



AVISON  
YOUNG

3Q19

# Property Sales Report

Manhattan  
Investment Sales

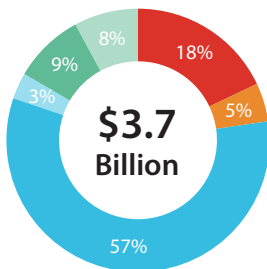


# Investment Sales Summary

Manhattan’s commercial real estate transactions totaled \$3.7 billion in the third quarter, which is 28 percent below the trailing four-quarter average of \$5.2 billion. By annualizing the first three quarters, 2019 is on pace for sales totaling \$16.3 billion, 32.7 percent below the \$24.3 billion recorded in 2018.

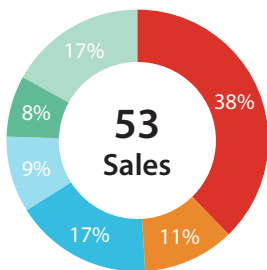
With large trades dominating the third quarter, transactions fell to 53 from 76 in the previous quarter and declined by 36 percent from the four-quarter average. Based on the first three quarters, total trades for 2019 are projected to be 277, which is 8 percent below the previously recorded 10-year low of 300 sales in 2017.

## Total Dollar Volume by Asset Class



**-28%** From trailing four-quarter average

## Number of Sales by Asset Class



**-36%** From trailing four-quarter average

- Multi-Family
- Office
- Development
- Retail
- Office Condo
- Conversion

## Multi-Family

Manhattan saw \$664 million in multi-family sales across 20 transactions in the third quarter, as investors continued their flight to quality. Major transactions for the quarter included 220 East 72nd Street, which traded for \$159.5 million, or \$1,021 per square foot, 60 East 12th Street, which traded for \$106.5 million, or \$823 per square foot, and 25 East 67th Street, which sold for \$70 million, or \$1,810 per square foot. Cap rates averaged 4.34 percent, 31 basis points above the trailing four-quarter average, while the weighted average price per square foot of \$929 was 6 percent higher than the four-quarter average.

## Retail

The retail sector in the third quarter recorded six transactions totaling \$175 million, which is higher than the \$153 million closed in the second quarter, but 38 percent lower than the trailing four-quarter average. Significant sales included 196 Orchard Street with tenants CVS, Marshall’s and Equinox, which traded for \$88.8 million, or \$1,464 per square foot, and 47-49 Greene Street with tenant Theory, which traded for \$24.8 million, or \$3,397 per square foot. Cap rates averaged 5.20 percent, 25 basis points higher than the trailing four-quarter average, and the price per square foot averaged \$1,449, which was 39 percent lower than the four-quarter average.

## Office Building and Office Condo

In the office sector, there were nine office building transactions in the third quarter totaling \$2.1 billion, and four office condo/co-op transactions totaling \$88 million. The Coca Cola office building at 711 Fifth Avenue sold for \$907 million, or \$2,563 per square foot, which helped push the average price per square foot for office buildings to \$1,322 per square foot, a jump of 71 percent from the four-quarter average. It was reported that 711 Fifth Avenue will be resold for \$955 million, which along with several other major sales announced, should result in strong volume in coming quarters. The largest office condo/co-op transaction was the sale of the entire sixth floor of 866 United Nations Plaza for \$59.2 million, or \$800 per square foot.

