

LIVE WEBINAR

WELCOME TO
COFFEE &
CAP RATES

GOOD
MORNING
NYC



ABOUT ARIEL PROPERTY ADVISORS

Complementary Divisions

INVESTMENT SALES



Quality
Brokerage Service

CAPITAL SERVICES



Debt &
Equity Solutions

RESEARCH



Asset Evaluations
& Market Reports



LEGAL OUTREACH



THANK YOU

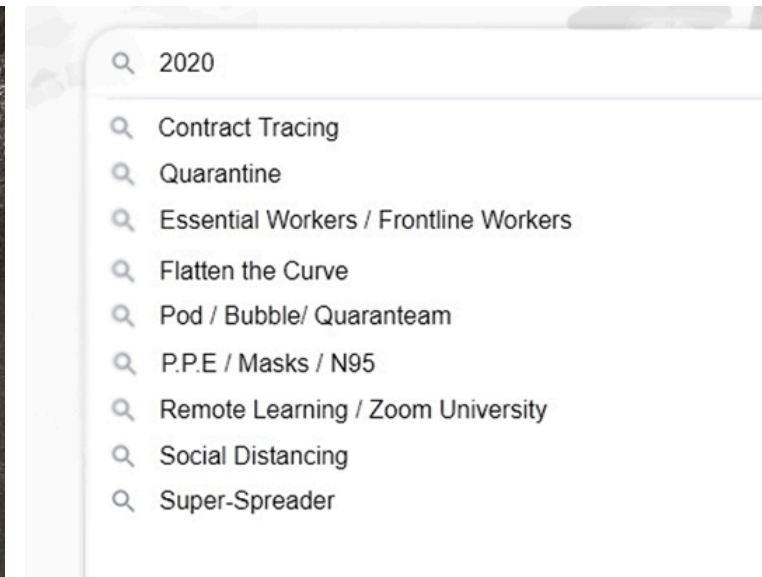
AMAN MEKONEN

Director, Greystone & Co.,
Chick fil-A Franchise Owner

For Nominating Legal Outreach for:
Chick fil-A True Inspiration Award
for Black-led Nonprofits in
Underserved Communities
\$350k Grant for First Prize

We need your help in winning this award!
We will reach out to you when voting opens in September!

GOOD MORNING NYC!

