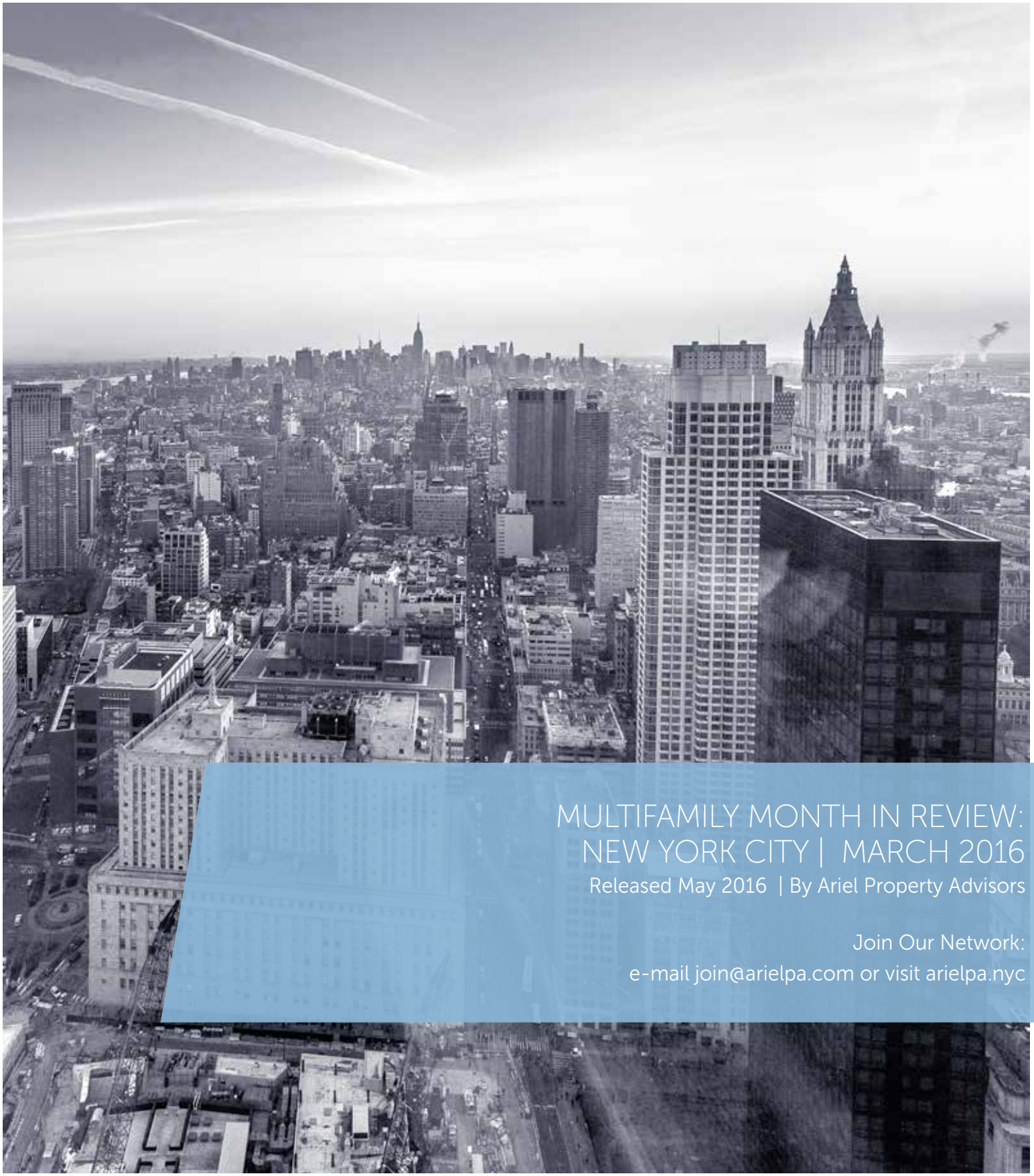

MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | MARCH 2016

Released May 2016 | By Ariel Property Advisors

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e-mail join@arielpa.com or visit arielpa.nyc

Ariel PROPERTY ADVISORS

212.544.9500 | arielpa.nyc
122 East 42nd Street, Suite 1015, New York NY 10168

COMPILED BY:

SALES TEAM:

Shimon Shkury
212.544.9500 ext. 11
sshkury@arielpa.com

Victor Sozio
212.544.9500 ext. 12
vsozio@arielpa.com

Michael A. Tortorici
212.544.9500 ext. 13
mtortorici@arielpa.com

ANALYST TEAM:

