

WELCOME TO COFFEE & CAP RATESSM

OUR PRESENTATION
WILL BEGIN SHORTLY



Presented By:

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President

Ariel Property Advisors

ABOUT ARIEL PROPERTY ADVISORS

Complementary Divisions

INVESTMENT SALES



Quality
Brokerage Service

CAPITAL SERVICES



Debt &
Equity Solutions

RESEARCH



Asset Evaluations
& Market Reports



LEGAL OUTREACH AND ARIEL PROPERTY ADVISORS

APA has supported Legal Outreach through summer real estate internship programs and donating all proceeds generated from the bi-annual Coffee & Cap Rates event since 2013



OPENING REMARKS



MASSIEL RAMOS

Director of Program
Administration - Legal
Outreach

SPEAKER



TAMIKA EDWARDS

Managing Director of
Partnerships - Legal
Outreach

SPEAKER



JAMES O'NEAL

Executive Director - Legal
Outreach

SPEAKER

AGENDA

MARKET SNAPSHOT

LOOKING FORWARD

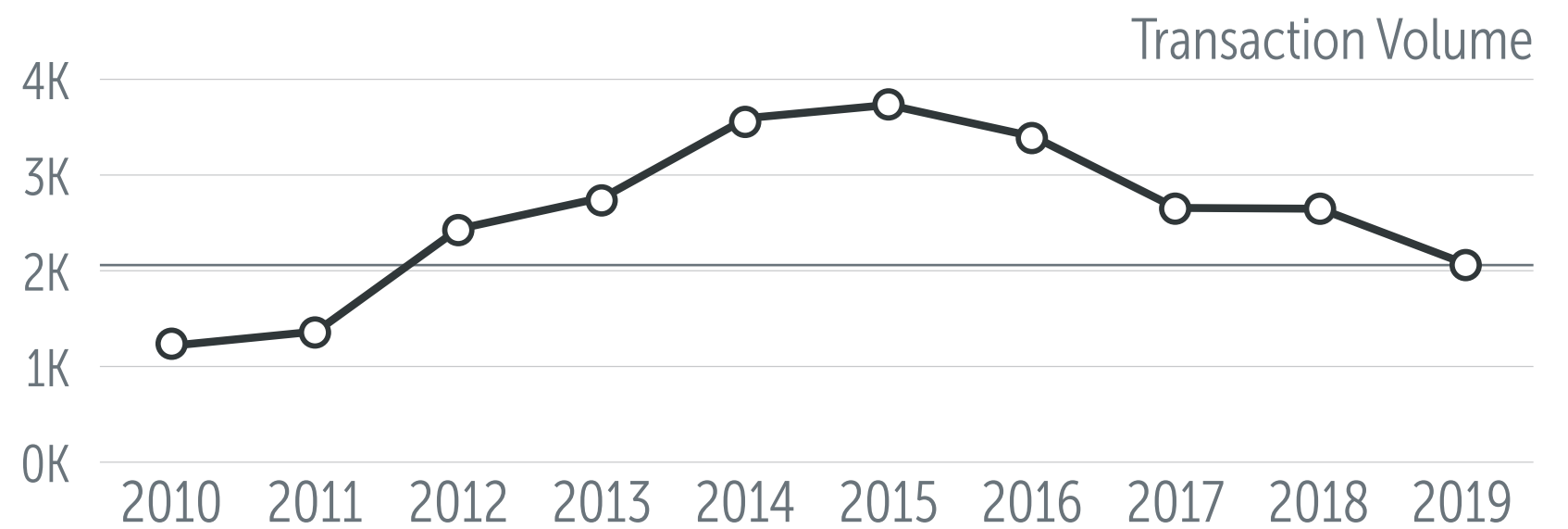
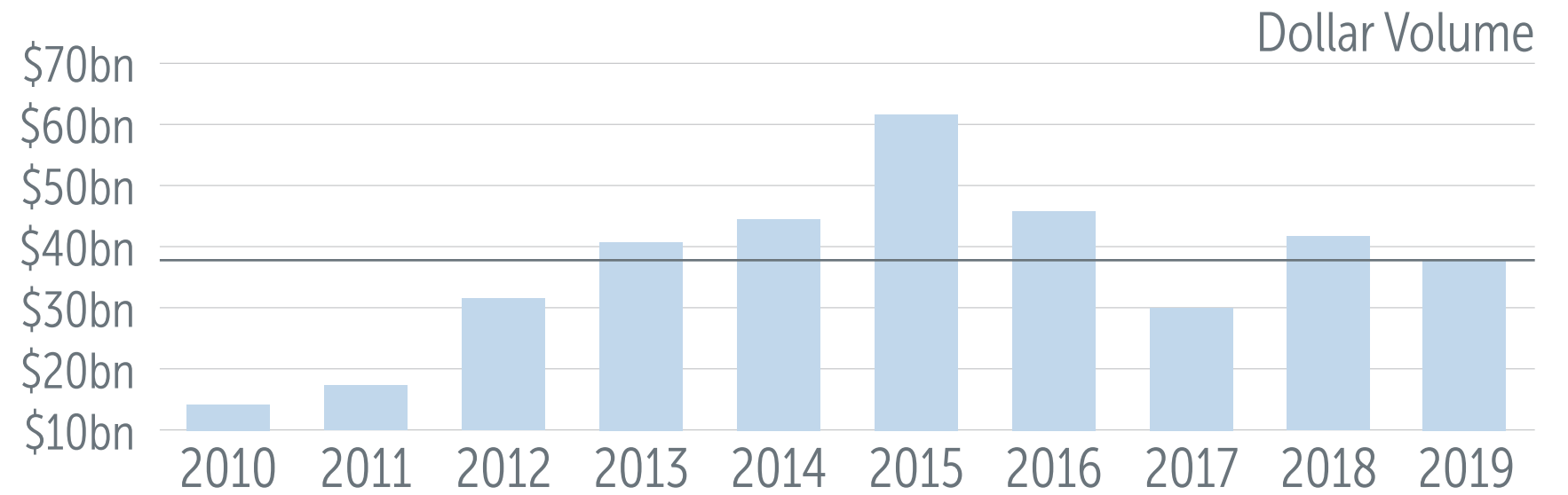
NYC MARKET ACTIVITY