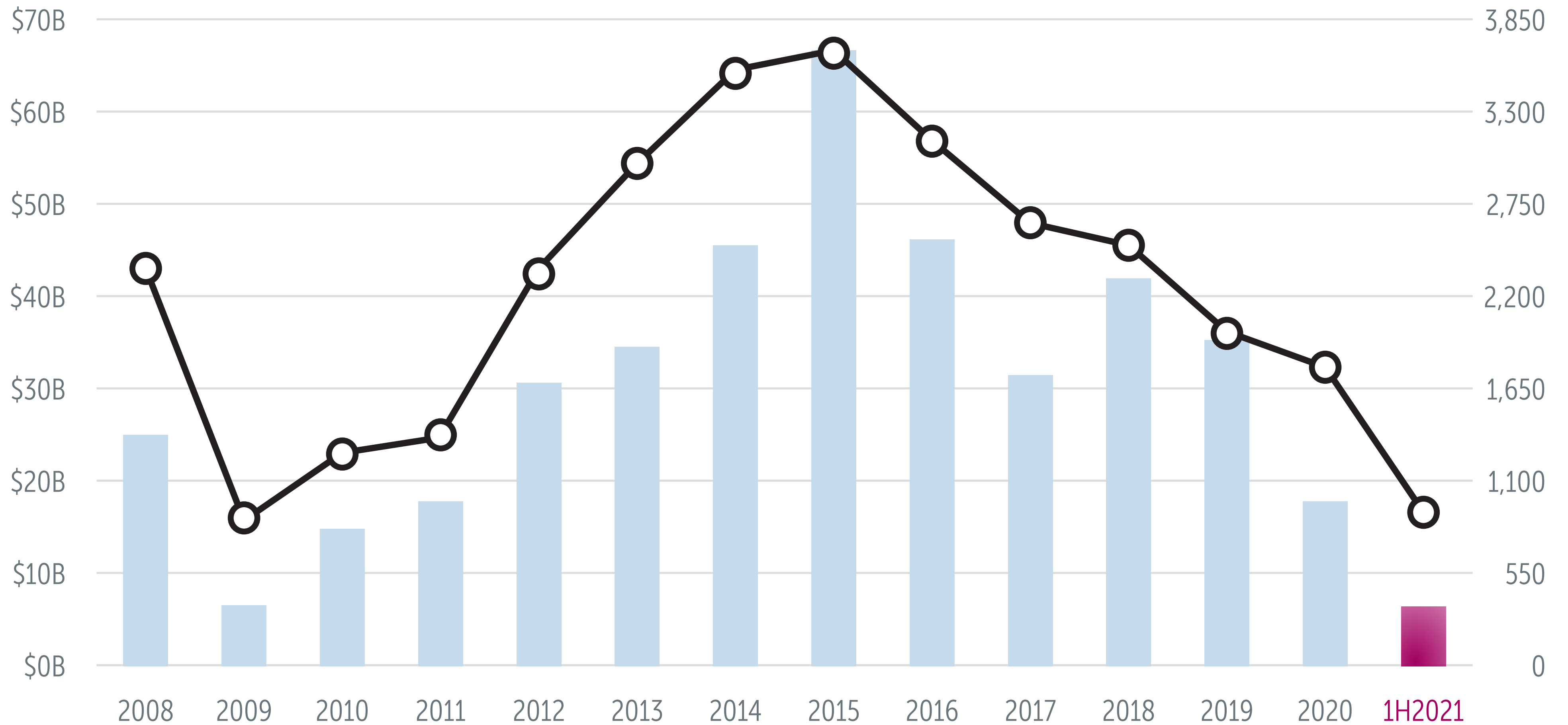


Two spotlights are positioned at the top corners of the frame, casting a warm, yellowish light that creates a soft glow around the central text. The spotlights themselves are dark and cylindrical, with their lenses visible. The background is a dark, textured gradient, possibly representing a stage or a night sky.

