



MULTIFAMILY MONTH IN REVIEW: NEW YORK CITY | OCTOBER 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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MUTIFAMILY MONTH IN REVIEW: NEW YORK CITY | OCTOBER 2016

New York City multifamily market saw light trading activity in October. Manhattan bucked the trend with a strong dollar volume and number of transactions, however, other sub-markets had fewer trades mostly consisting of sales priced under \$20 million. Pricing across the boroughs remains relatively steady compared to third quarter figures.

For the month, New York City saw 42 transactions comprised of 52 buildings totaling \$760.05 million in gross consideration. October transaction volume was down 14%, building volume was down 37%, and dollar volume was down 34%; which represented a modest monthly decline compared to September 2016, which saw 49 transactions consisting of 83 buildings totaling \$1.151 billion in gross consideration.

Manhattan led the city in dollar volume with \$546.9 million in multifamily sales across 13 transactions consisting of 14 buildings. Much of this dollar volume was driven by larger institutional transactions like the \$172.5 million sale of 21 West 86th Street, a 155-unit elevator mixed-use building on the Upper West Side, which represents \$1,219 per square foot and \$1,112,903 per unit. However, a flurry of smaller trades also took place such as 34 Saint Marks Place in the East Village, an 11-unit walk-up building which sold for \$8.3 million or \$1,079 per square foot.

Brooklyn saw \$89.4 million in multifamily sales across 11 transactions and 15 properties during October. In Crown Heights, a 64-unit elevator mixed-use building at 341 Eastern Parkway sold for \$52 million, which represents \$612 per square foot or \$812,500 per unit. In Flatbush, a 23-unit walk-up multifamily building at 236 East 23rd Street sold for \$5.06 million, or \$281 per square foot.

Northern Manhattan had \$54.76 million in sales across 6 transactions, compared to \$22.3 million in dollar volume over 3 transactions in September 2016. In Hamilton Heights, a 38-unit elevator mixed-use building at 528-530 West 136th Street sold for \$14.5 million or \$349 per square foot and \$381,579 per unit.

The Bronx saw 10 transactions totaling \$55.95 million in October, across 14 building with 328 units. In Woodlawn, a 60-unit elevator building at 4345 Webster Avenue sold for \$14.5 million, which represents a price per square foot of \$201 or \$241,667 per unit. Another notable sale was in Melrose, the 11-unit walk-up building at 1190 Clay Avenue, traded for \$2.627 million or \$239 per square foot.

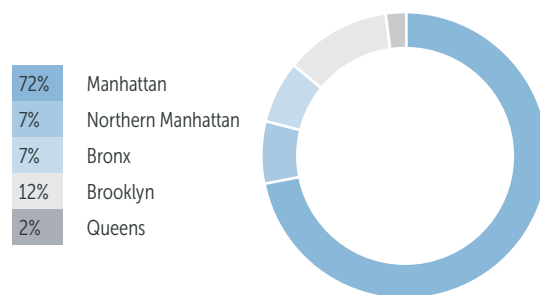
Queens had 2 transactions totaling \$13 million in gross considerations for the month of October. In Long Island City, a notable transaction took place at 29-15 36th Avenue, a 40-unit walk-up mixed-use building which sold for \$10 million or \$317 per square foot.

For the six months ending in October 2016 (page 5), the average monthly transaction volume held at 57 transactions per month and the average monthly dollar volume decreased slightly to \$1.015 billion.

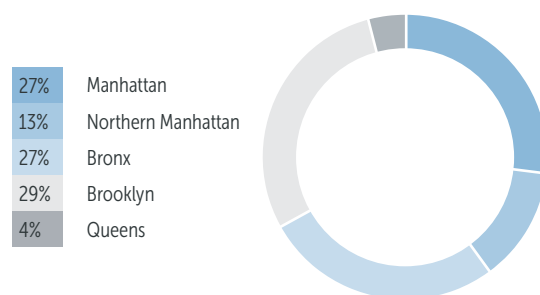
OCTOBER 2016 SNAPSHOT

Dollar Volume	Transaction Volume	Building Volume
\$760 million	42	52
34% decrease compared to September 2016	14% decrease compared to September 2016	37% decrease compared to September 2016