Daniel Novick
212.544.9500 ext. 29
dnovick@arielpa.com

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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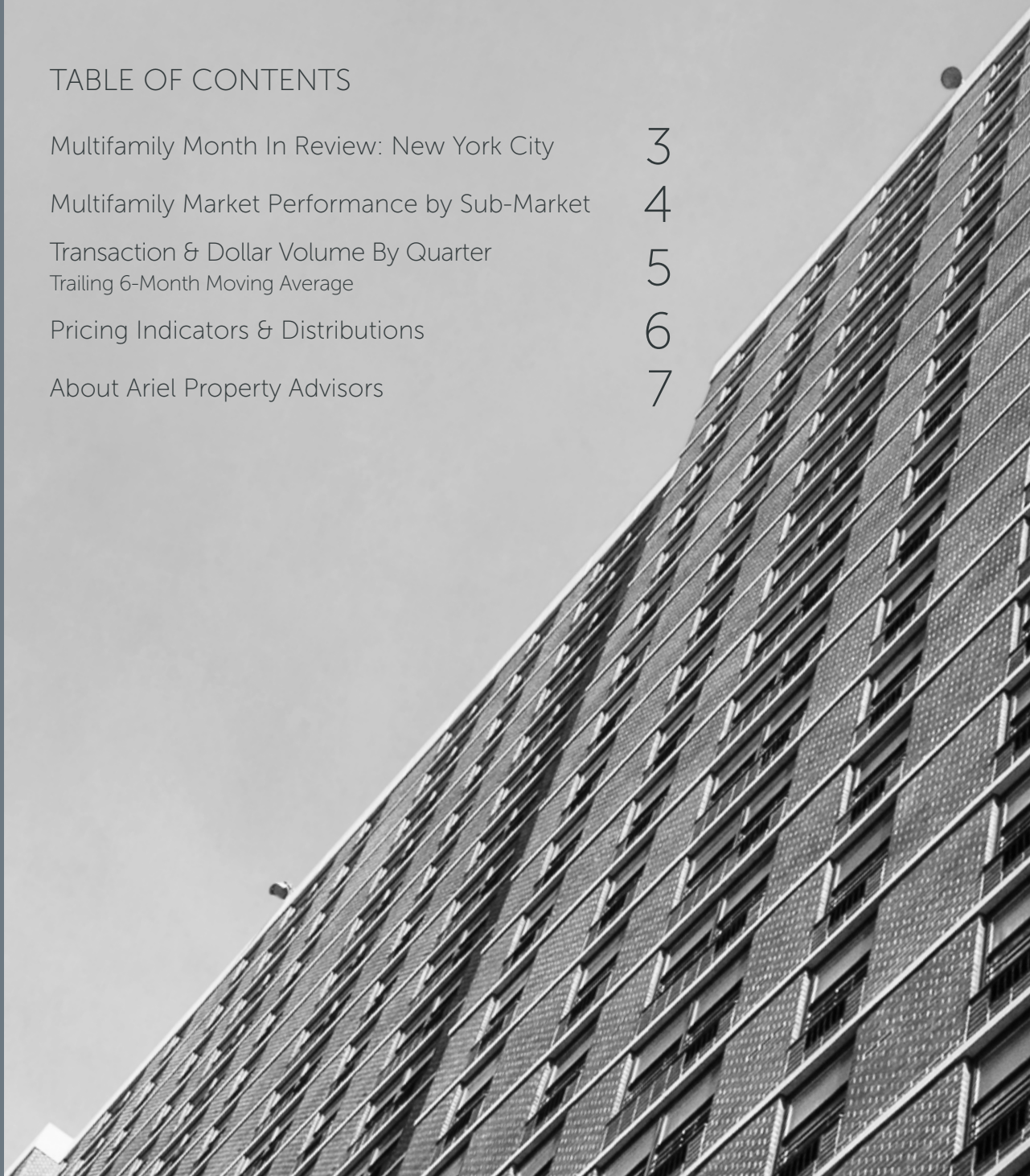

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MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | MARCH 2016

Strong March Sales Market Confirms Busy First Quarter

Following a light transactional month in February, March multifamily sales came back in a big way to confirm robust quarterly statistics. Pricing remained strong throughout the city as the multifamily market maintained its stability.