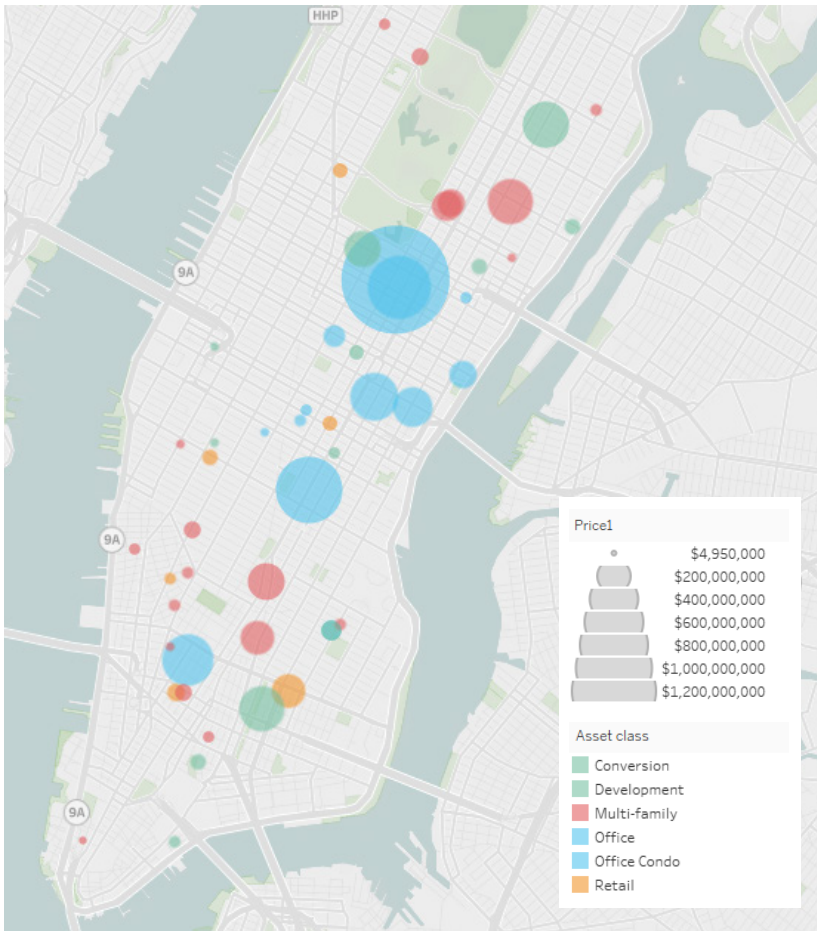
## Development

In a particularly slow quarter, there were only four development sales totaling \$321 million, a 51 percent decline from the trailing four-quarter average. A total of 520,000 buildable square feet traded during the quarter, which represented an 86 percent decline from the four-quarter average, while the weighted average price per buildable square foot was \$618, an 11 percent decline from the four-quarter average. Significant sales included 1461-1469 Third Avenue and 204 East 83rd Street for \$167 million, or \$668 per buildable square foot, and a development site at Lexington and 56th Street, which sold for \$103.7 million, or \$593 per buildable square foot. Development volume is projected to end the year at \$1 billion, the lowest level of any year since 2010 when development sales totaled \$802 million.

## Trends to Watch

- How will the Housing Stability and Tenant Protection Act of 2019 continue to affect the overall multi-family transactions for the year?
- Will institutional investor confidence remain strong for trophy assets?
- Can development sales regain steam without a luxury condominium sales recovery?