DOLLAR VOLUME
VS. 2018

\$35.3 Billion
(-15%)

TRANSACTION VOLUME
VS. 2018

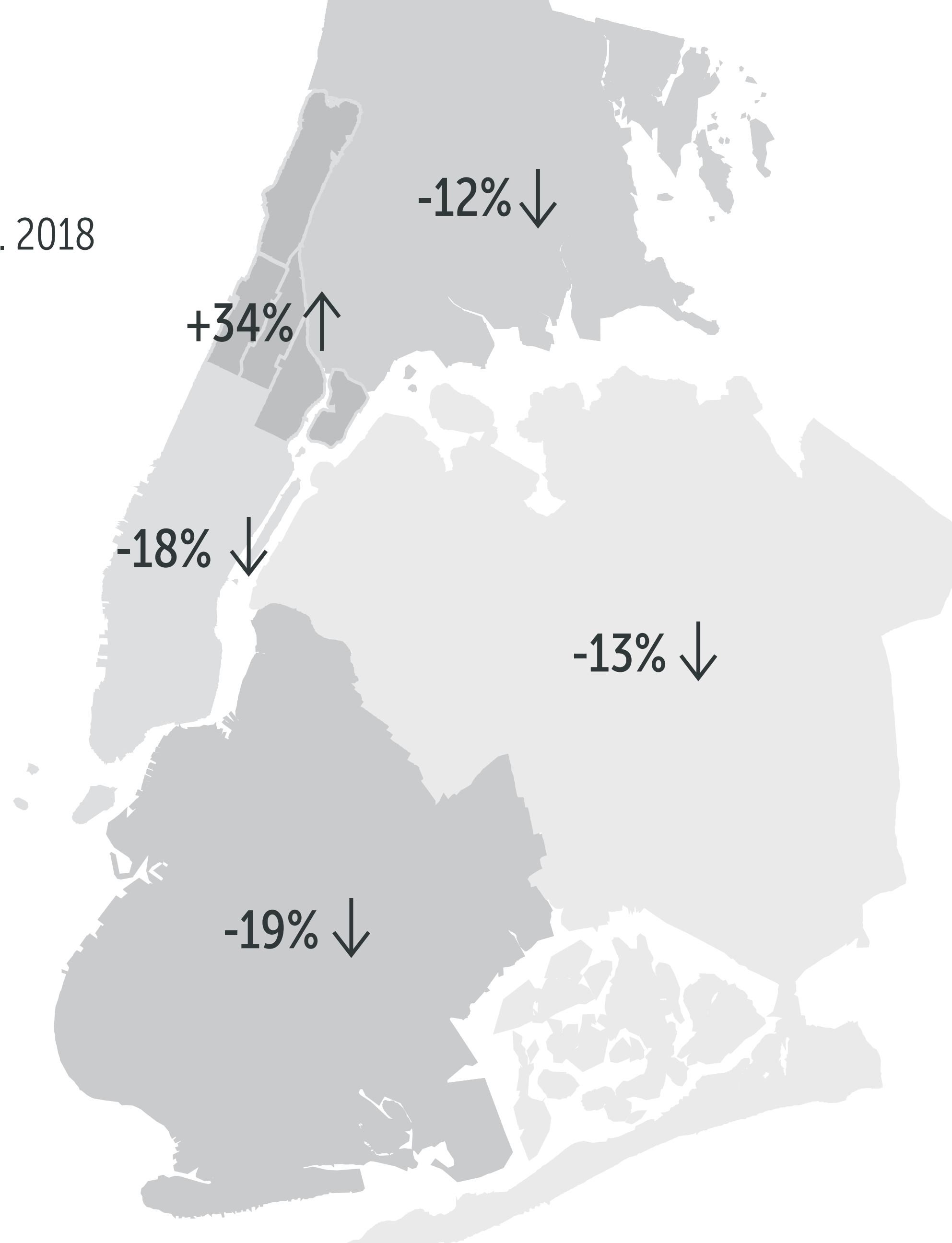
2,042
(-17%)



SUB-MARKET PERFORMANCE

DOLLAR VOLUME BREAKDOWN VS. 2018

MANHATTAN: **\$20.91 BILLION**
BROOKLYN: **\$6.25 BILLION**
QUEENS: **\$3.79 BILLION**
N. MANHATTAN: **\$2.39 BILLION**
BRONX: **\$1.93 BILLION**