DOLLAR VOLUME COMPARISON BY LOCATION CHART



BUILDING VOLUME COMPARISON BY LOCATION CHART



NEW YORK CITY

METRICS	OCTOBER 2016	% CHANGE VS. SEPTEMBER 2016	SEPTEMBER 2016	% CHANGE VS. OCTOBER 2015	OCTOBER 2015
Transaction Vol	42	-14%	49	-21%	53
Building Vol	52	-37%	83	-40%	87
Dollar Vol	\$760,058,477	-34%	\$1,151,020,497	-18%	\$928,687,075
Total Units	1,406	-61%	3,582	-55%	3,140

LEGEND:

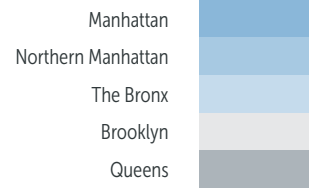
Manhattan	
Northern Manhattan	
The Bronx	
Brooklyn	
Queens	

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

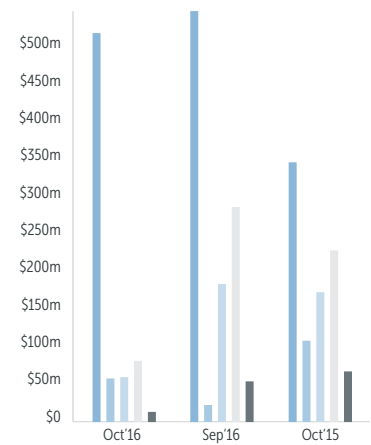
MULTIFAMILY MARKET PERFORMANCE BY SUB-MARKET

METRICS		OCTOBER 2016	% CHANGE VS. SEPTEMBER 2016	SEPTEMBER 2016	% CHANGE VS. OCTOBER 2015	OCTOBER 2015
MANHATTAN	Transaction Vol	13	44%	9	-24%	17
	Building Vol	14	-42%	24	-33%	21
	Dollar Vol	\$546,912,577	-9%	\$603,762,218	57%	\$349,198,700
	Total Units	592	-52%	1,232	-28%	821
N. MANHATTAN	Transaction Vol	6	100%	3	-25%	8
	Building Vol	7	-12%	8	-36%	11
	Dollar Vol	\$54,755,000	146%	\$22,300,000	-48%	\$105,325,000
	Total Units	188	76%	107	-51%	384
THE BRONX	Transaction Vol	10	-17%	12	-9%	11
	Building Vol	14	-22%	18	-46%	26
	Dollar Vol	\$55,952,900	-69%	\$180,401,000	-68%	\$176,040,000
	Total Units	328	-78%	1,481	-71%	1,137
BROOKLYN	Transaction Vol	11	-48%	21	-8%	12
	Building Vol	15	-44%	27	-35%	23
	Dollar Vol	\$89,438,000	-69%	\$291,901,999	-61%	\$231,958,000
	Total Units	242	-62%	631	-56%	556
QUEENS	Transaction Vol	2	-50%	4	-60%	5
	Building Vol	2	-67%	6	-67%	6
	Dollar Vol	\$13,000,000	-75%	\$52,655,280	-80%	\$66,165,375
	Total Units	56	-57%	131	-77%	242

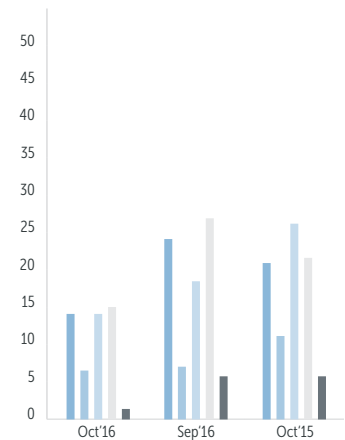
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DOLLAR VOLUME COMPARISON GRAPH

