



Manhattan property sales report

510 Fifth Avenue

Tri-State Investment Sales
Third Quarter 2023



Investment sales summary

Manhattan's investment sales experienced a slight dip when compared to the second quarter of 2023. During the third quarter of 2023, Manhattan recorded 60 transactions with a total dollar volume of \$1.5 billion. This represents a 5% decrease in transaction volume and a 37% decrease in total dollar volume when compared to the trailing four-quarter average. It appears that the recent bank failures of 2023 are starting to impact the Manhattan investment sales market.

Multifamily/mixed-use

In the Manhattan multifamily and mixed-use market, there were 29 transactions with a total dollar volume of \$683.2 million. This marks a 45% decrease in transaction volume and a 9% decrease in total dollar volume compared to the trailing four-quarter average. When compared to the same average, the price per square foot decreased by 6% to \$783 per square foot, while the average cap rate increased by 12 basis points to 5.18%. The standout transaction of the quarter was New York University's acquisition of 377 East 33rd Street from Verbena Road Holdings for \$210 million. This building comprises 212 units across 213,549 square feet, translating to \$983 per square foot.

Retail

The Manhattan retail market reported a total dollar volume of \$330.1 million across 16 transactions, representing a significant 193% increase in transaction volume and a 33% increase in total dollar volume compared to the trailing four-quarter average. The price per square foot also saw a notable increase of 38% to \$1,632. However, it's important to note that these statistics may be skewed by two substantial transactions that had an impact. James Dyson purchased the retail co-op at 30 East 65th Street (747 Madison Avenue) for \$135 million, equating to \$12,273 per square foot. The Reuben Brothers also acquired a portfolio of retail and office assets from

Vornado, including 443 and 692 Broadway, 510 5th Avenue, 148-150 Spring Street, and The Armory Show for over \$124 million.

Office

The Manhattan office market recorded a total dollar volume of \$208 million across seven transactions, indicating a 65% decrease in transaction volume. There was no change in total dollar volume when compared to the trailing four-quarter average. The average price per square foot equated to \$398, reflecting a 41% decrease when compared to the trailing four-quarter average. The leading transaction of the quarter was Kaufman Investments & Beacon Capital Partners' purchase of 875 Avenue of the Americas for \$92.5 million, equating to \$349 per square foot.

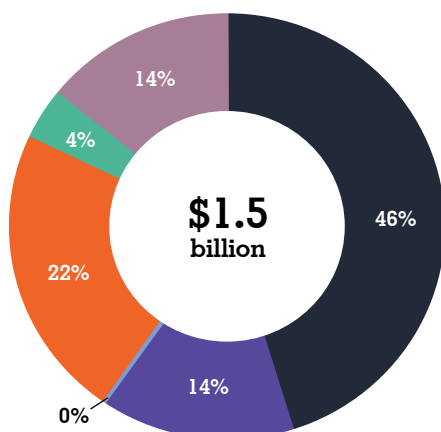
Development

The Manhattan development market reported a total dollar volume of \$58.2 million across three transactions. This represents a 75% decrease in transaction volume and a 50% decrease in total dollar volume when compared to the trailing four-quarter average. The average price per buildable square foot was \$322, reflecting a 29% decrease compared to the trailing four-quarter average. The standout transaction of the quarter was Alchemy-ABR Investment Partners' acquisition of 1691-1695 Second Avenue, valued at \$26.3 million. The site encompasses 77,126 buildable square feet, equating to \$340 per buildable square foot.