# Manhattan Market Snapshot



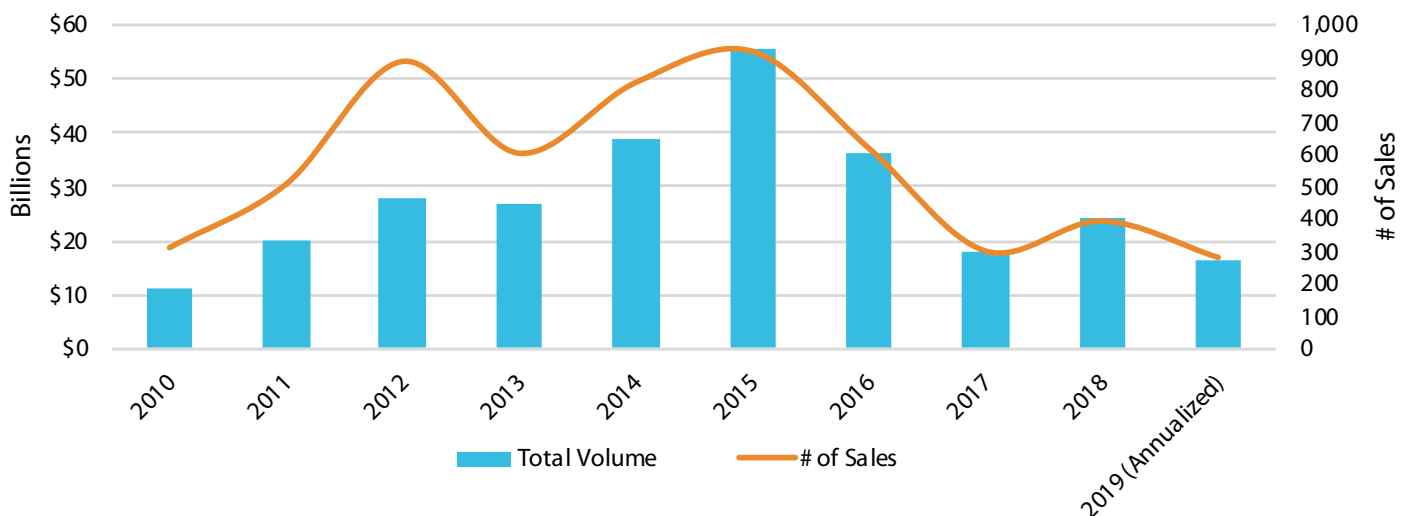
## ALL TRANSACTIONS IN MANHATTAN

Year	Total Volume	Number of Sales
2010	\$11,260,000,000	310
2011	\$19,990,000,000	505
2012	\$27,750,000,000	882
2013	\$27,030,000,000	600
2014	\$38,840,000,000	817
2015	\$55,500,000,000	913
2016	\$36,440,000,000	616
2017	\$17,750,000,000	300
2018	\$24,254,854,822	392
2019 (Annualized)	\$16,315,186,809	277
10 Year Average	\$27,390,665,458	565

### Methodology

Avison Young's Tri-State Investment Sales group tracks confirmed transactions above \$5 million sold in Manhattan south of 96th Street.