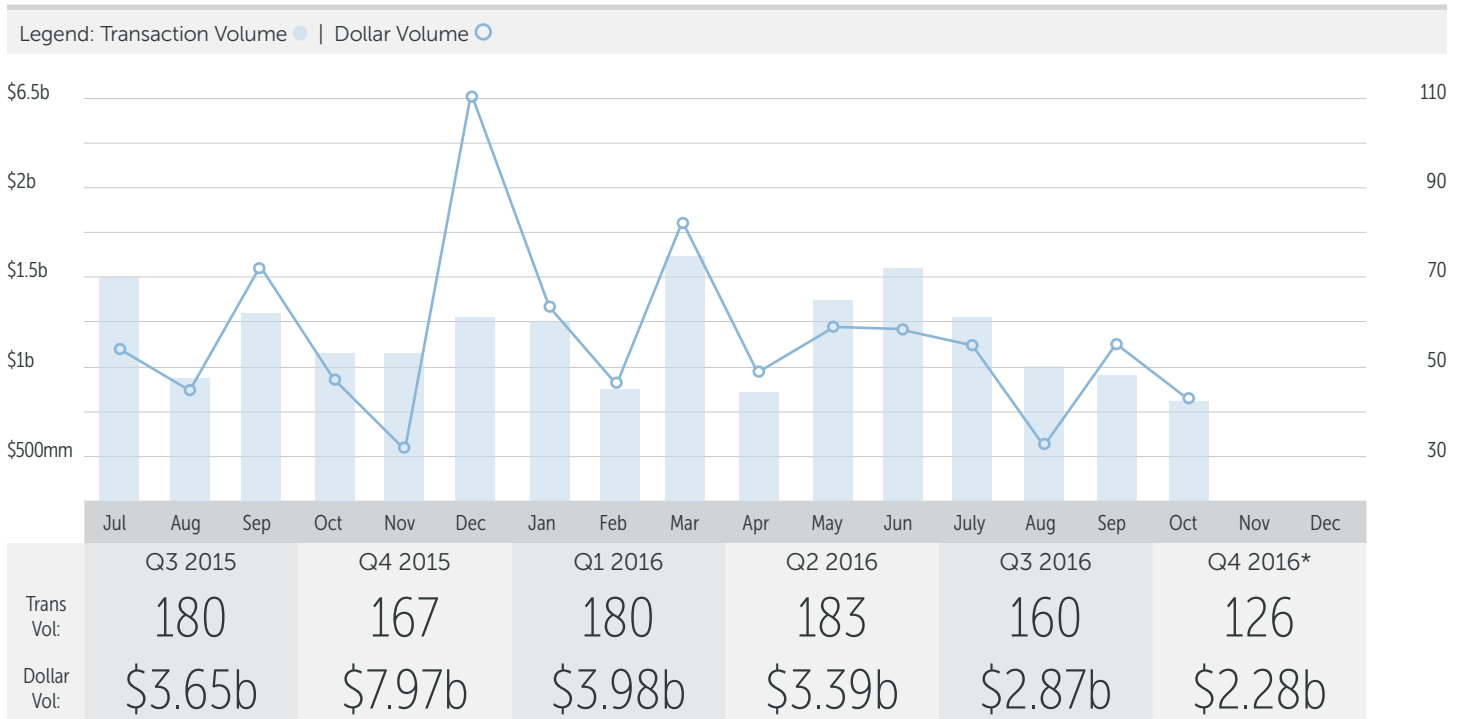


BUILDING VOLUME COMPARISON GRAPH

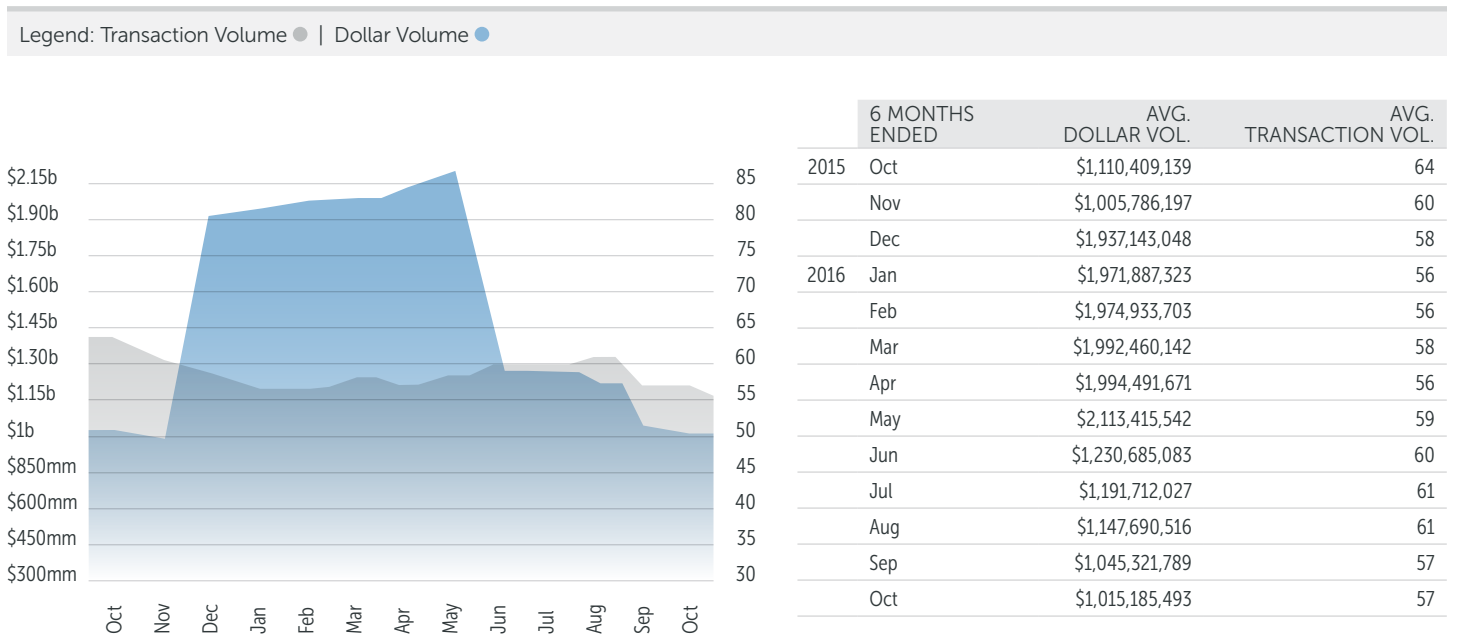


TRANSACTION & DOLLAR VOLUME BY QUARTER | TRAILING 6-MONTH MOVING AVERAGE

MULTIFAMILY TRANSACTION TIMELINE



THE TRAILING 6-MONTH MOVING AVERAGE



PRICING INDICATORS & DISTRIBUTIONS

TRANSACTION SUMMARY

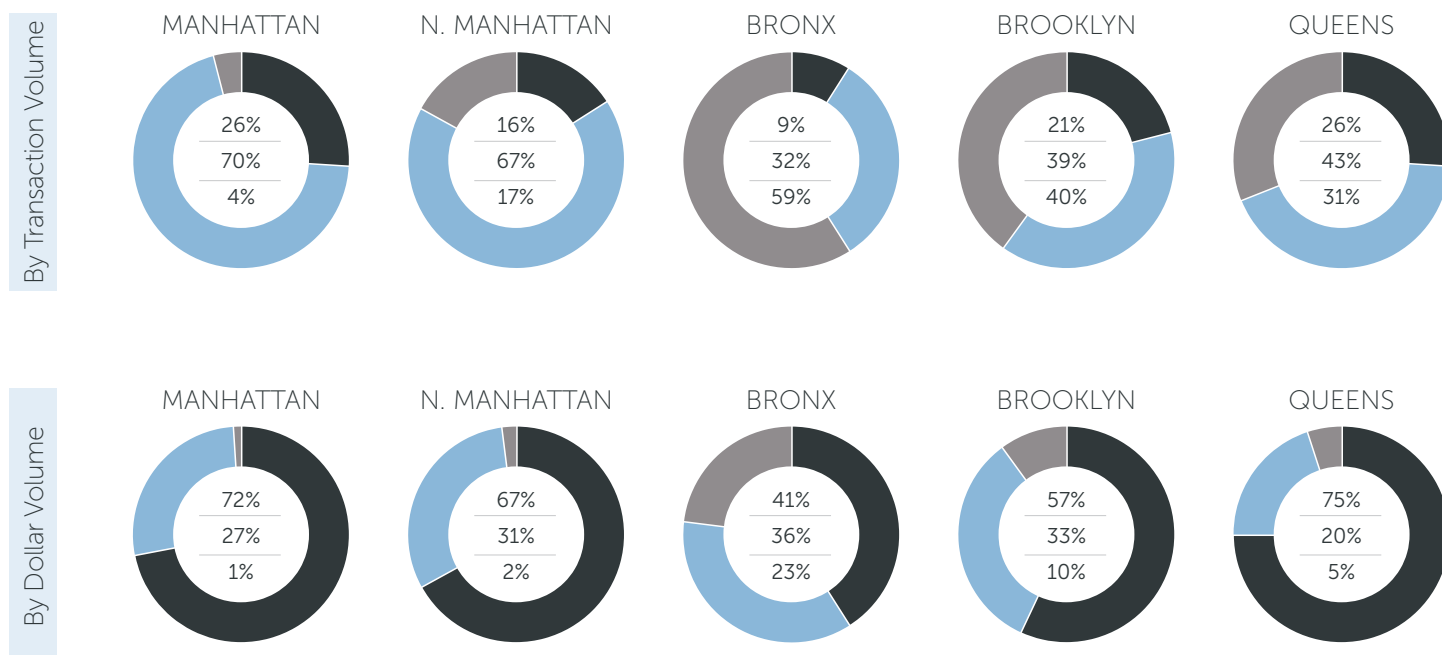
MAY 2016 - OCT 2016 TRAILING NUMBERS							MAY 2015 - OCT 2015 TRAILING NUMBERS					
Location / Criteria	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction	Total Transactions	Total Buildings Traded	Total Dollar Value Traded	Median Price	Total Units Traded	Median Units / Transaction