SPOTLIGHT ON THE NUMBERS

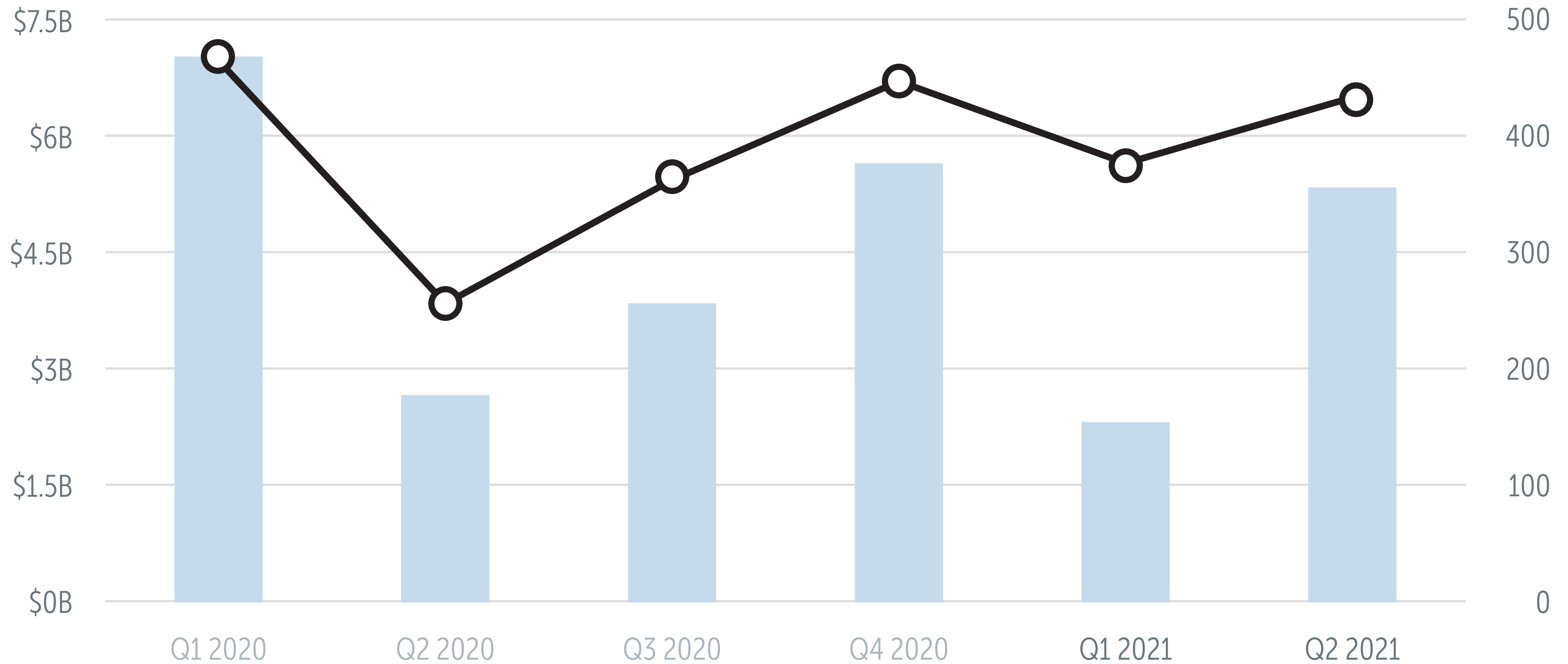
NYC DOLLAR VOLUME 2008-2021

○ Transaction Volume ■ Dollar Volume



NYC INVESTMENT SALES ACTIVITY 2020 - 2021