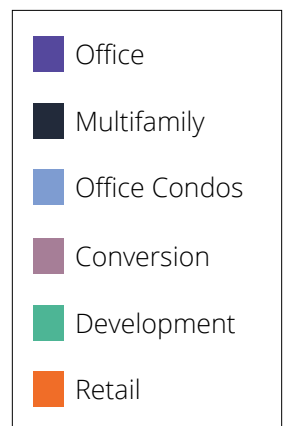
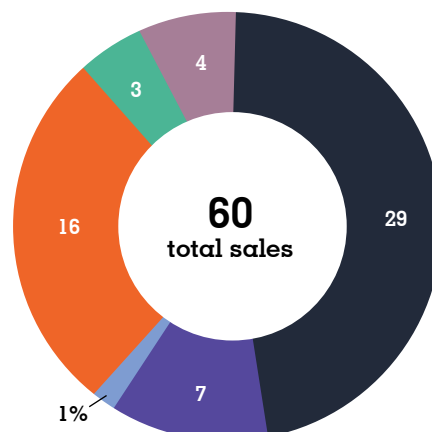
Trends to watch

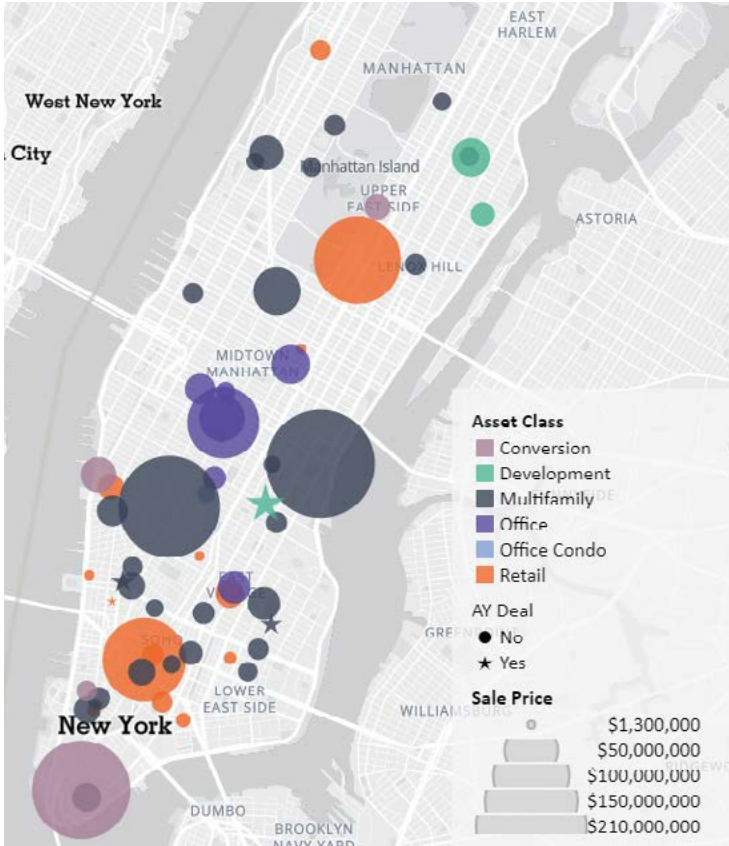
- 2023 Bank collapses impacting investment sales data, with a lag of approximately five months
- An increase in small volume sales in the market, while high volume sales remain sporadic
- Elevated vacancy levels observed in office products being sold