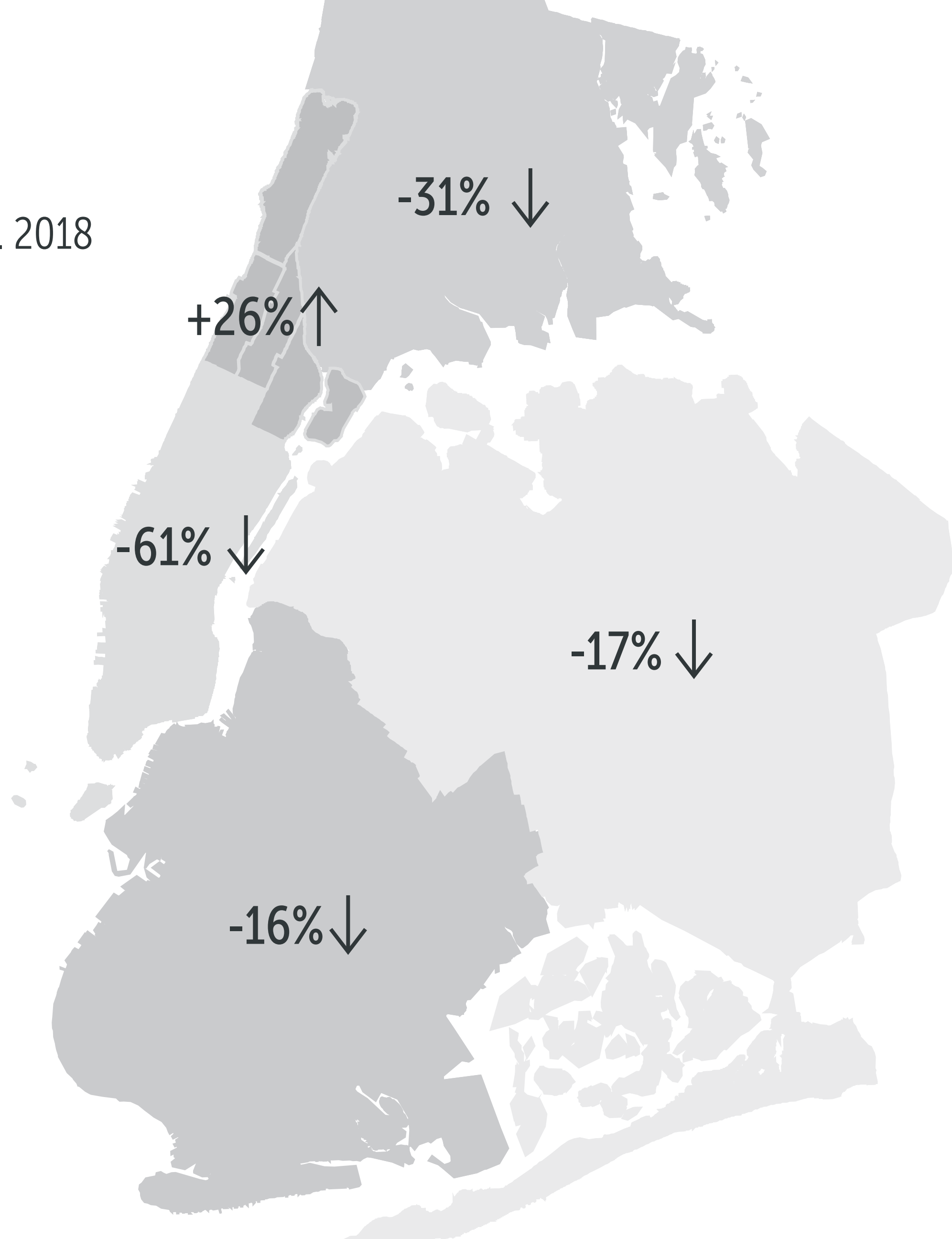


DEVELOPMENT MARKET

DOLLAR VOLUME BREAKDOWN VS. 2018

\$5.71 Billion
(-39%)

BROOKLYN: \$2.15 BILLION
MANHATTAN: \$1.91 BILLION
QUEENS: \$945.85 MILLION
BRONX: \$403.21 MILLION
N. MANHATTAN: \$302.59 MILLION