○ Transaction Volume ■ Dollar Volume



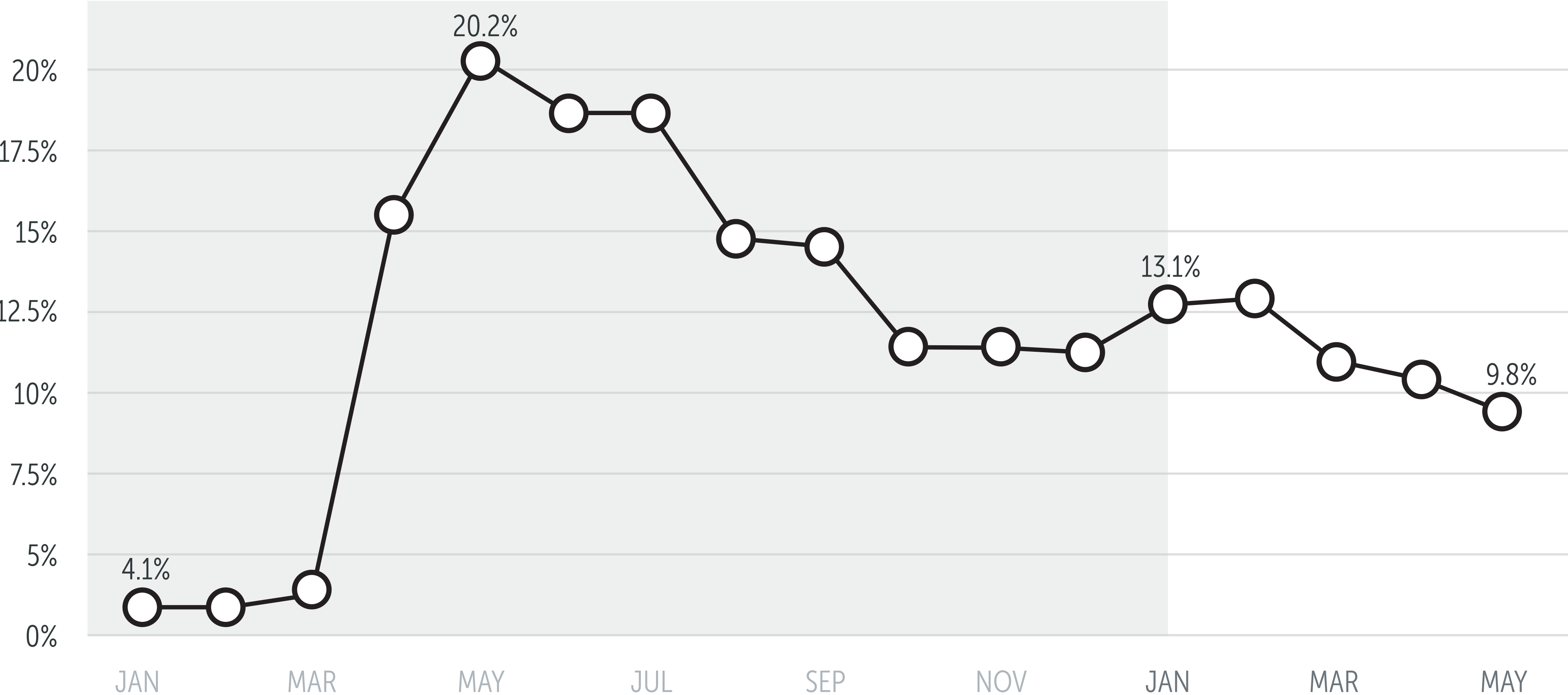
BOUNCE BACK EFFECT



FUNDAMENTALS

Unemployment Rate / 2021

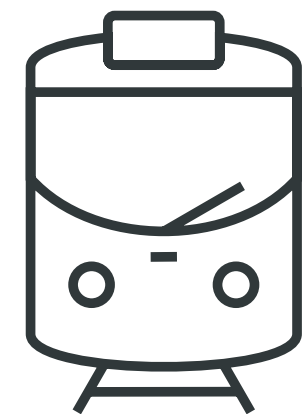
NYC (Not Seasonally Adjusted)