Total dollar volume by asset class



Number of sales by asset class



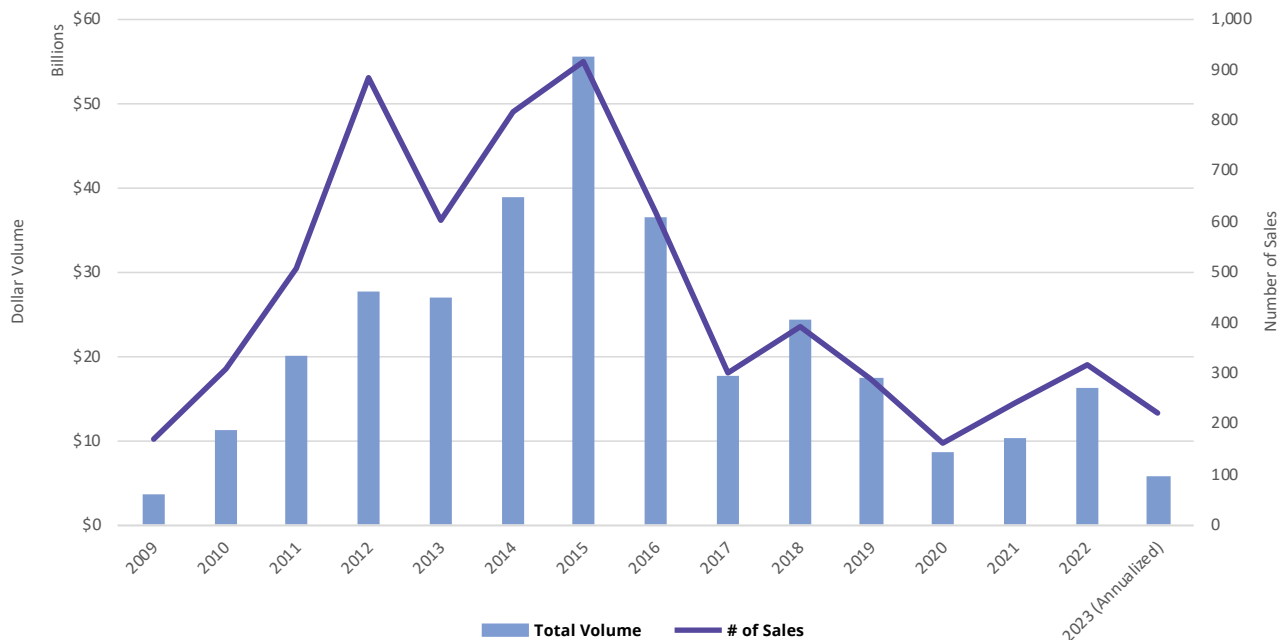


All transactions in Manhattan		
Year	Total volume	Number of sales
2009	\$3,690,000,000	170
2010	\$11,260,000,000	310
2011	\$19,990,000,000	505
2012	\$27,750,000,000	882
2013	\$27,030,000,000	600
2014	\$38,840,000,000	817
2015	\$55,500,000,000	913
2016	\$36,440,000,000	616
2017	\$17,750,000,000	300
2018	\$24,254,854,822	392
2019	\$17,430,000,000	287
2020	\$8,540,874,572	160
2021	\$10,346,907,900	240
2022	\$16,159,766,574	315
2023 (Annualized)	\$5,703,255,400	220

Methodology

Avison Young’s Tri-State Investment Sales group tracks confirmed transactions above \$5 million and retail transfers above \$1 million sold in Manhattan south of 96th Street. Numbers are subject to change based on cut off date being October 5, 2023.

