

WELCOME TO COFFEE & CAP RATESSM

Our Presentation Will Begin Shortly



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NYC YEAR-END 2015

Presented By:

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President
Ariel Property Advisors



ABOUT ARIEL PROPERTY ADVISORS

COMPLEMENTARY DIVISIONS

- Investment Sales
- Investment Research
- Capital Services
- Quality Brokerage Services
- Asset Evaluations
- Exclusive Market Reports



LEGAL OUTREACH

*Funds raised in conjunction with this event will benefit **Legal Outreach** which prepares urban youth from underserved communities in NYC*

Vision | Structure | Discipline | Skills | Support



AGENDA



TODAY'S MARKET

LOOKING FORWARD

NYC INVESTMENT SALES MARKET | YEAR-END 2015

DOLLAR VOLUME

\$69.6B

46%
vs. 2014

TRANSACTION VOLUME

3,576

0%
vs. 2014

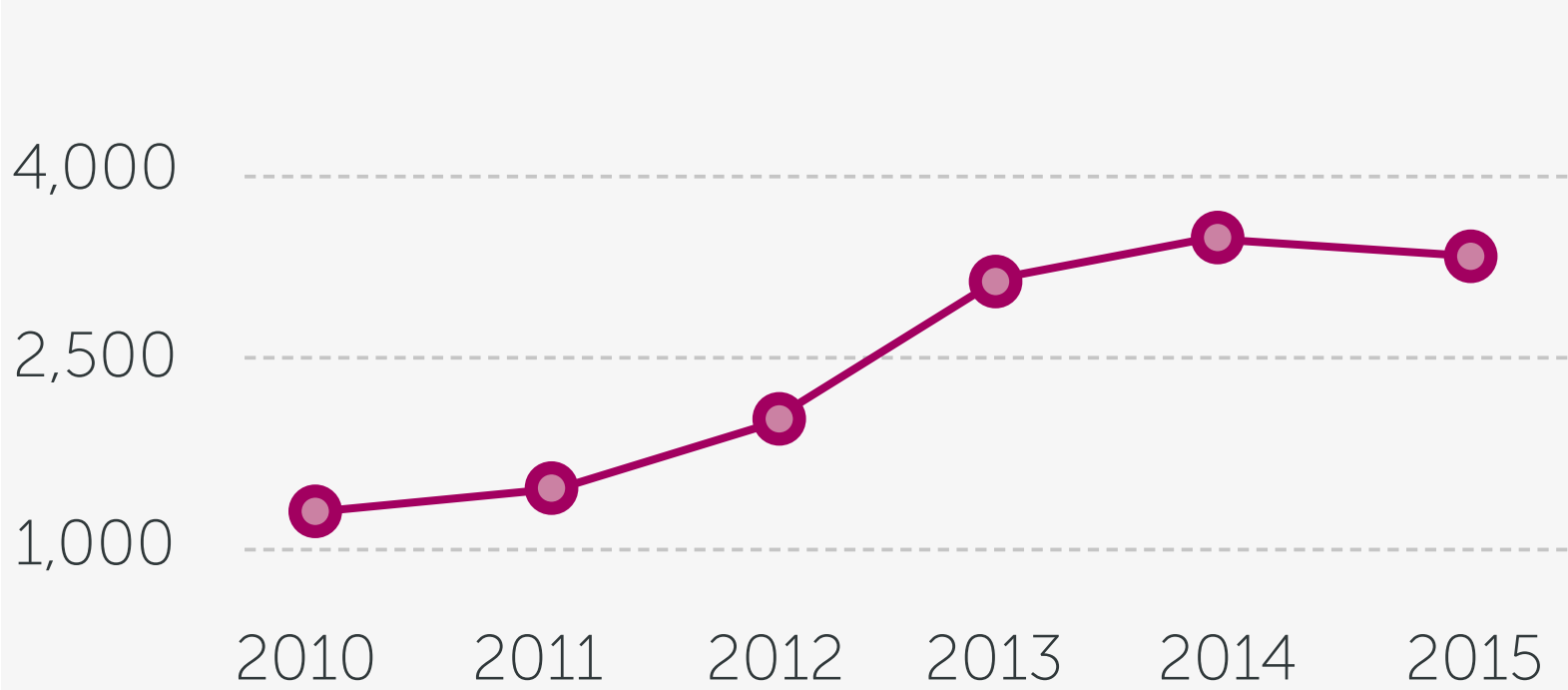
PROPERTY VOLUME

5,039

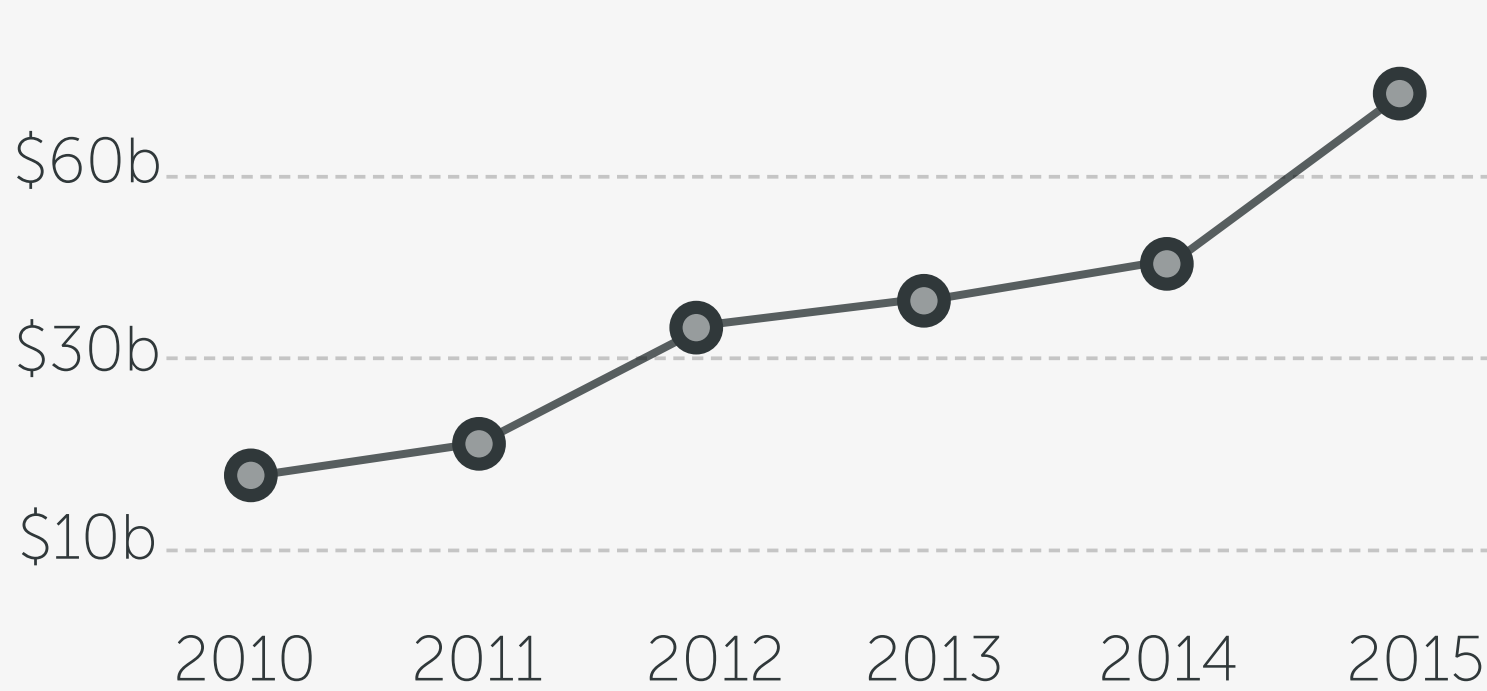