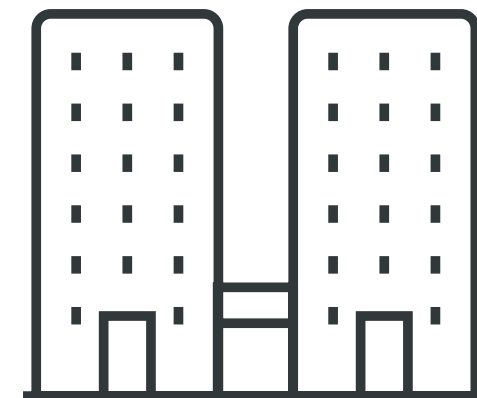
Source: NYC Dept of Labor

GOOGLE'S MOBILITY REPORTS

Comparing user's movement in January & July 2021 against pre-pandemic levels



41%
improvement
in transit usage



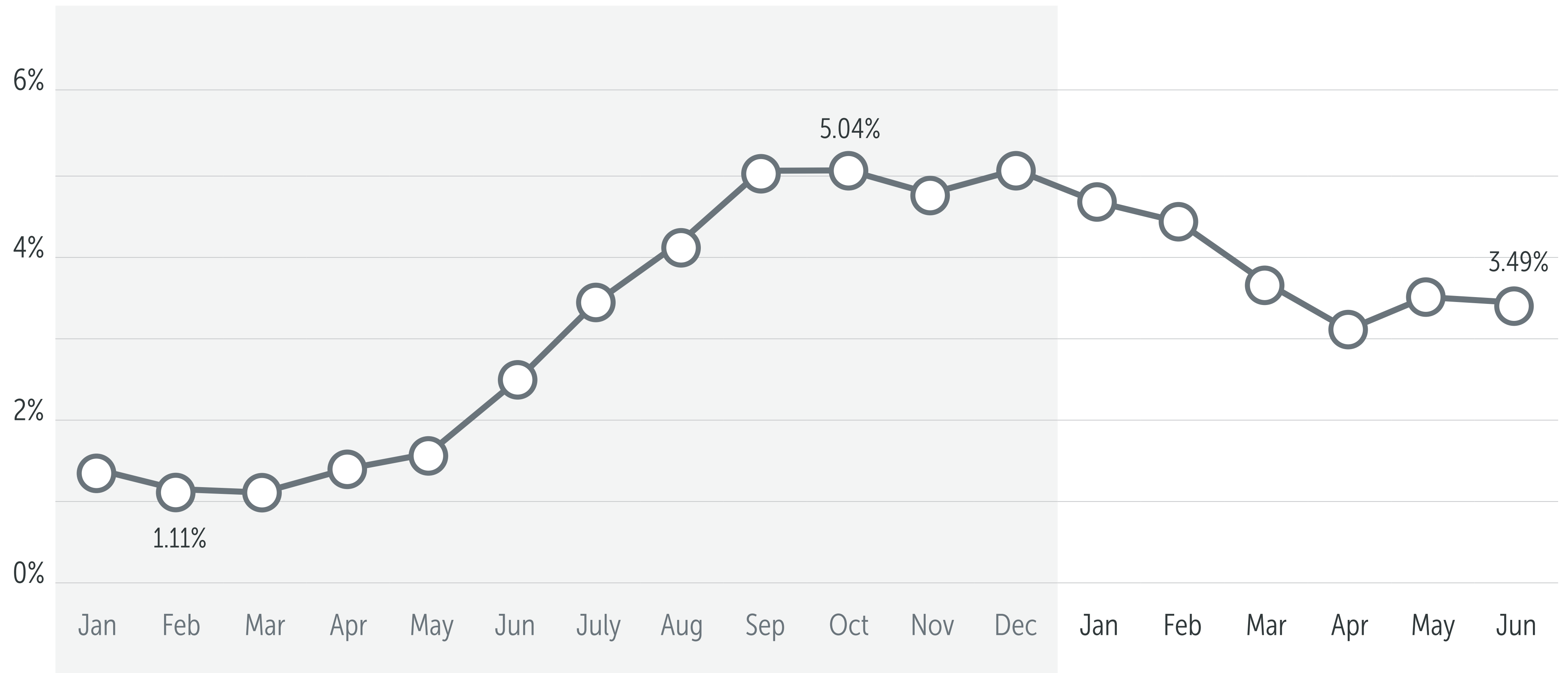
28%
improvement
in workplace attendance



42%
improvement
in retail/recreation visits

FUNDAMENTALS

Residential Rental Vacancy

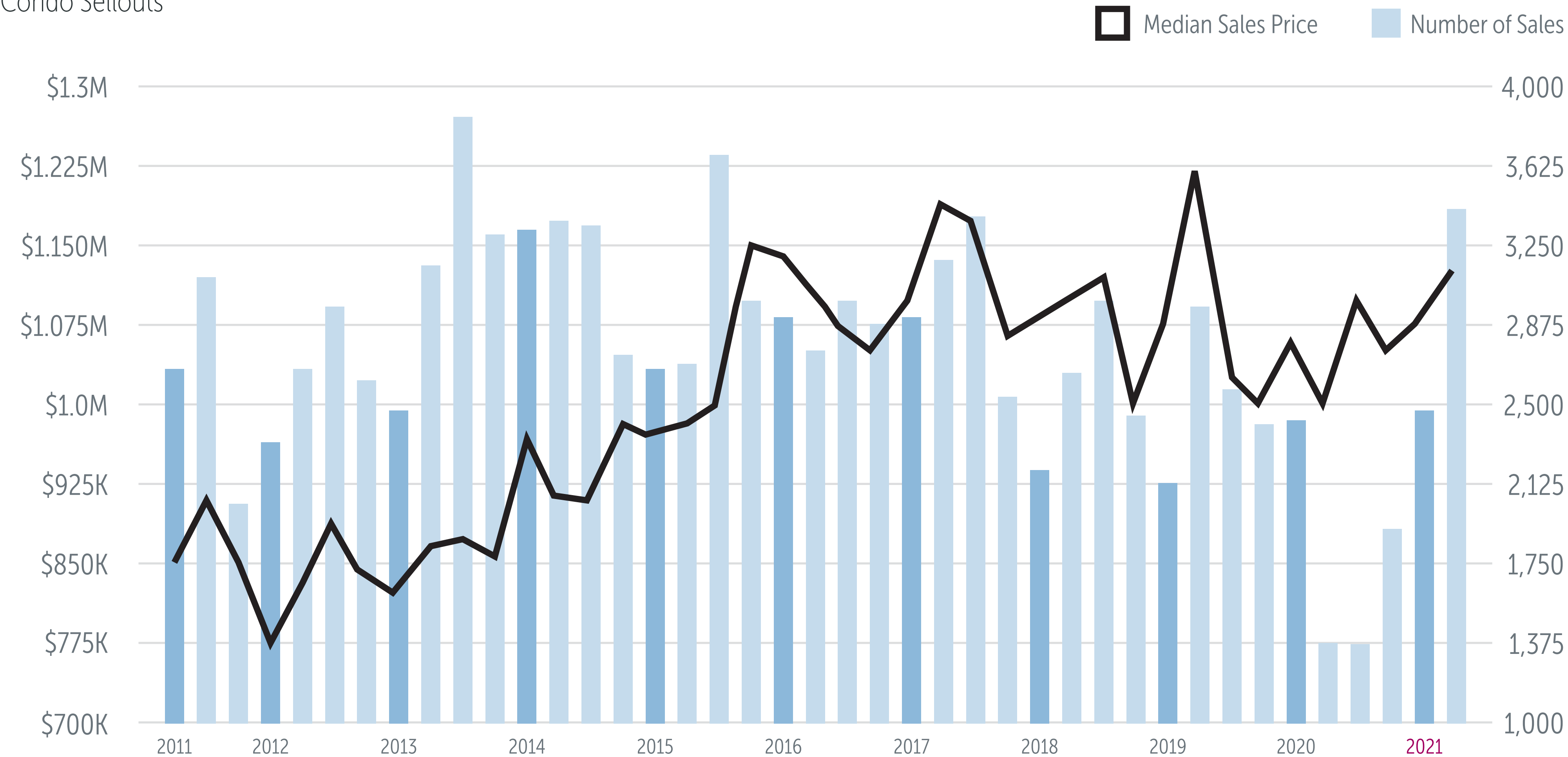


2021

Source: Corcoran

FUNDAMENTALS

Condo Sellouts



Source: Douglas Elliman

PRICING & DRIVERS



DEVELOPMENT PRICING

*\$/BSF VS. 2020



MANHATTAN	2020	2021
	\$ 469	\$ 557

* Vacant land only

DEVELOPMENT PRICING

*\$/BSF VS. 2020

MANHATTAN	2020	2021
	\$ 469	\$ 557

Property Name	\$ / BSF
407 Park Ave (1-1309-72)	\$951
824 Madison Ave (1-1383-58)	\$620
123 W 57th St (1-1010-15)	\$539
323 E 79th St (1-1542-13)	\$496
1303-09 3rd Ave & 202 E 75th St	\$396