DEVELOPMENT PRICING

*\$/BSF VS. 2018

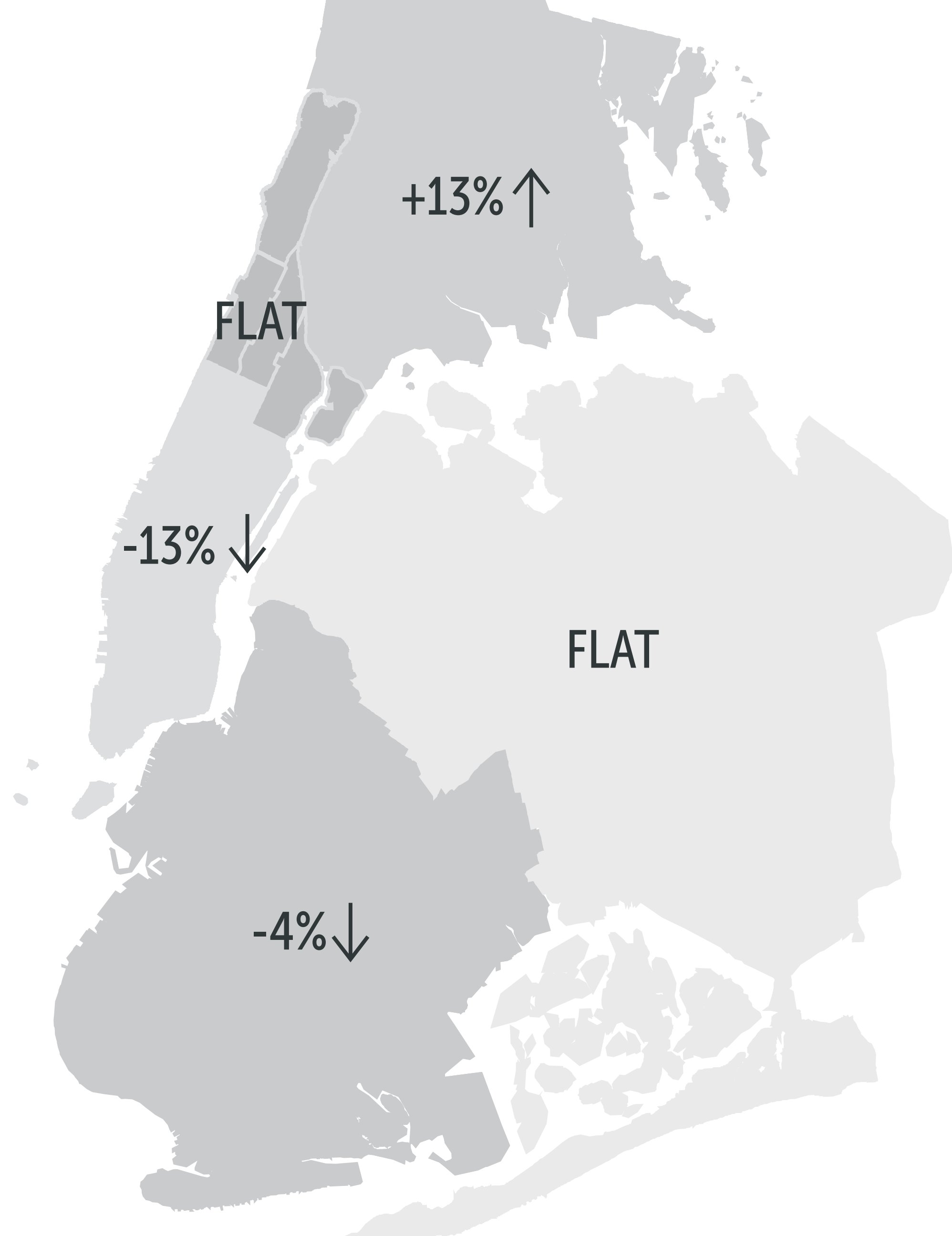
MANHATTAN: **\$598**

BROOKLYN: **\$251**

N. MANHATTAN: **\$216**

QUEENS: **\$208**

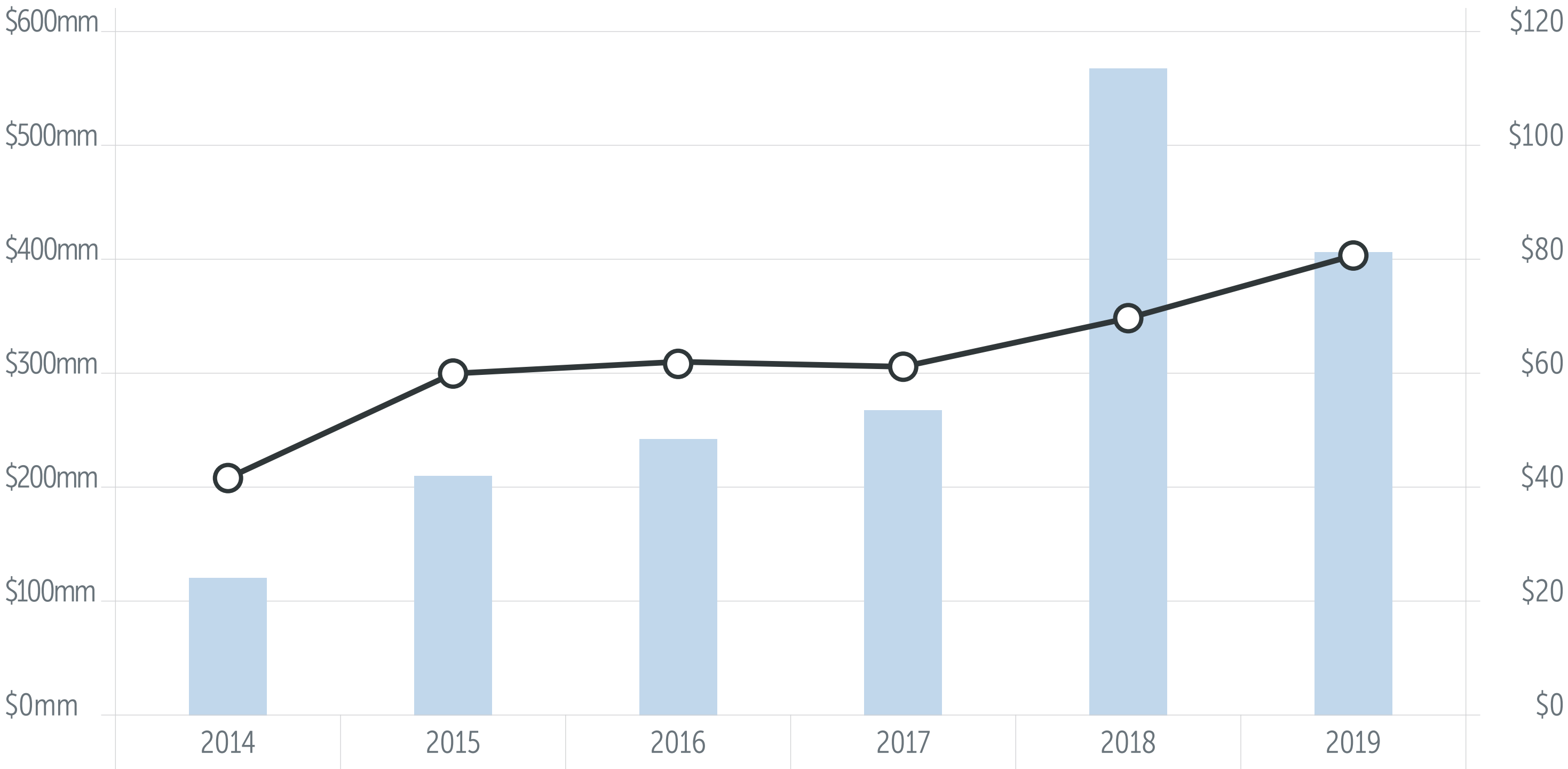
BRONX: **\$81**



* Vacant land only