## Transaction Volume and Number of Sales by Year



Detailed sale information is available on page 10

# Multi-Family/Mixed-Use

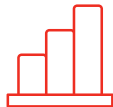
## Market Snapshot



**\$664M**

Total Dollar Volume

**↓ -33%\***



**20**

Number of Sales

**↓ -38%\***



**4.34%**

Average Cap Rate

**↑ 31bps\***



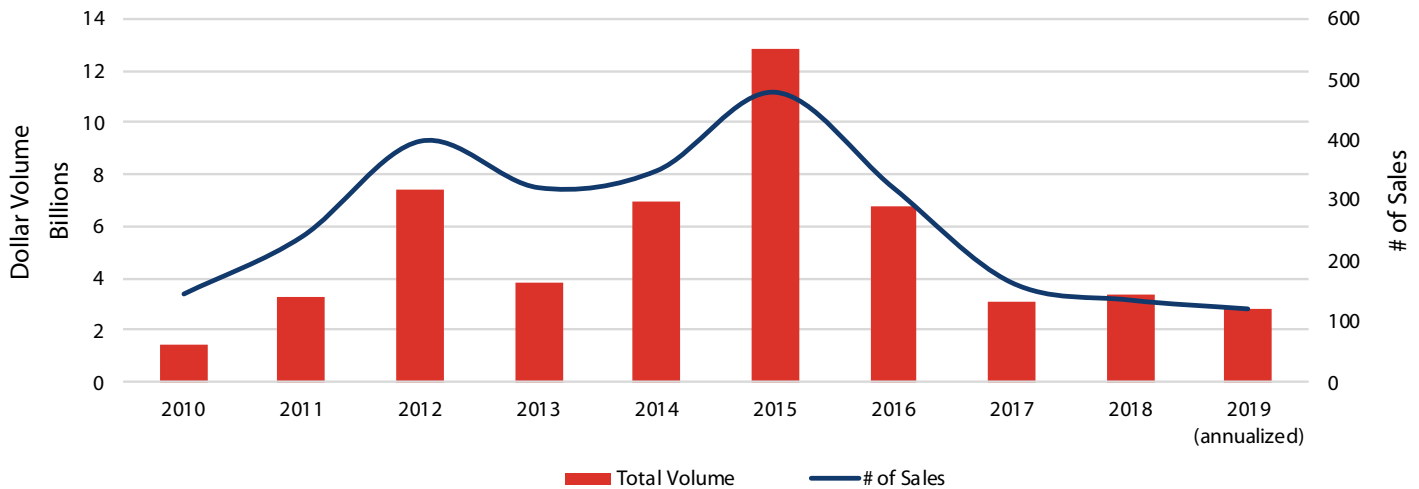
**\$919**

Average Price PSF

**↑ 6%\***

\*Percent change from trailing four quarter average

## Transaction Volume & Number of Sales by Year



## Largest Transactions



**220 East 72nd Street**  
\$159,500,000



**60-64 East 12th Street**  
\$107,500,000



**2 Cooper Square**  
\$85,000,000



**25 East 67th street**  
\$70,000,000



**809-811 Madison Avenue**  
\$56,801,250

# Retail

## Market Snapshot



**\$175M**

Total Dollar Volume

↓ -38%\*



**6**

Number of Sales

↓ -41%\*



**5.2%**

Average Cap Rate

↑ 25bps\*