98 Bayard St (1-199-30)	\$339

* Vacant land only



DEVELOPMENT PRICING

*\$/BSF VS. 2020

	2020	2021
MANHATTAN	\$ 469	\$ 478

Property Name	\$ / BSF
407 Park Ave (1-1309-72)	\$951
824 Madison Ave (1-1383-58)	\$620
123 W 57th St (1-1010-15)	\$539
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DEVELOPMENT PRICING

*\$/BSF VS. 2020

	2020	2021
MANHATTAN	\$ 469	\$ 557
BROOKLYN	\$ 251	\$ 267
N. MANHATTAN	\$ 169	\$ 141
QUEENS	\$ 222	\$ 208
BRONX	\$ 87	\$ 84

* Vacant land only



MULTIFAMILY MARKET

Unit Mix Pricing

	AFFORDABLE	FREE MARKET	RENT STABILIZED
PANDEMIC IMPACT	POSITIVE	NEGATIVE	NEUTRAL
NEAR TERM PERFORMANCE	POSITIVE	POSITIVE	POSITIVE

MULTIFAMILY PRICING

\$/SF VS. 2020

	2020	2021	% of Reg Units
MANHATTAN	\$ 624	\$ 655	23%
N. MANHATTAN	\$ 324	\$ 227	76%
BRONX	\$ 179	\$ 151	84%
QUEENS	\$ 249	\$ 266	58%
BROOKLYN	\$ 388	\$ 351	47%

