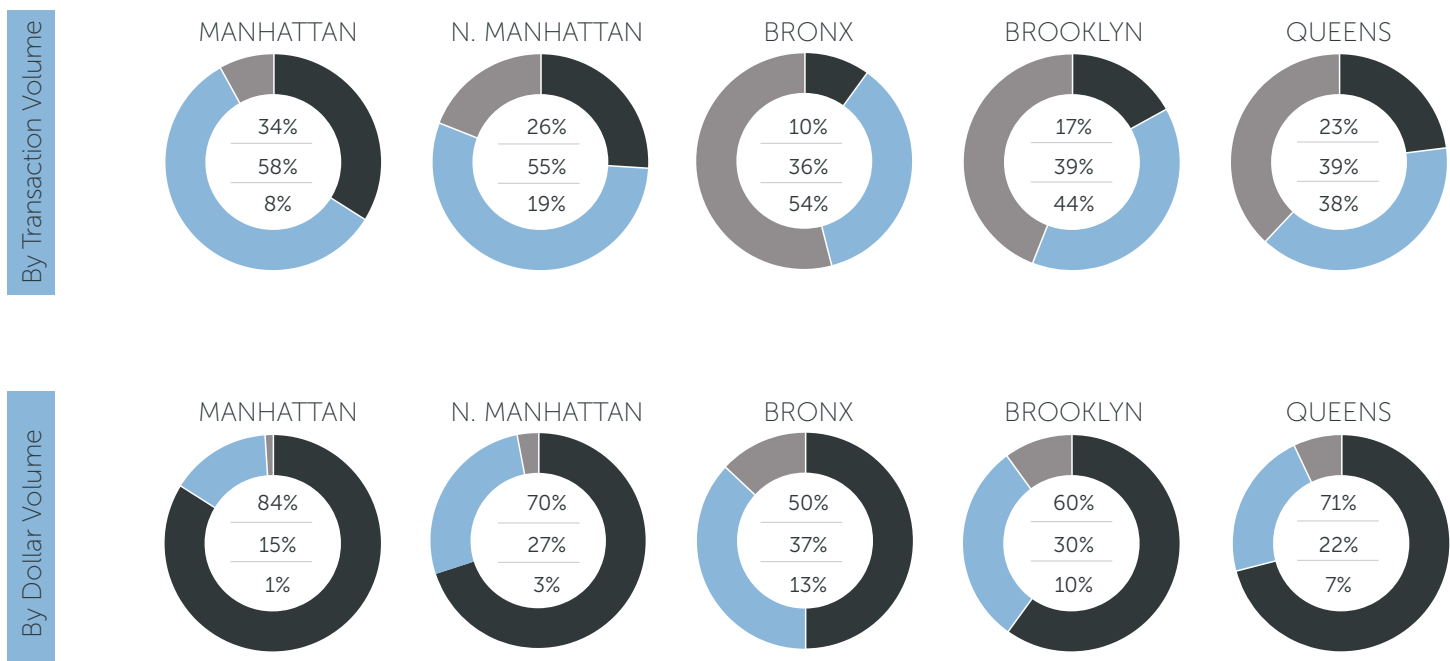
JAN 2015 - JUNE 2015

Transaction Summary	Location / Criteria	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction
	Manhattan	71	106	\$3,119,758,690	\$13,000,000	4,487	22
	N. Manhattan	58	89	\$1,251,676,909	\$9,650,000	4,188	35
	Bronx	80	161	\$843,521,021	\$4,232,500	5,492	30
	Brooklyn	108	167	\$1,566,627,880	\$6,175,000	4,247	20
	Queens	40	63	\$752,774,000	\$7,615,000	2,855	34
	Summary	357	586	\$7,534,358,500	\$8,100,000	21,269	26

Pricing Indicators	Location / Criteria	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM
	Manhattan	\$685,939	\$947	3.75%	19.01
	N. Manhattan	\$334,964	\$363	4.12%	16.00
	Bronx	\$156,927	\$174	5.04%	11.04
	Brooklyn	\$325,284	\$382	4.45%	15.40
	Queens	\$259,406	\$318	4.33%	14.81

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.

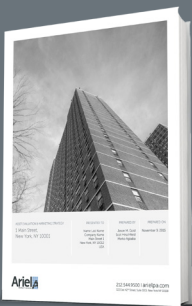
TYPES OF TRANSACTIONS CONSIDERED:

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. August 24, 2016 3:31 PM