For the month, New York City saw 69 transactions comprised of 129 buildings totaling $1.597 billion in gross consideration. This represents a 50% increase in transaction volume, a 79% increase in building volume and an 86% increase in dollar volume compared to February 2016, which saw 46 transactions comprised of 72 buildings totaling $860.882 million in gross consideration. Year-over-year, March's figures represent a 25% decline in transaction volume and a 13% dip in dollar volume.

Manhattan bounced back from a weak February with a fairly strong March, seeing 14 multifamily transactions consisting of 19 buildings for $786.305 million in gross consideration. The month's largest transaction was a pair of mixed-use buildings at 1347 & 1191 2nd Avenue on the Upper East Side. Totaling $310 million, the transaction represented $832 per square foot over $900,000 per unit. Madison Realty Capital expanded its portfolio with the purchase of 160 East 48th Street, a 300-unit mixed-use building for $270 million purchase, or$907 per square foot.

Buoyed by one 34-building portfolio trade, The Bronx led the city in transaction and building volume in March, with 63 buildings trading across 23 transactions, both of which more than tripled February's output. One other notable sale took place at 2691 Reservoir Avenue, an elevatored mixed-use building in Kingsbridge, for $17.35 million, or $315 per square foot. For the last six months, the average multifamily price per foot in The Bronx was $173, compared to $138 in the same period a year ago.

For the month, Brooklyn had 18 trades across 25 buildings, and $353.297 million in gross consideration. In Williamsburg, 237-261 North 9th street surpassed $1,100 per square foot, with a total price just under $80 million. The borough's largest trade also came out of Williamsburg with the sale of, two back-to-back new construction buildings at 246 North 8th Street and 255 North 7th Street for $125 million.

Northern Manhattan was relatively flat after two months of strong gains to start the year. The largest trade of the month was the West 141st Street Elevatored Portfolio, a 144 unit package which sold for $42.1 million. In Washington Heights, another elevatored building at 854 West 80th Street sold for $16.8 million, or $361 per square foot.

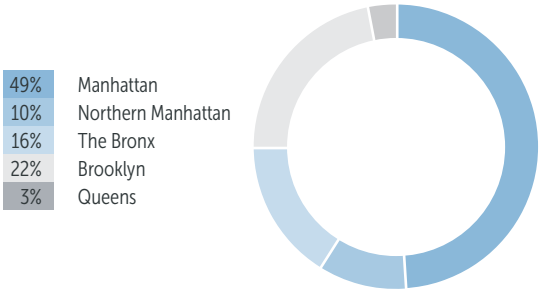
Queens had a light month, with only 5 transactions occurring across 6 buildings totaling $38.345 million in gross consideration. Though heavily retail-driven, a mixed-use building at 159-01 Northern Boulevard in Murray Hill changed hands for $13.75 million, or $643 per square foot.

For the six months ended in March 2016 (Page 5), the average monthly transaction volume increased slightly to 57 transactions per month, but remains notably down on a year-over-year basis. The average monthly dollar volume dropped slightly to $1.965 billion.

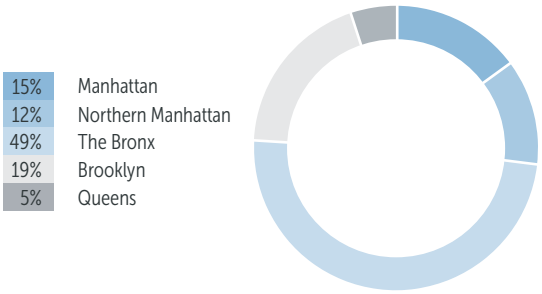
MARCH 2016 SNAPSHOT

Dollar Volume	Transaction Volume	Building Volume
$1.59 billion	69	129
86% increase compared to February 2016	50% increase compared to February 2016	79% increase compared to February 2016

DOLLAR VOLUME COMPARISON BY LOCATION CHART



BUILDING VOLUME COMPARISON BY LOCATION CHART



	METRICS	MAR 2016	% CHANGE VS. FEB 2016	FEB 2016	% CHANGE VS. MAR 2016	MAR 2015
New York City	Transaction Vol	69	50%	46	-25%	92
	Building Vol	129	79%	72	-27%	176
	Dollar Vol	$1,597,496,533	86%	$860,882,567	-13%	$1,840,294,096
	Total Units	4,354	63%	2,671	-42%	7,510

LEGEND:

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

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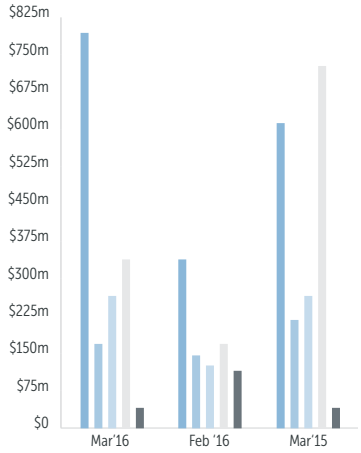
MULTIFAMILY MARKET PERFORMANCE BY SUB-MARKET

	METRICS	MAR 2016	% CHANGE VS. FEB2016	FEB 2016	% CHANGE VS. MAR 2015	MAR 2015
Manhattan	Transaction Vol	14	180%	5	-26%	19
	Building Vol	19	58%	12	-52%	40
	Dollar Vol	$786,305,000	139%	$329,625,000	30%	$605,885,701
	Total Units	936	107%	452	-6%	997
N. Manhattan	Transaction Vol	9	0%	9	-36%	14
	Building Vol	16	14%	14	-52%	33
	Dollar Vol	$161,433,057	15%	$140,800,900	-28%	$223,714,275
	Total Units	589	51%	389	-31%	850
The Bronx	Transaction Vol	23	229%	7	-4%	24
	Building Vol	63	294%	16	103%	31
	Dollar Vol	$258,115,976	92%	$134,156,816	0%	$258,195,000
	Total Units	1,897	110%	902	2%	1,866
Brooklyn	Transaction Vol	18	6%	17	-38%	29
	Building Vol	25	32%	19	-60%	63
	Dollar Vol	$353,297,500	121%	$159,849,851	-51%	$722,252,120
	Total Units	731	73%	422	-80%	3,667
Queens	Transaction Vol	5	-38%	8	-17%	6
	Building Vol	6	-45%	11	-33%	9
	Dollar Vol	$38,345,000	-60%	$96,450,000	27%	$30,247,000
	Total Units	201	-60%	506	55%	130