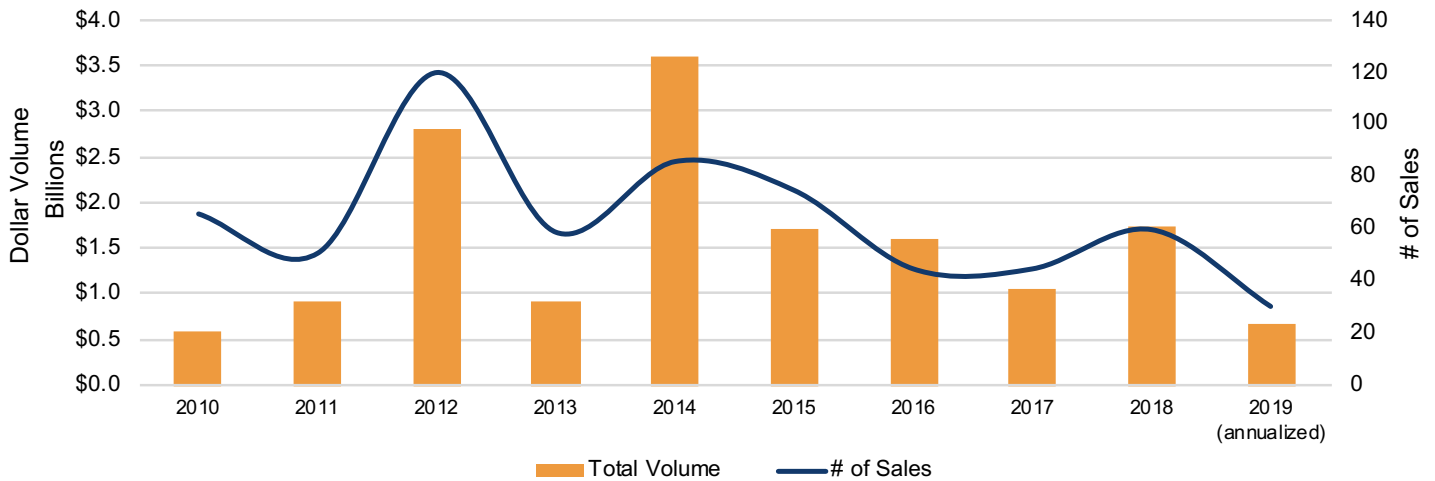
**\$1,449**

Average Price PSF

↓ -39%\*

\*Percent change from trailing four quarter average

## Transaction Volume & Number of Sales by Year



## Largest Transactions



196 Orchard Street  
\$88,750,000



47-49 Greene Street  
\$24,800,000



250 West 23rd Street,  
254 West 23rd Street  
\$19,250,000



189-199 Madison Avenue  
\$16,800,000



49 West 64th Street  
\$14,500,000



# Office

## Market Snapshot

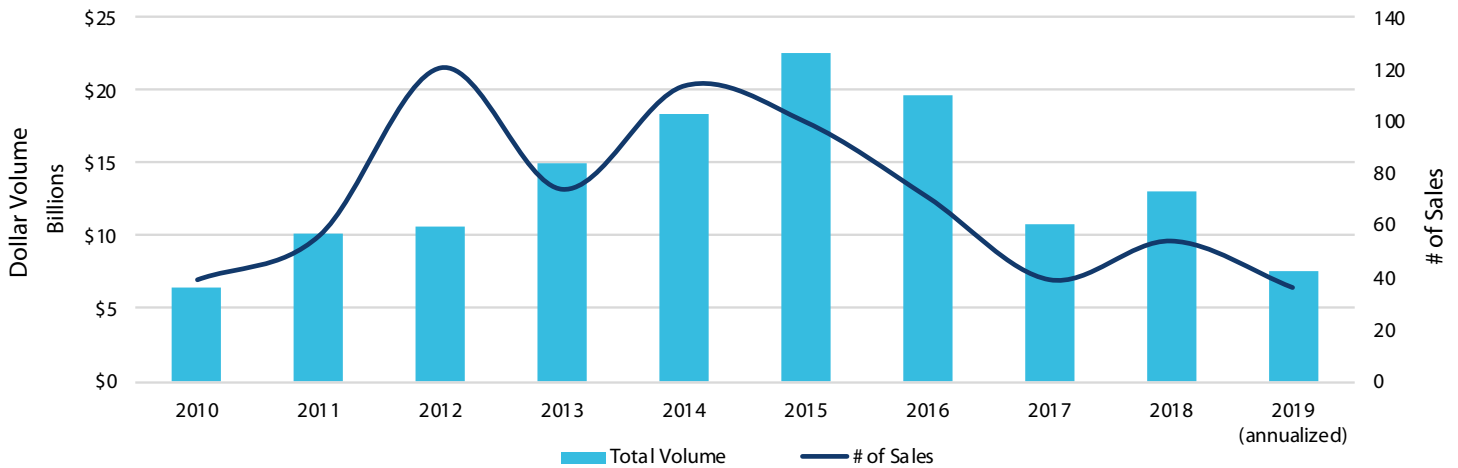


<sup>1</sup> Percent change from trailing four quarter average

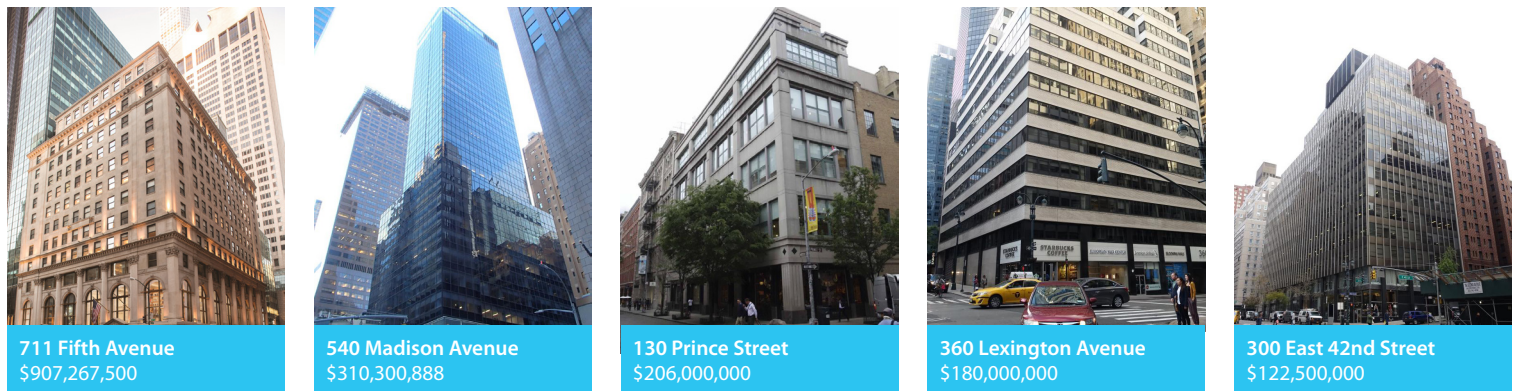
<sup>2</sup> With the 711 Fifth Avenue transaction removed, the Total Dollar Volume would be \$1.2B which is 90% lower than the trailing four quarter average

<sup>3</sup> With the 711 Fifth Avenue transaction removed, the Average Price PSF would be \$972 which is 25% higher than the trailing four quarter average