Manhattan Historical Sales and Dollar Volume



Detailed sale information is available on page 10

Multifamily/mixed-use

Market snapshot



\$683M

Total dollar volume

↓ 45%*



29

Number of sales

↓ 9%*



5.18%

Average cap rate

↑ 0.12 bps*



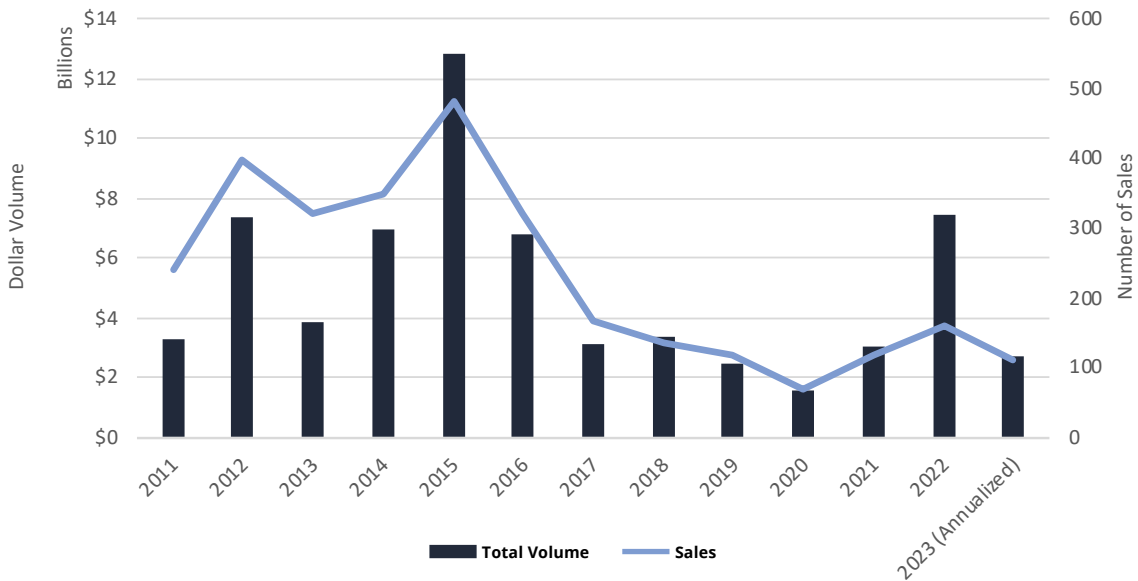
\$783

Average price PSF

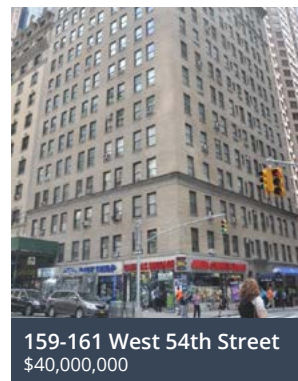
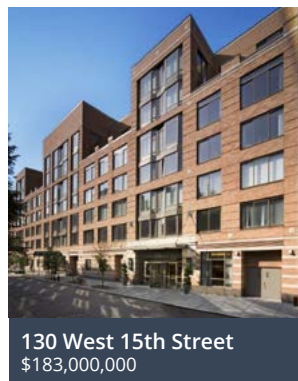
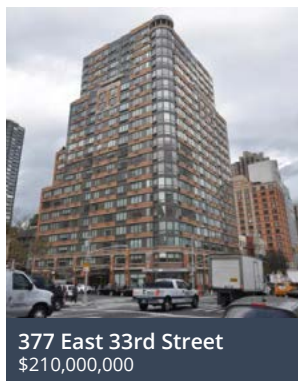
↓ 6%*