4%
vs. 2014

DOLLAR VOLUME REACHES RECORD LEVELS

TRANSACTION VOLUME ●



DOLLAR VOLUME ●



MANHATTAN YEAR-END 2015

DOLLAR VOLUME

\$50.2B

56% increase
vs. 2014

TRANSACTION VOLUME

776

5% increase
vs. 2014

PROPERTY VOLUME

1,060

19% increase
vs. 2014

Top 1% of Transactions Accounted for 34% of Dollar Volume

Ariela
PROPERTY ADVISORS

MANHATTAN YEAR-END 2015

LUXURY MARKET STABILIZING

LUXURY CONDO

\$2,649/SF

AVERAGE

8% DECREASE VS. 2014

SOURCE: THE CORCORAN REPORT, 4Q2015 MANHATTAN

14%

DECREASE IN SALES OF
CONDOS \$10+ MILLION VS. 2014

SOURCE: WALL STREET JOURNAL

DEVELOPMENT SITES

\$610/BSF

AVERAGE

1% INCREASE VS. 2014

ON THE MARKET

vs.

\$800+/BSF

AVERAGE

IN PRIME AREAS

MANHATTAN YEAR-END 2015

MULTIFAMILY PRICING REMAINS STRONG

DOLLAR
VOLUME

\$13.3b

107%
vs. 2014

TRANSACTION
VOLUME

297

11%
vs. 2014

PROPERTY
VOLUME

510

56%
vs. 2014

\$/SF

\$936

8%
vs. 2014

\$/UNIT

\$752,520