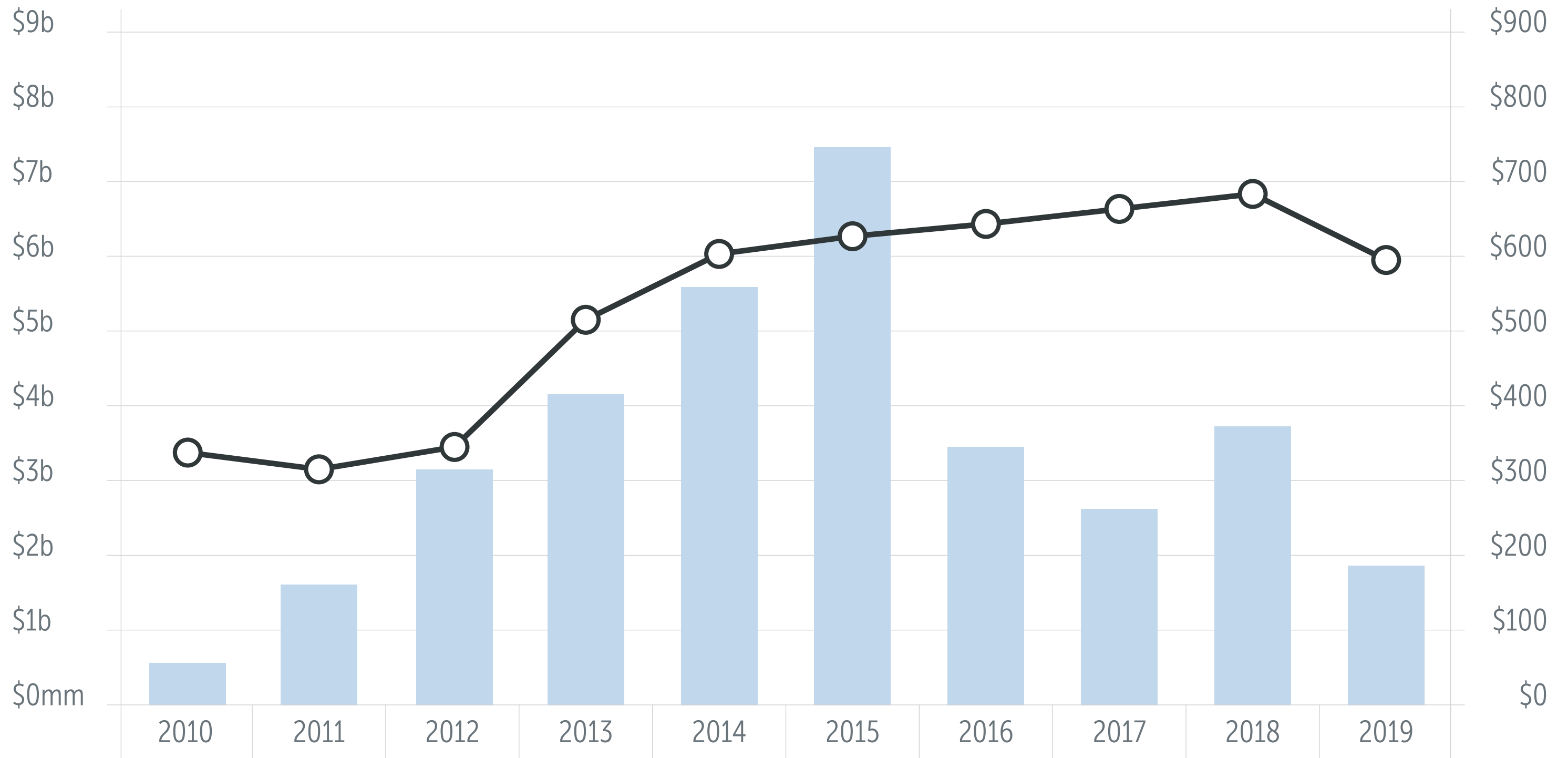
BRONX DEVELOPMENT MARKET

\$ Volume ● | \$/BSF ○



MANHATTAN DEVELOPMENT MARKET

\$ Volume ● | \$/BSF ○



MULTIFAMILY MARKET

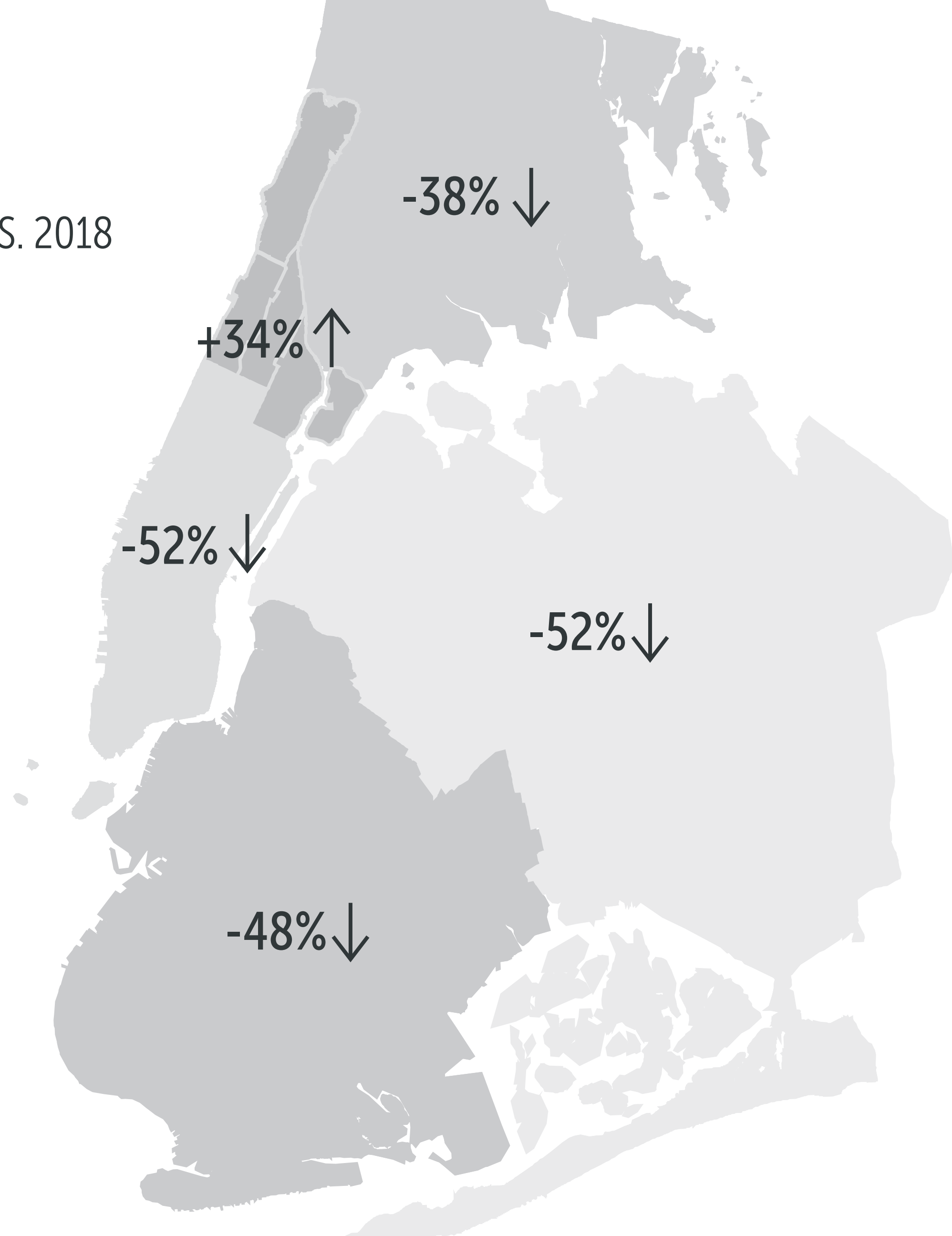
*DOLLAR VOLUME BREAKDOWN VS. 2018

\$6.92 Billion
(-40%)

Transaction volume decreased by 36%
Building volume decreased by 48%

MANHATTAN: \$2.38 BILLION
N. MANHATTAN: \$1.71 BILLION
BROOKLYN: \$1.50 BILLION
BRONX: \$682.89 MILLION
QUEENS: \$647.87 MILLION