*Trailing four quarter average

Transaction volume & number of sales by year



Largest transactions



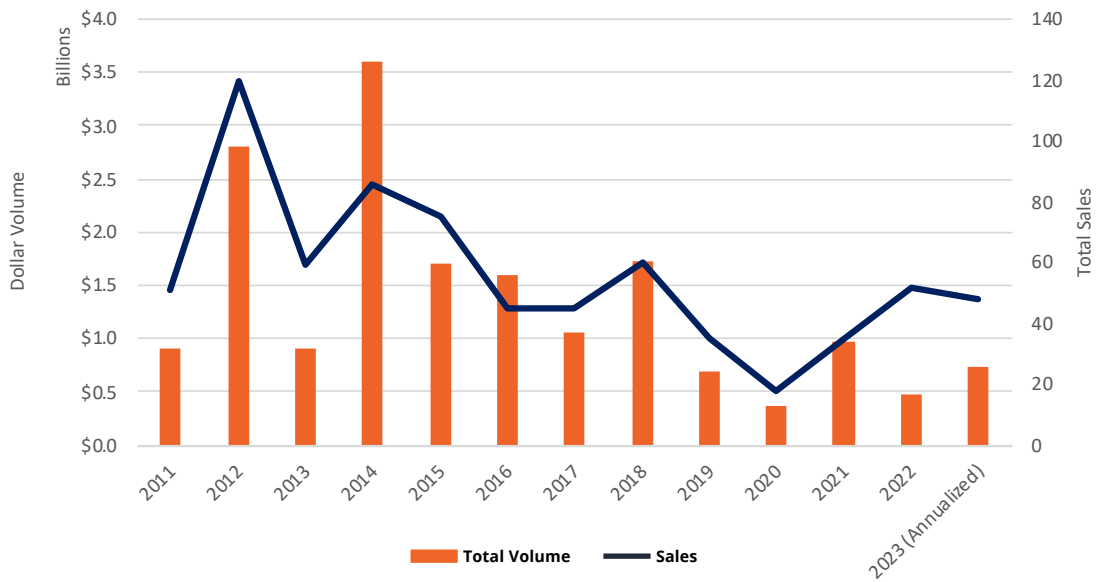
Retail

Market snapshot

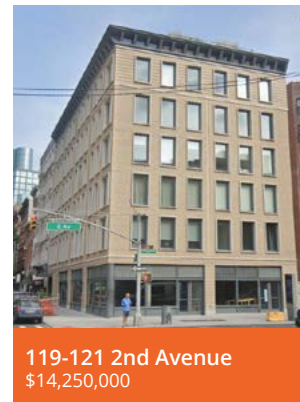


*Trailing four quarter average

Transaction volume and number of sales by year



Largest transactions



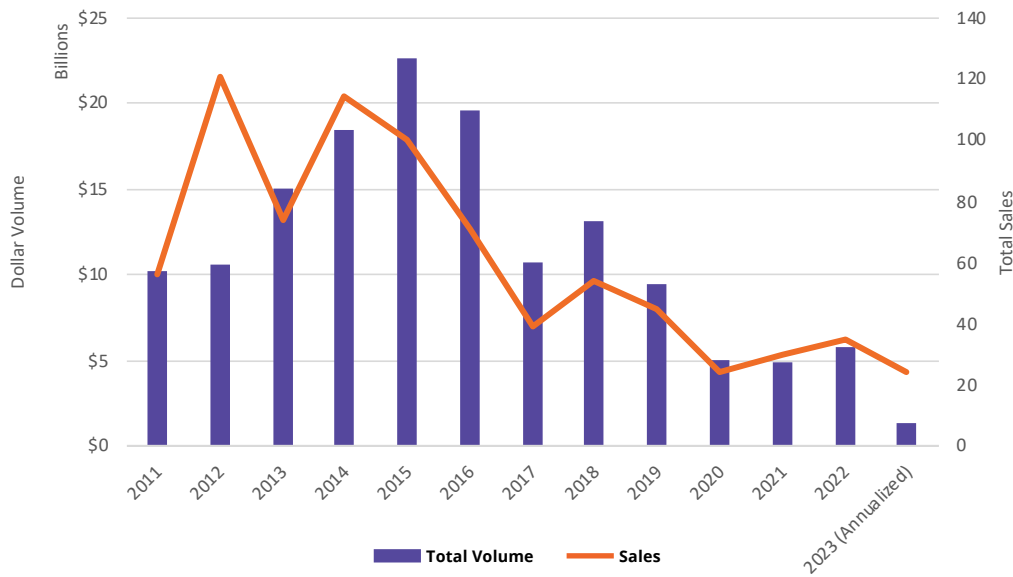
Office

Market snapshot

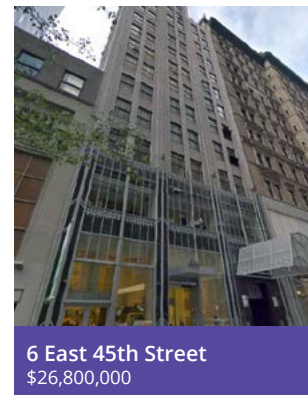
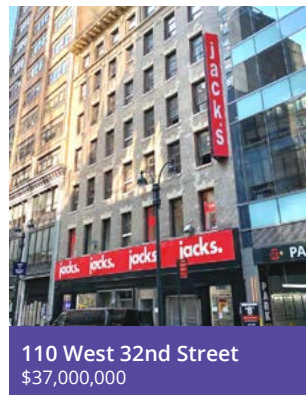
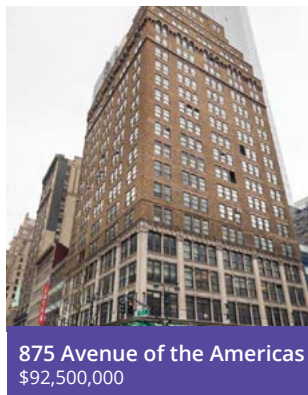
 \$208M Total dollar volume ↓ 65%*	 7 Number of sales No Change	 \$398 Average price PSF ↓ 41%*
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*Trailing four quarter average