## Transaction Volume & Number of Sales by Year



## Largest Transactions



# Office Condo / Co-op

## Market Snapshot



**\$88M**

Total Dollar Volume

**↓ -87%\***



**4**

Number of Sales

**↓ -52%\***



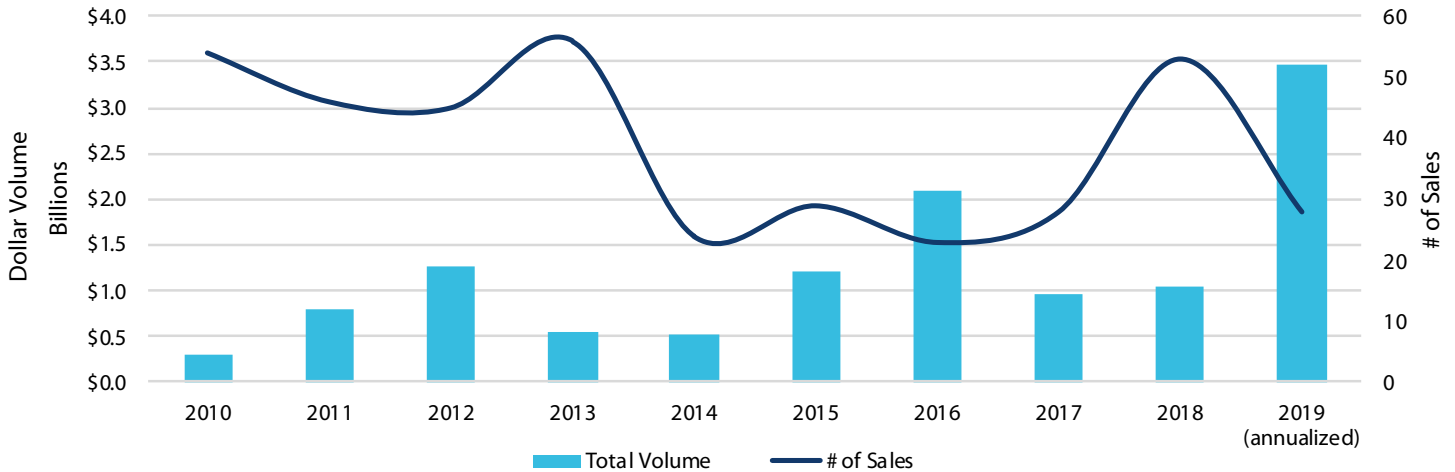
**\$799**

Condo / Co-op Average Price PSF

**↓ -31%\***

\*Percent change from trailing four quarter average

## Transaction Volume & Number of Sales by Year



## Largest Transactions



**866 United Nations Plaza**  
Entire Sixth Floor  
\$59,200,000



**20 West 33rd Street | 10th Floor**  
\$12,499,570



**15 West 34th Street**  
\$10,200,000



**115 West 29th Street | Eighth Floor**  
\$6,200,000

# Development

## Market Snapshot



**\$321M**

Total Dollar Volume

**↓-51%\***



**4**

Number of Sales

**↓-70%\***



**520k**

Total BSF

**↓-86%\***



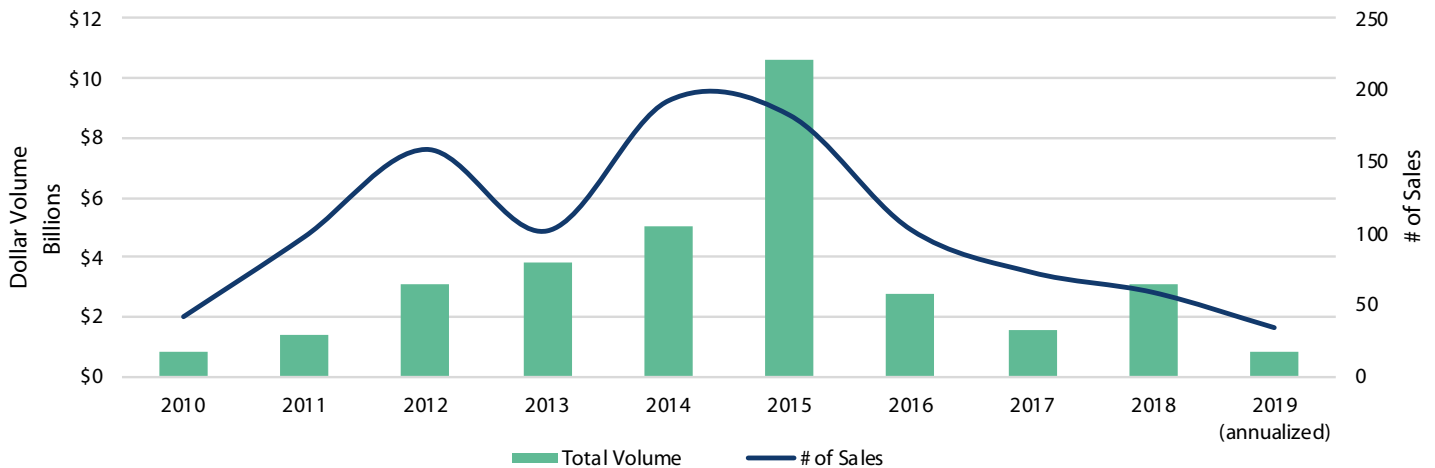
**\$618**

Average Price BSF

**↓-11%\***

\*Percent change from trailing four quarter average

## Transaction Volume & Number of Sales by Year



## Largest Transactions



1461-1469 Third Avenue &  
204 East 83rd Street  
\$167,000,000



Lexington & East 56th Street  
\$103,700,000



2686-2690 Broadway  
\$44,000,000



276 West 25th Street  
\$6,900,000



# Conversion/User

## Market Snapshot



**\$346M**

Total Dollar Volume

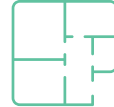
↓ -26%\*



**9**

Number of Sales

↑ 33%\*



**327k**

Total SF

↓ -85%\*



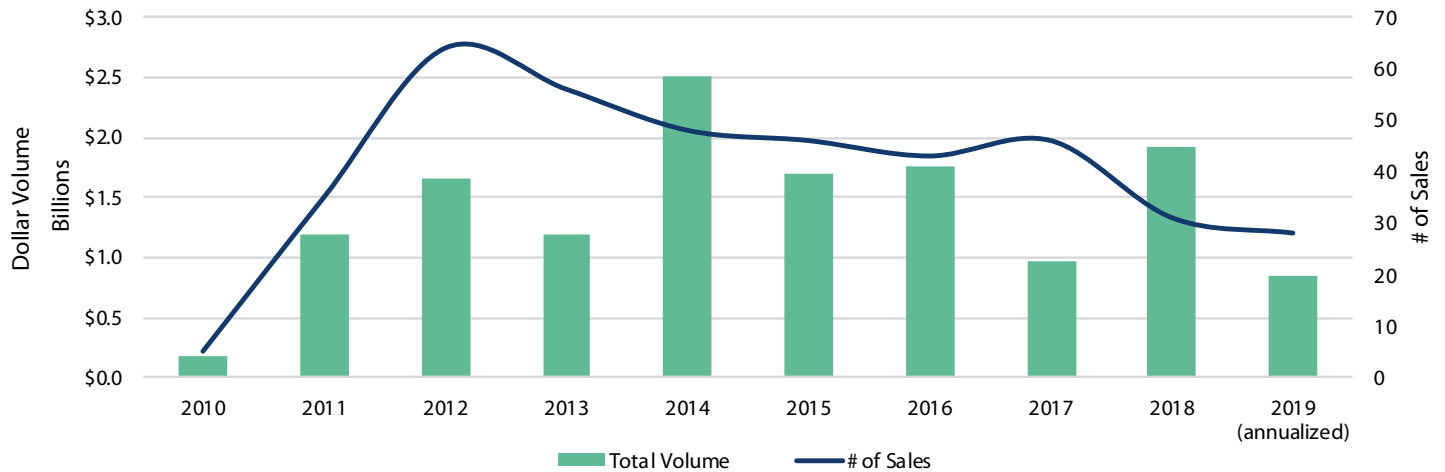
**\$873**

Average Price BSF

↓ -11%\*

\*Percent change from trailing four quarter average

## Transaction Volume & Number of Sales by Year



## Largest Transactions



45 Rivington Street  
\$159,093,269



287 East 10th Street  