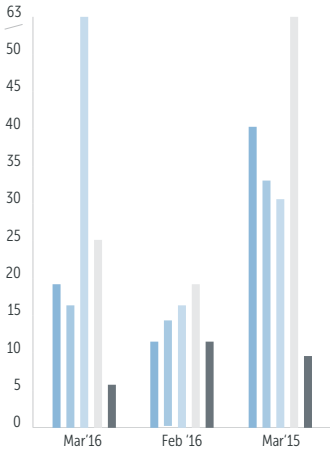
LEGEND

- Manhattan
- Northern Manhattan
- The Bronx
- Brooklyn
- Queens

DOLLAR VOLUME COMPARISON GRAPH



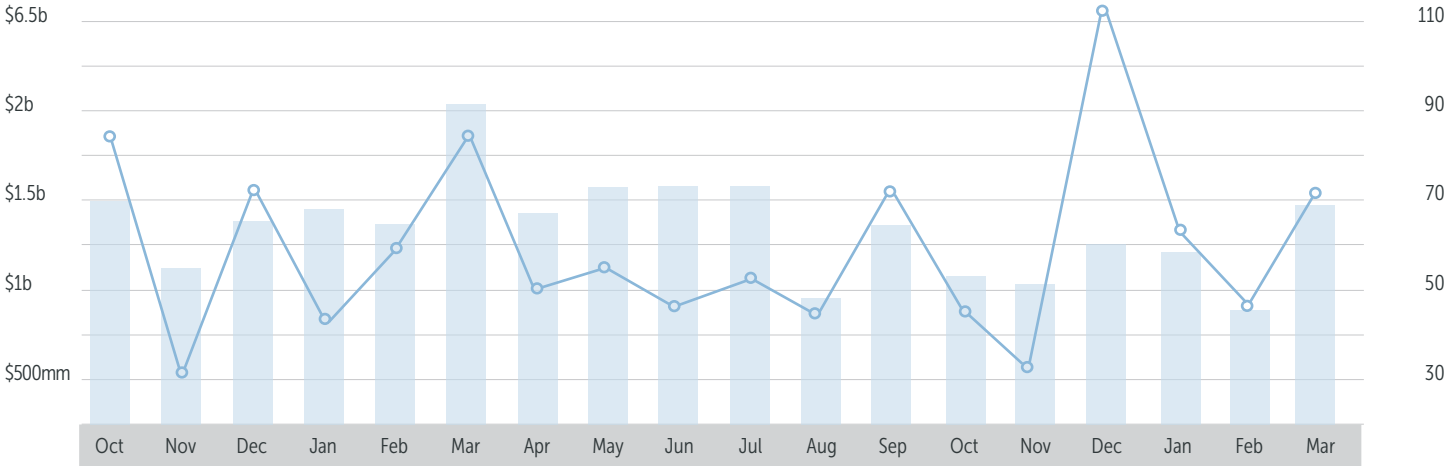
BUILDING VOLUME COMPARISON GRAPH



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

MULTIFAMILY TRANSACTION TIMELINE

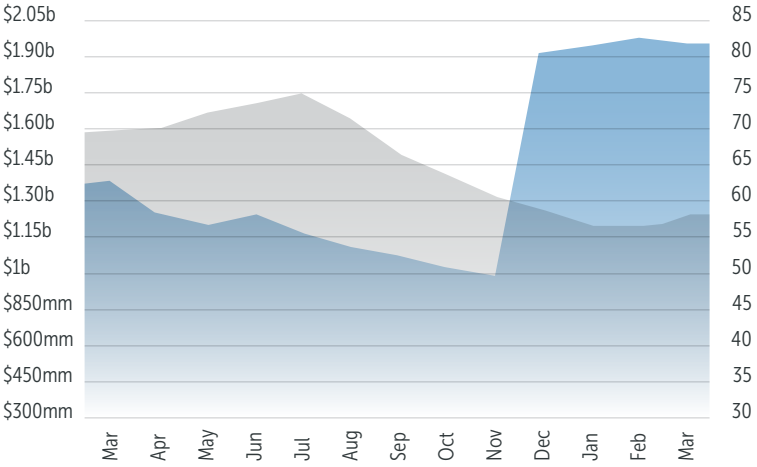
LEGEND: Transaction Volume ○ | Dollar Volume ○



	Q4 2014	Q1 2015	Q2 2015	Q2 2015	Q4 2015	Q1 2016
Trans Vol:	191	229	216	185	166	175
Dollar Vol:	$4.06b	$3.94b	$3.14b	$3.69b	$7.95b	$3.83b

THE TRAILING 6-MONTH MOVING AVERAGE

LEGEND: Transaction Volume ● | Dollar Volume ●



	6 MONTHS ENDED	AVG. DOLLAR VOL.	AVG. TRANSACTION VOL.
2015	Mar	$1,333,980,966	70
	Apr	$1,200,676,182	70
	May	$1,290,527,333	73
	Jun	$1,181,037,917	74
	Jul	$1,242,256,498	75
	Aug	$1,169,263,522	72
	Sep	$1,139,226,877	67
	Oct	$1,116,979,972	64
	Nov	$1,010,023,697	61
	Dec	$1,941,213,881	58
2016	Jan	$1,973,466,490	56
	Feb	$1,975,646,203	56
	Mar	$1,965,216,588	57

PRICING INDICATORS & DISTRIBUTIONS

Transaction Summary

Location / Criteria	OCT 2015 - MAR 2016 TRAILING NUMBERS						OCT 2014 - MAR 2015 TRAILING NUMBERS					
	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	75	105	$8,055,556,428	$13,900,000	15,055	20	92	157	$3,151,228,266	$13,420,000	5,059	25
N. Manhattan	52	89	$906,466,581	$7,900,000	3,538	33	75	131	$1,834,661,775	$8,500,000	7,194	33
Bronx	86	183	$934,974,790	$4,925,000	6,372	34	90	148	$691,484,896	$3,737,500	5,624	31
Brooklyn	87	122	$1,209,955,351	$6,000,000	3,117	20	127	235	$1,937,035,770	$5,250,000	7,944	22
Queens	41	54	$684,346,375	$8,000,000	2,724	30	36	68	$389,475,086	$5,100,000	1,604	18
Summary	341	553	$11,791,299,525	$7,650,000	30,806	25	420	739	$8,003,885,793	$6,500,000	27,425	26