Transaction volume and number of sales by year

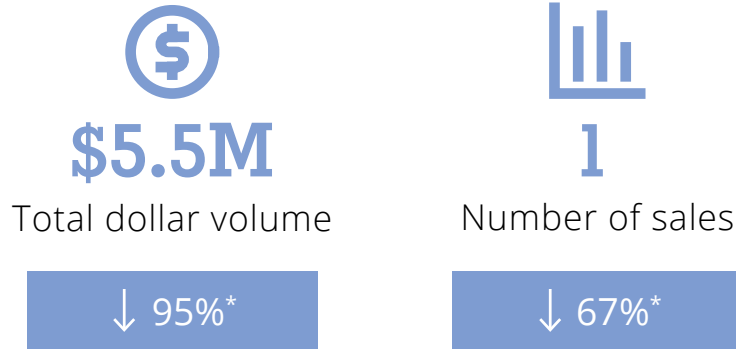


Largest transactions



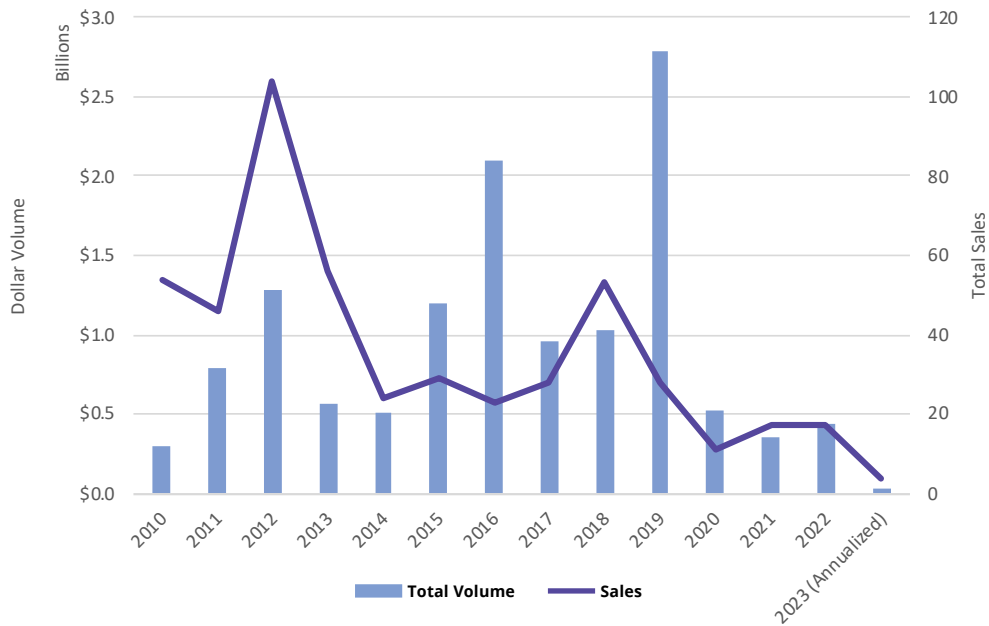
Office condo / co-op

Market snapshot



*Trailing four quarter average