Manhattan	74	124	\$2,215,851,795	\$12,275,000	3,675	22	87	157	\$2,740,908,185	\$14,600,000	4,455	22
N. Manhattan	52	91	\$1,223,569,846	\$9,350,000	5,018	32	61	152	\$1,008,004,308	\$10,000,000	3,820	45
Bronx	66	89	\$481,658,975	\$4,232,500	3,487	26	83	143	\$922,159,661	\$5,000,000	6,084	38
Brooklyn	109	175	\$1,409,040,208	\$6,550,000	4,422	24	120	213	\$1,579,366,054	\$5,525,000	4,939	24
Queens	39	61	\$760,992,132	\$7,230,000	2,845	30	30	44	\$412,016,625	\$3,675,000	1,480	18
Summary	340	540	\$6,091,112,956	\$7,925,000	19,447	25	381	709	\$6,662,454,833	\$7,425,000	20,778	27

PRICING INDICATORS

MAY 2016 - OCT 2016 TRAILING NUMBERS					MAY 2015 - OCT 2015 TRAILING NUMBERS			
Location	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM	Avg. \$/Unit	Avg. \$/SF	Avg. Cap Rate	Avg. GRM
Manhattan	\$651,770	\$948	3.62%	20.57	\$664,238	\$929	3.66%	19.79
N. Manhattan	\$303,950	\$352	3.82%	16.03	\$271,496	\$340	4.12%	15.40
Bronx	\$161,903	\$185	5.34%	11.09	\$144,315	\$164	5.57%	10.13
Brooklyn	\$312,069	\$358	4.70%	14.78	\$307,829	\$344	4.41%	15.77
Queens	\$292,315	\$356	4.23%	15.75	\$230,284	\$275	4.86%	13.50

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.

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. February 16, 2017 1:39 PM