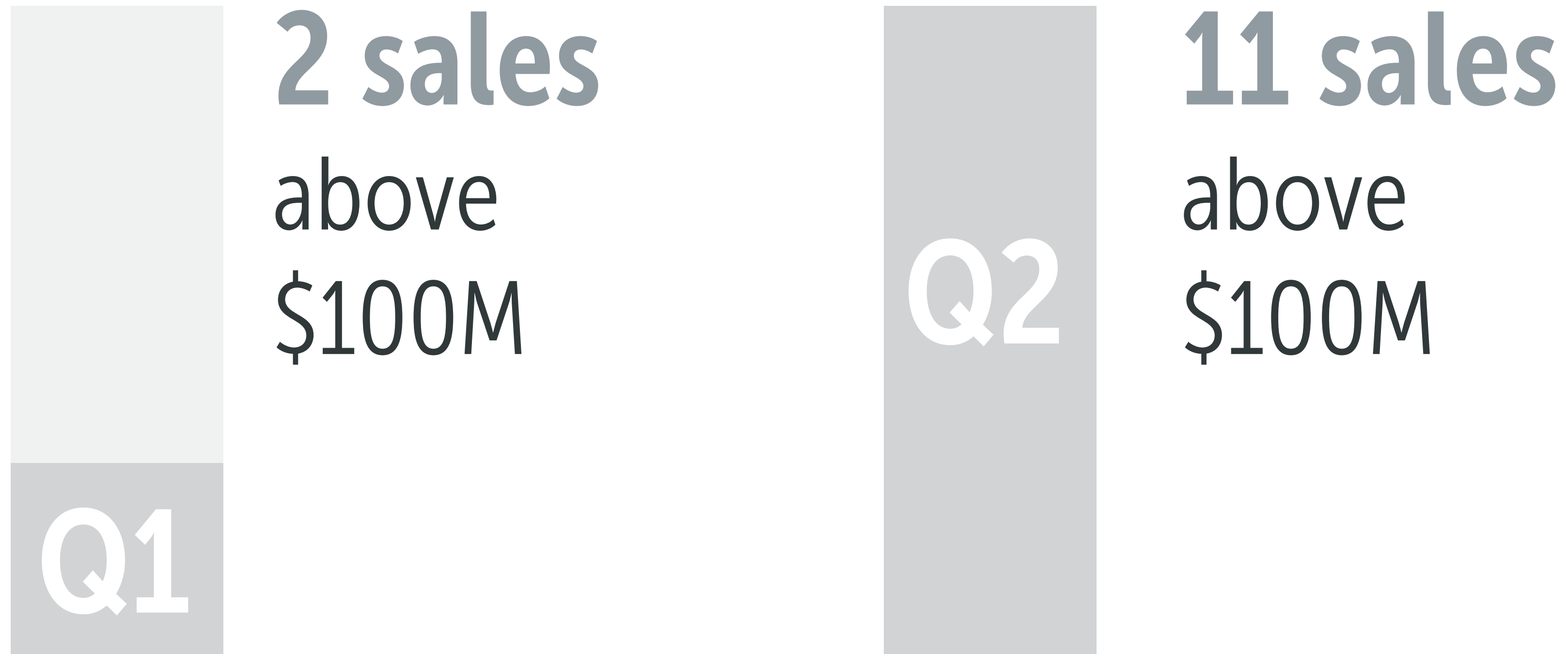
* Multifamily transactions 10 units and up



WHAT
MOVES
THE
NEEDLE?



INSTITUTIONAL DEALS Q1 VS. Q2 2021



FEATURED TRANSACTIONS

OFFICE



Manhattan

635-641 6th Avenue
\$325MM | 227K SF | \$/SF 1,435



Manhattan

520 & 524-528 Broadway
\$323.5MM | 192K SF | \$/SF 1,686

+14%

MANHATTAN OFFICE
LEASING ACTIVITY
VS Q1 2021

MANHATTAN OFFICE LEASING ACTIVITY



TENANT	ADDRESS	SQUARE FEET	QUARTER
Blackstone	345 Park Avenue	720,000	Q1
City of New York	60 Broad Street	313,022	Q2
The Legal Aid Society	40 Worth Avenue	198,900	Q2
Mount Sinai	787 11th Avenue	167,348	Q1
Sparc Group	11 Penn Plaza	155,634	Q2
Orbimed Advisors	601 Lexington Avenue	143,298	Q2
Schrodinger	1540 Broadway	126,222	Q2



FEATURED TRANSACTIONS

MULTIFAMILY



Bronx

Blackshore Multifamily Portfolio
\$122MM | 680K SF



Manhattan

920 Park Avenue
\$134.5MM | 156K SF

Local Law 97
Interest Rates
Inflation
ESG
C-Pace
Tax proposals
1031
Eviction and mortgage moratorium expiration
New Capital
Crime
J51/421a Expirations
Vaccine
Continued Strength for Affordable Housing
Construction / commodity costs
National politics
Distress
Price Clarity
Delta Variant
Local politics
Lower Barriers to Entry
Niche Sectors Experiencing Strong New Demand from Institutional Investors (self-storage, life sciences, single family rentals, data centers, and other digital infrastructure, a hybrid of real estate and infrastructure)

CONCLUSION

- Second half of the year should be more transactional
- Higher pricing and stronger fundamentals

THANK YOU!

For a copy of this presentation please visit **arielpa.nyc**