Transaction volume and number of sales by year



Largest transactions



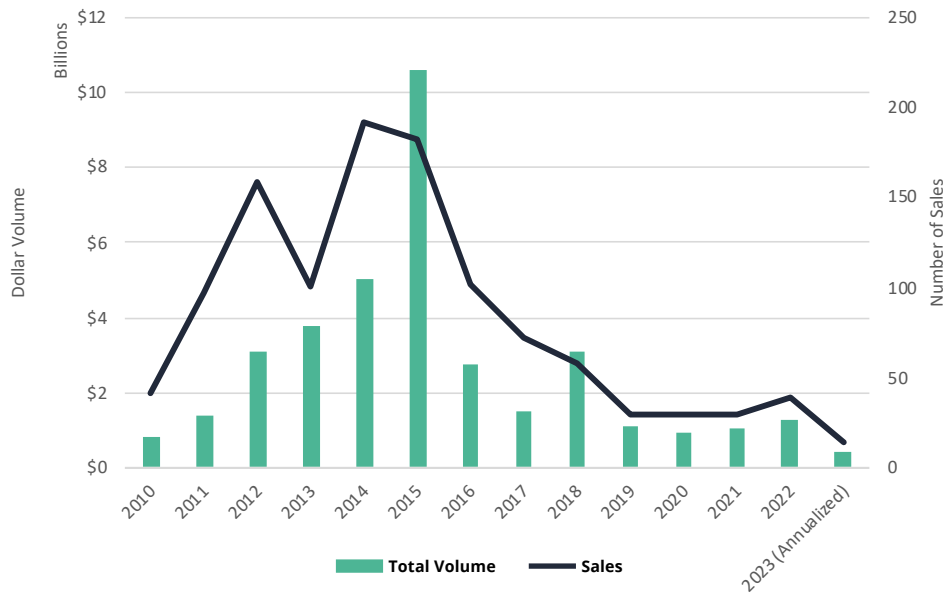
Development

Market snapshot

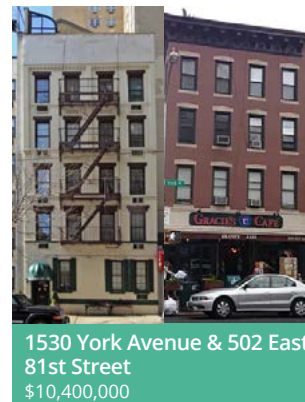
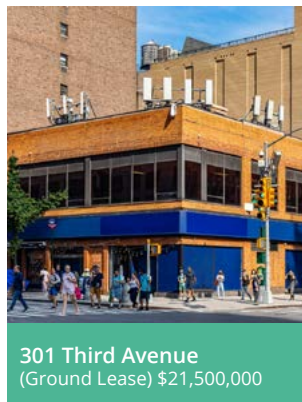
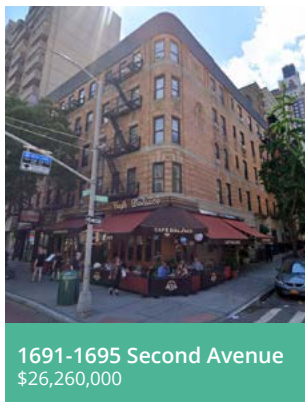