* Multifamily properties over 10 residential units



BROOKFIELD PROPERTIES EAST HARLEM PORTFOLIO

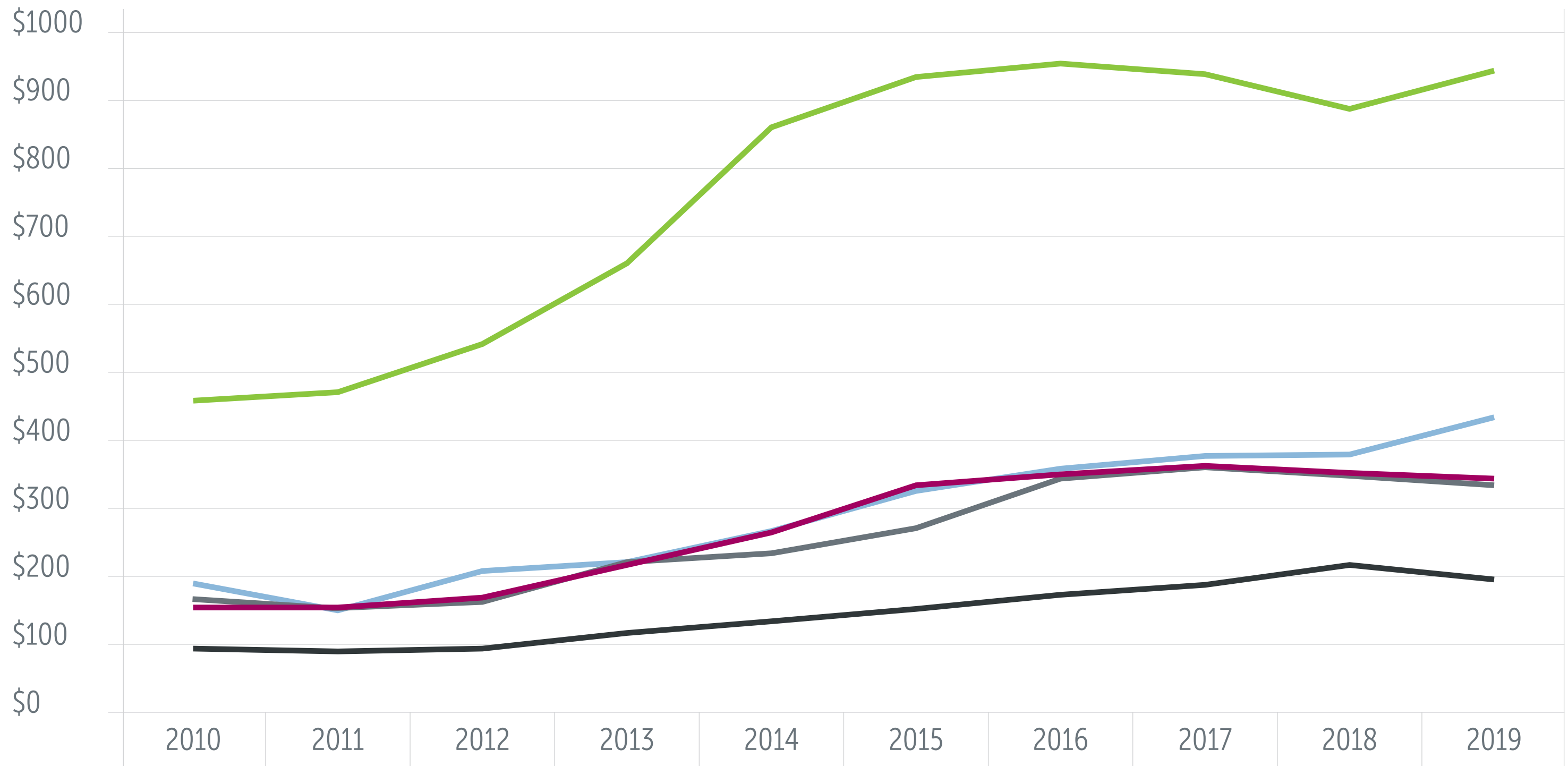


PRICE: **\$1.16 BILLION** / \$/SF: **\$429** / RESIDENTIAL UNITS: **2,654**

MULTIFAMILY PRICING

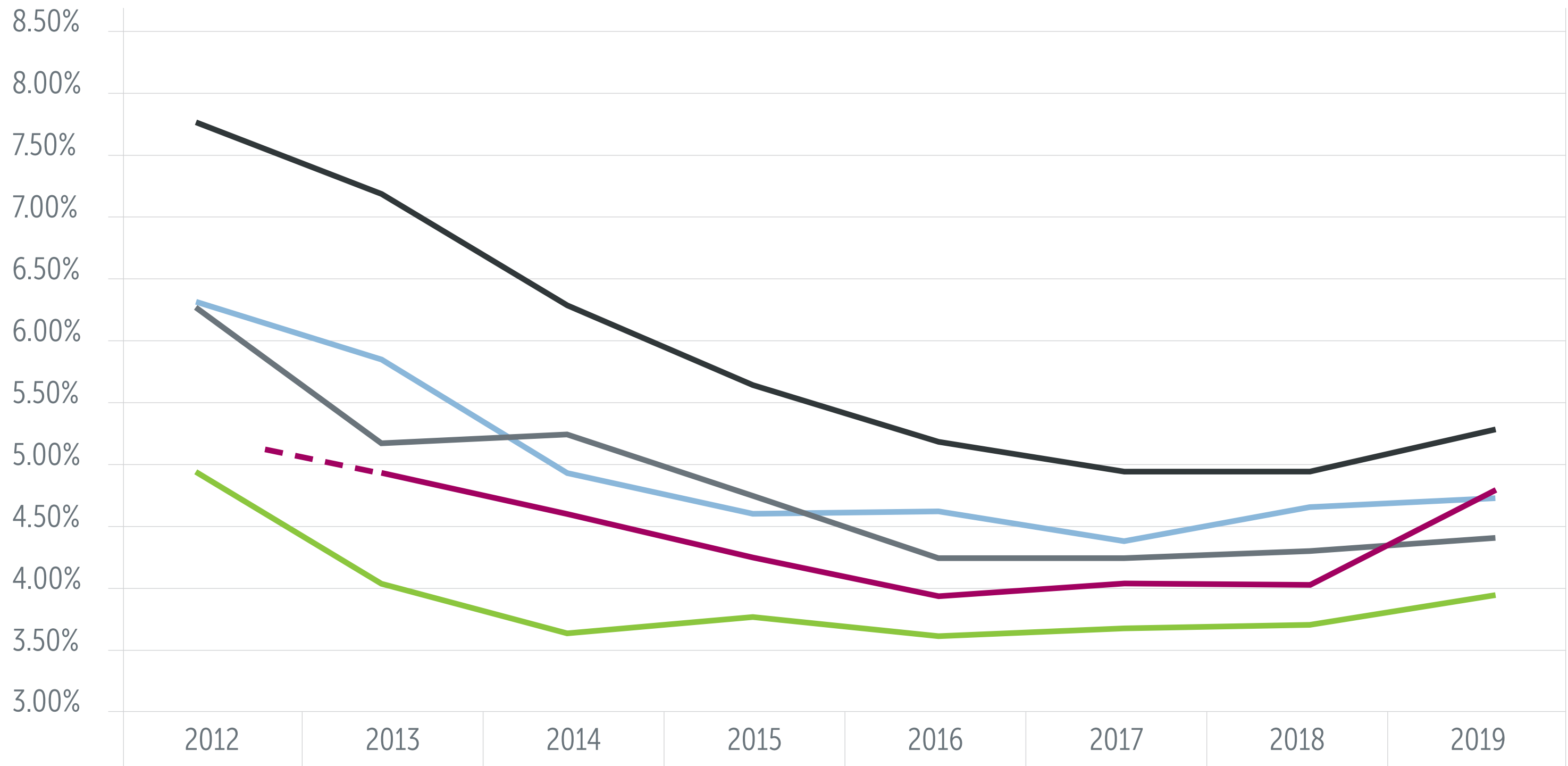
\$/SF

● Manhattan | ● Bronx | ● Brooklyn | ● Northern Manhattan | ● Queens



MULTIFAMILY PRICING CAP RATES

● Manhattan | ● Bronx | ● Brooklyn | ● Northern Manhattan | ● Queens



MARKET TRENDS AND DRIVERS

BRIGHT SIDE OF MULTIFAMILY

- Free Market or predominantly free market buildings
- Buildings with 421-A and gap between preferential rents and legal rents
- Buildings and portfolios with affordable execution potential
- Smaller buildings not subject to rent regulation

RETAIL FUNDAMENTALS

- Intro 1472: Storefront Tracker Bill
 - Current NYC retail vacancy rate: 5.8%
- Small Business Jobs Survival Act
- Average asking rents declined in 11 out of the 17 Manhattan corridors
- Reimagining traditional retail

OFFICE FUNDAMENTALS

- Manhattan's office leasing volume was highest since 2001
- TAMI accounted for 33% of leases
- Average asking rents hit an all-time high in 2019
- Technology companies in NYC