\$31,725,000



524 East 73rd Street  
\$19,725,321



62 Mulberry Street  
\$18,750,000



237, 239-241 East 62nd Street  
\$17,800,000

# Sale Details

MULTI-FAMILY						
Property	Sale Price	Sold Units	Sold Square Feet	Price per Unit	Price per Square Foot	Cap Rate
220 East 72nd Street	\$159,500,000	147	156,200	\$1,085,034	\$1,021	Not Reported
62 East 12th Street	\$106,500,000	135	129,404	\$788,889	\$823	Not Reported
2 Cooper Square	\$85,000,000	133	122,335	\$639,098	\$695	Not Reported
25 East 67th Street	\$70,000,000	53	38,674	\$1,320,755	\$1,810	5.00%
809-811 Madison Avenue	\$56,801,250	32	46,392	\$1,775,039	\$1,224	1.50%
2783-2787 Broadway	\$22,600,000	69	30,218	\$327,536	\$748	4.75%
162 West 13th Street	\$21,750,000	36	22,998	\$604,167	\$946	4.01%
457 Broome Street	\$21,300,000	12	24,785	\$1,775,000	\$859	3.25%
50 Manhattan Avenue	\$15,734,352	49	42,783	\$321,109	\$367	Not Reported
1685 First Avenue	\$13,000,000	27	16,889	\$481,481	\$770	4.00%
11 Carmine Street	\$11,600,000	14	10,016	\$828,571	\$1,158	4.20%
182-184 Avenue A	\$11,500,000	32	15,392	\$359,375	\$747	3.75%
14 Gay Street, 16 Gay Street, 18 Christopher Street, 16 Christopher Street, 20 Christopher Street	\$11,200,000	36	11,200	\$311,111	\$1,000	Not Reported
162 West 84th Street	\$10,400,000	11	11,158	\$945,455	\$932	Not Reported
128 Mulberry Street	\$9,780,000	6	6,193	\$1,630,000	\$1,579	4.86%
319 W 11th Street	\$9,000,000	6	3,636	\$1,500,000	\$2,475	End User
345 East 65th Street	\$8,280,000	20	10,060	\$414,000	\$823	4.64%
196 Prince Street	\$8,000,000	6	4,000	\$1,333,333	\$2,000	1.40%
202 Ninth Avenue	\$7,400,000	4	7,256	\$1,850,000	\$1,020	4.68%
94 Greenwich Street	\$4,950,000	5	5,382	\$990,000	\$920	Not Reported