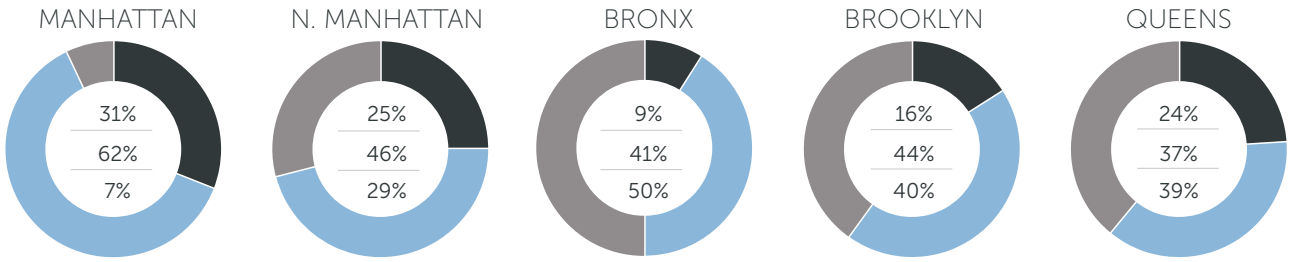
Pricing Indicators

Location / Criteria	Avg. $/Unit	Avg. $/SF	Avg. Cap Rate	Avg. GRM	Avg. $/Unit	Avg. $/SF	Avg. Cap Rate	Avg. GRM
Manhattan	$684,730	$936	3.72%	19.14	$636,728	$893	3.79%	18.56
N. Manhattan	$286,248	$348	3.92%	15.43	$268,328	$309	4.31%	14.13
Bronx	$151,362	$173	5.12%	10.70	$117,836	$138	5.56%	9.28
Brooklyn	$338,269	$397	4.34%	16.43	$266,066	$315	4.74%	13.67
Queens	$253,297	$291	4.18%	14.89	$226,258	$272	5.24%	12.40

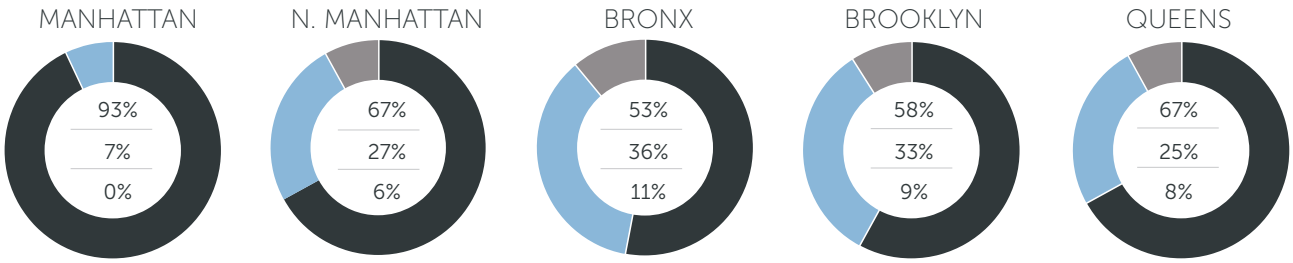
TRAILING SIX MONTH PERFORMANCE: DEAL DISTRIBUTION BY TRANSACTION COUNT AND DOLLAR VOLUME

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

By Transaction Volume



By Dollar Volume



ABOUT ARIEL PROPERTY ADVISORS

INVESTMENT SALES, INVESTMENT RESEARCH & CAPITAL SERVICES

QUALITY BROKERAGE SERVICES

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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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/)

COMPILED BY:

INVESTMENT SALES

Shimon Shkury ext. 11
sshkury@arielpa.com

Victor Sozio ext. 12
vsozio@arielpa.com

Michael A. Tortorici ext. 13
mtortorici@arielpa.com

Randy Modell ext. 17
rmodell@arielpa.com

Jonathan Berman ext. 20
jberman@arielpa.com

Scot Hirschfield ext. 16
shirschfield@arielpa.com

Howard Raber ext. 23
hraber@arielpa.com

Daniel Wechsler ext. 44
dwechsler@arielpa.com

Mark Spinelli ext. 35
mspinelli@arielpa.com

Daniel Tropp ext. 26
dtropp@arielpa.com

Jesse Deutch ext. 18
jdeutch@arielpa.com

Jason Gold ext. 22
jgold@arielpa.com

Matthew Gillis ext. 42
mgillis@arielpa.com

Marko Agbaba ext. 32
magbaba@arielpa.com

Joshua Berkowitz ext. 41
jberkowitz@arielpa.com

Jesse Greshin ext. 5272
jgreshin@arielpa.com

Joshua Kwilecki ext. 51
jkwilecki@arielpa.com

INVESTMENT RESEARCH

Ivan Petrovic
ipetro@arielpa.com

Aryeh Orlofsky
aorlofsky@arielpa.com

Daniel Novick
dnovick@arielpa.com

David Baruch
dbaruch@arielpa.com

Brett Campbell
bcampbell@arielpa.com

Dusan Panic
dpanic@arielpa.com

Spencer Kiely
skiely@arielpa.com

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 form 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

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. May 18, 2016 12:36 PM

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