TECHNOLOGY IN NYC

FACEBOOK

- 2.5M SF



- 1.4M SF



- 36K SF

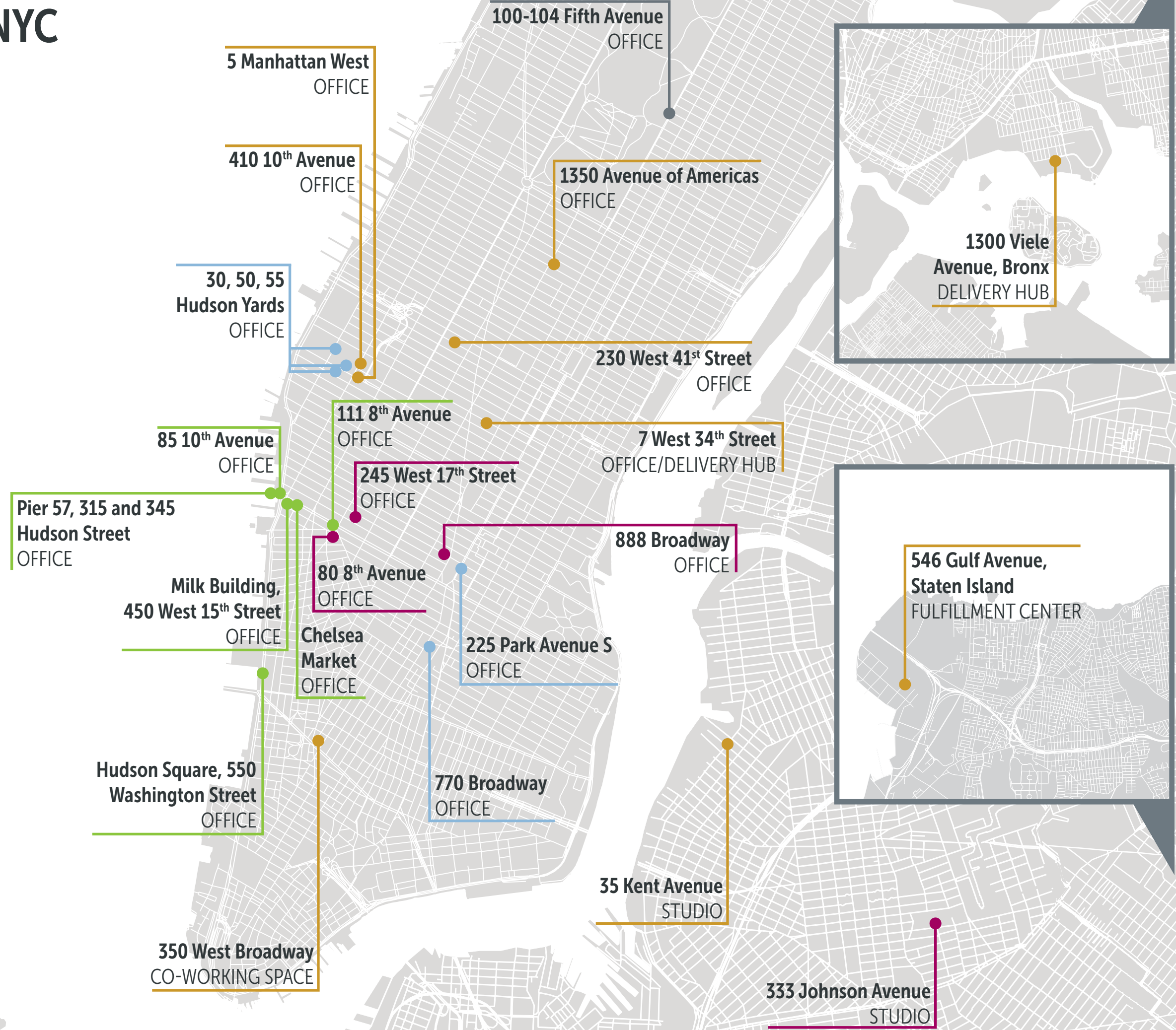


- 5.9M SF



- 300K SF

*source: Yahoo Finance



INDUSTRIAL FUNDAMENTALS



1601 Bronxdale Avenue



1300 Viele Avenue & 1301 Ryawa Avenue

- Increased warehouse demand due to last-mile distribution and e-commerce
 - 95% of leases in 2019 were to e-commerce and logistics tenants
- Blackstone purchased GLP's massive warehouse portfolio for \$18.7B – one of the largest industrial deals ever

WATCHLIST

MACRO

- Federal Reserve cut short-term interest rates for the first time since 2008
- Financing environment
- Lowest unemployment rates
- 2020 presidential election
- Black swans?

MICRO

- Rent regulation/commercial rent control
- Good cause eviction
- Opportunity zones
- Rezoning initiatives
- Affordable strategies for multifamily

CONCLUSION

- Transaction volume should remain stable compared to 2019
- 2020 will be a year of political uncertainty, including the U.S. Presidential Election and NY State's Legislative sessions
- Repricing of rent stabilized multifamily

MODERATOR & PANELISTS



TYRONE BARNES

Vice President - Taconic
Investment Partners LLC

PANELIST



JOSEPH E. FINGERMAN

Managing Group Director
and SVP - The Commercial
Real Estate Lending Group
at Signature Bank

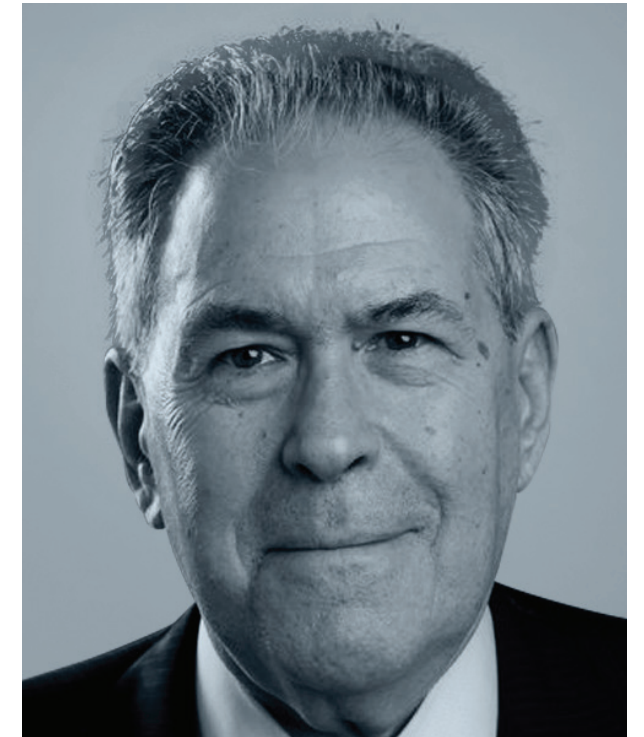
PANELIST



NADIR SETTLES

Managing Director, New
York Regional Head, Office,
Real Estate, Americas -
Nuveen

PANELIST



MICHAEL STOLER

President - New York Real
Estate TV, LLC

MODERATOR

THANK YOU FOR ATTENDING

For a copy of this presentation please visit arielpa.nyc