RETAIL						
Property	Sale Price	Tenant	Cap Rate	Sold Square Feet	Price per Square Foot	
196 Orchard Street	\$88,750,000	CVS, Marshall's, Equinox	5.30%	60,636	\$1,464	
47-49 Greene Street	\$24,800,000	Theory	5.00%	7,300	\$3,397	
250 West 23rd Street, 254 West 23rd Street	\$19,250,000	Apple Bank	N/A	20,416	\$943	
189-199 Madison Avenue	\$16,800,000	FedEx Kinkos, Chocolat Michel Cluizel, Eden Wok	5.70%	17,800	\$944	
49 west 64th Street	\$14,500,000	Atlantic Grill	5.24%	11,888	\$1,220	
97 Seventh Avenue South	\$11,000,000	Boucherie	4.48%	2,817	\$3,905	

\*Projected and not included in multi-family cap rate average on page 4

## OFFICE

Property	Sale Price	Class	Sold Square Feet	Price per Square Foot	Cap Rate
711 Fifth Avenue	\$907,267,500	Office - Class A	354,000	\$2,563	Not Reported
345 Park Avenue South	\$345,000,000	Office - Class A	311,582	\$1,107	End User
540 Madison Avenue	\$310,300,888	Office - Class A	283,715	\$1,094	Not Reported
130 Prince Street	\$206,000,000	Office - Class C	88,000	\$2,341	End User
360 Lexington Avenue	\$180,000,000	Office - Class B	267,641	\$673	3.66%
300 East 42nd Street	\$122,500,000	Office - Class B	223,884	\$547	High Vacancy
62 West 45th Street	\$37,250,000	Office - Class C	55,800	\$668	High Vacancy
1041 Flatbush Avenue	\$8,800,000	Office - Class C	14,900	\$591	Redevelopment
244 East 58th Street	\$8,500,000	Office - Class C	7,900	\$1,076	End User

## OFFICE CONDO

Sale Name	Sale Price	Unit	RSF	\$/RSF
866 United Nations Plaza	\$59,200,000	Entire sixth floor	74,036	\$800
20 West 33rd Street	\$12,499,570	10th floor	13,966	\$895
15 West 34th Street	\$10,200,000	Entire third and fourth floors	14,664	\$696
115 West 29th Street	\$6,200,000	Eighth floor	7,616	\$814

## DEVELOPMENT

Property	Sale Price	Zoning	Intended Use (Dev Only)	BSF	\$/BSF
1461-1469 Third Avenue & 204 East 83rd Street	\$167,000,000	C1-9	Condo / Retail	250,000	\$668
126 East 57th Street, 131-135 East 56th Street, 129 East 56th Street, 686 Lexington Avenue, 678-684 Lexington Avenue	\$103,700,000	C5-2, C5-2.5, C5-2, C5-2.5, C5-2.5	Condo	175,000	\$593
2686 Broadway, 2688 Broadway, 2690 Broadway	\$44,000,000	R9A, R9A, R9A	TBD	81,113	\$542
276 West 25th Street	\$6,900,000	R8A, C6-2A	TBD	14,280	\$483

## CONVERSION / USER

Property	Sale Price	Zoning	Intended Use (Dev Only)	Sold Square Feet	Price per Square Foot
45 Rivington Street	\$159,093,269	C4-4A	Medical	150,060	\$1,060
287 East 10th Street	\$31,725,000	R7A, R8B, C2-5, C2-5	Community Facility	49,959	\$635
524 East 73rd Street	\$19,725,321	M1-4	End User	41,672	\$473
62 Mulberry Street	\$18,750,000	C6-1	Not Reported	34,788	\$539
237, 239-241 East 62nd Street	\$17,800,000	R8B	End User	8,821	\$2,018
3 East 44th Street	\$15,300,000	C5-2.5, C5-3, MiD	End User	14,175	\$1,079
245 Water Street	\$12,300,000	C6-2A, LM	End User	13,028	\$944
109 East 31st Street	\$10,750,000	C6-4A	End User	14,581	\$737
440 West 36th Street	\$6,900,000	R8A/C2-5 Hudson Yards	Not Reported	6,300	\$1,095



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