8%
vs. 2014

CAP RATE

3.72%

0%
vs. 2014

GRM

19.55

4%
vs. 2014

MANHATTAN YEAR-END 2015

INTERNATIONAL CAPITAL INFLOW REMAINS STRONG

\$23.5 BILLION IN FOREIGN INVESTMENT IN MANHATTAN



147 East 86th Street



3 Bryant Park



Waldorf Astoria

BROOKLYN YEAR-END 2015

DOLLAR VOLUME

\$9.69B

52% increase
vs. 2014

TRANSACTION VOLUME

1,409

2% increase
vs. 2014

PROPERTY VOLUME

1,980

6% increase
vs. 2014

13 Transactions Over \$100 Million Accounted for 22% of Dollar Volume

BROOKLYN YEAR-END 2015

OFFICE DEVELOPMENT SPREADS THROUGHOUT THE BOROUGH



BROOKLYN YEAR-END 2015

RESIDENTIAL DEVELOPMENT BOOM

4,990 Units

COMING ONLINE IN 2016

5,200 Units

IN CONSTRUCTION

ANOTHER

7,700 Units

IN THE PIPELINE OVER THE NEXT 3-5 YEARS

POPULATION GREW

25,000

PEOPLE PER YEAR OVER LAST 4 YEARS

ONLY

8%

OF UNITS IN DEVELOPMENT ARE CONDO

BROOKLYN YEAR-END 2015

GROWING DEMAND FOR CONDOS

AVERAGE LUXURY \$/SF:

\$1,198

9% INCREASE VS. 2014



The Boerum

\$1,200/SF



345 Carroll Street

\$1,300/SF

QUEENS YEAR-END 2015

DOLLAR VOLUME

\$4.38B

20% increase
vs. 2014

TRANSACTION VOLUME

688

5% decrease
vs. 2014

PROPERTY VOLUME

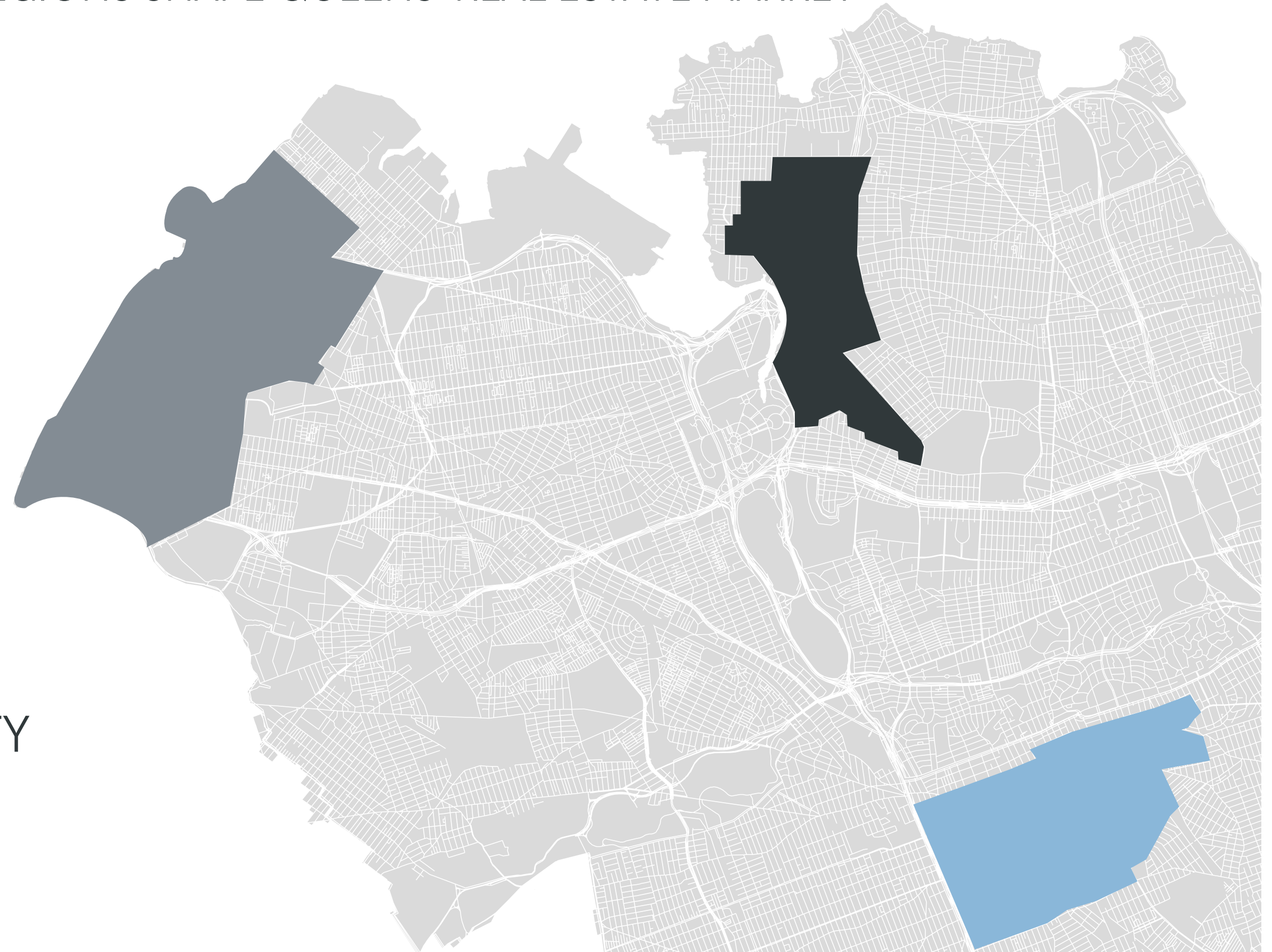
925

2% decrease
vs. 2014

Top 10% of Transactions Accounted for 60% of Dollar Volume

QUEENS YEAR-END 2015

3 REGIONS SHAPE QUEENS' REAL ESTATE MARKET



■ LONG ISLAND CITY

■ JAMAICA

■ FLUSHING

QUEENS YEAR-END 2015

3 REGIONS SHAPE QUEENS' REAL ESTATE MARKET

LONG ISLAND CITY

DEVELOPMENT DOLLAR
VOLUME:

\$619M

(68% INCREASE VS. 2014)

AVERAGE \$/BSF:

\$211

(32% INCREASE VS. 2014)

JAMAICA

INSTITUTIONAL
DEVELOPMENTS
TRANSFORM AREA

- CROSSING AT
JAMAICA STATION
- MARY IMMACULATE
HOSPITAL
- 90-02 168TH STREET

FLUSHING

MULTIFAMILY
BOOM

MF DOLLAR
VOLUME:

\$324M

(378% INCREASE VS. 2014)

2

TRANSACTIONS OVER
\$100 MILLION

NORTHERN MANHATTAN YEAR-END 2015

DOLLAR VOLUME

\$2.53B

21% decrease
vs. 2014

TRANSACTION VOLUME

331

13% decrease
vs. 2014

PROPERTY VOLUME

494

13% decrease
vs. 2014

Top 10% of Transactions Accounted for 47% of Dollar Volume

NORTHERN MANHATTAN YEAR-END 2015

OFFICE & RETAIL PICKING UP STEAM



1821-1827 Park Avenue

\$48,000,000

Buyer: Savanna Partners



246-248 West 125th Street

\$16,500,000

Buyer: Larga Vista Companies



310 Lenox Avenue

In Contract

Source: Bloomberg

NORTHERN MANHATTAN YEAR-END 2015

NOT JUST 125TH STREET - PRICING CONTINUES APPRECIATION

EAST HARLEM

Development Sites

\$195/BSF

89%

vs. 2014

ANTICIPATION OF
EAST HARLEM REZONING

WASHINGTON HEIGHTS

Multifamily

\$286/SF

31%

vs. 2014

AVERAGE CAP RATE:
4.38%

BRONX YEAR-END 2015

DOLLAR VOLUME

\$2.76B

16% increase
vs. 2014

TRANSACTION VOLUME

372

4% increase
vs. 2014

PROPERTY VOLUME

580

2% decrease
vs. 2014

Top 10% of Transactions Accounted for 56% of Dollar Volume

BRONX YEAR-END 2015

LARGER RETAIL SITES DRAW ATTENTION FROM INVESTORS



Riverdale Crossing



Whitestone Cinemas



Bronx Post Place

BRONX YEAR-END 2015

SOUTH BRONX DRIVING INDUSTRIAL & DEVELOPMENT SALES

Dollar Volume

\$226M

51%
vs. 2014

Transaction Volume

56

37%
vs. 2014

Property Volume

88

57%
vs. 2014

DEVELOPMENTS
TRADING AS HIGH AS

\$90+/BSF

BRONX YEAR-END 2015

MULTIFAMILY PRICING CONTINUES UPWARD CLIMB

\$/SF
\$160
30%
vs. 2014

\$/UNIT
\$137k
26%
vs. 2014

CAP RATE
5.55%
12%
vs. 2014

GRM
9.95
20%
vs. 2014

OUTLOOK 2016

HEADWINDS

- Global Economic Uncertainty
 - Strengthening Dollar
 - China's Slowdown
- City Administration
 - Rent Stabilization
 - 421a
 - Taxes
- Sustainability of Luxury Market

MARKET STRENGTHS

- Sound Fundamentals
 - Positive Job Creation
 - Improved Consumer Spending
- Low Oil Prices
- Diversification In Tenancy
 - TAMI
 - University Expansion
- Increased International Capital
 - Flight to Safety
 - Relaxed Regulations
- Interest Rate Certainty

CONCLUSION

STRONG 2016 EXPECTED

DOLLAR VOLUME = 1H 2016 MIRRORS 1H 2015

PRICES = MODERATED APPRECIATION ACROSS THE BOARD

THE PANELISTS



SHIMON SHKURY
President,
Ariel Property Advisors



OFER YARDENI
Chairman and CEO,
Stonehenge NYC



MARTIN NUSSBAUM
Principal,
Slate Property Group



WILL BLODGETT
Founding Partner,
Fairstead Capital

THANK YOU FOR ATTENDING

For a copy of this presentation please visit arielpa.nyc