*Trailing four quarter average

Transaction volume and number of sales by year

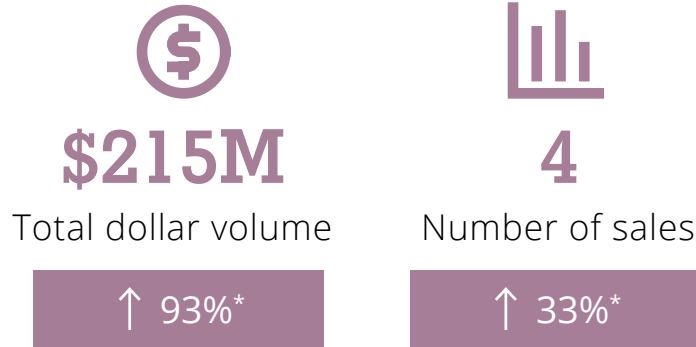


Largest transactions



Conversion

Market snapshot

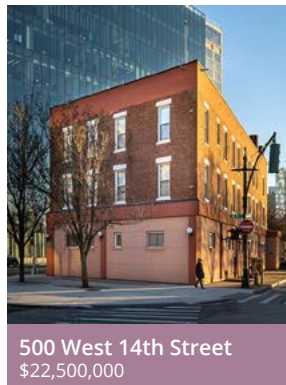


*Trailing four quarter average

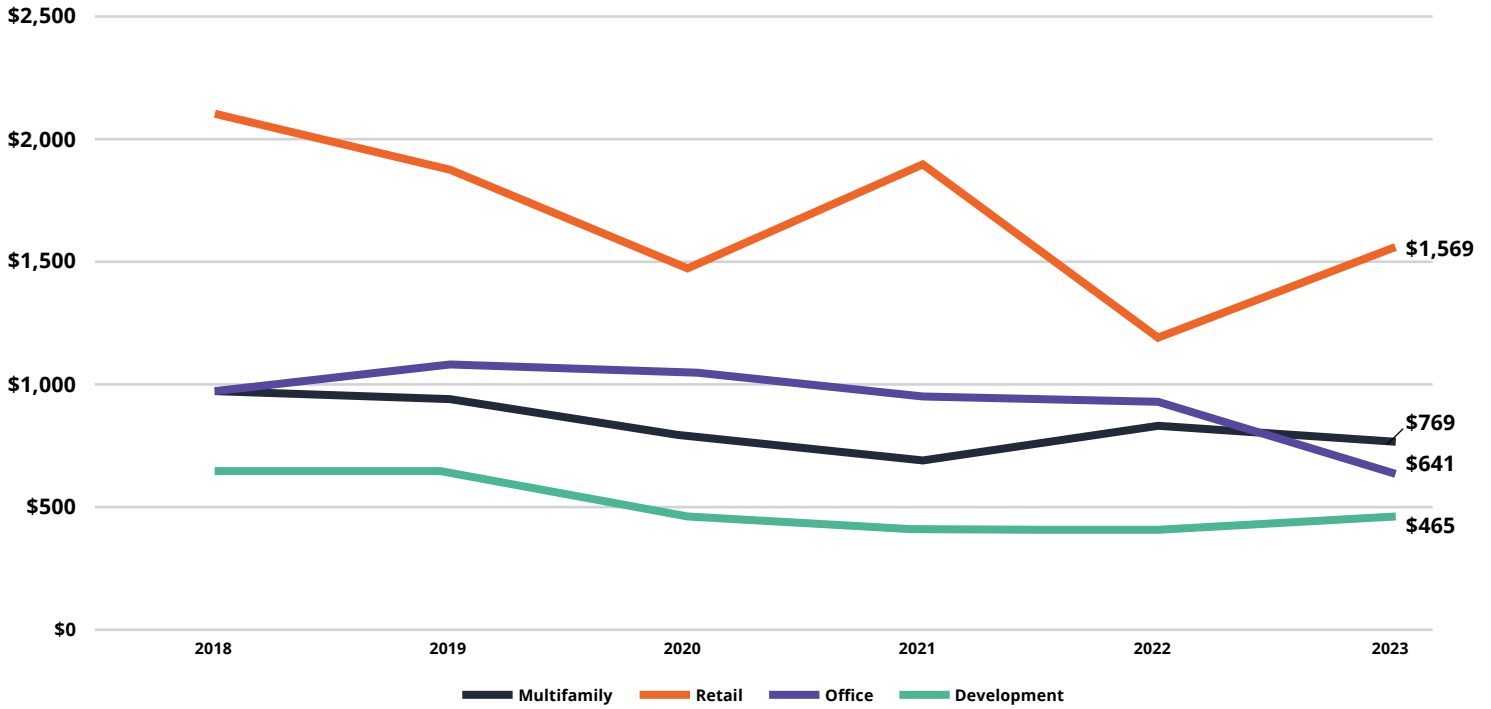
Transaction volume and number of sales by year



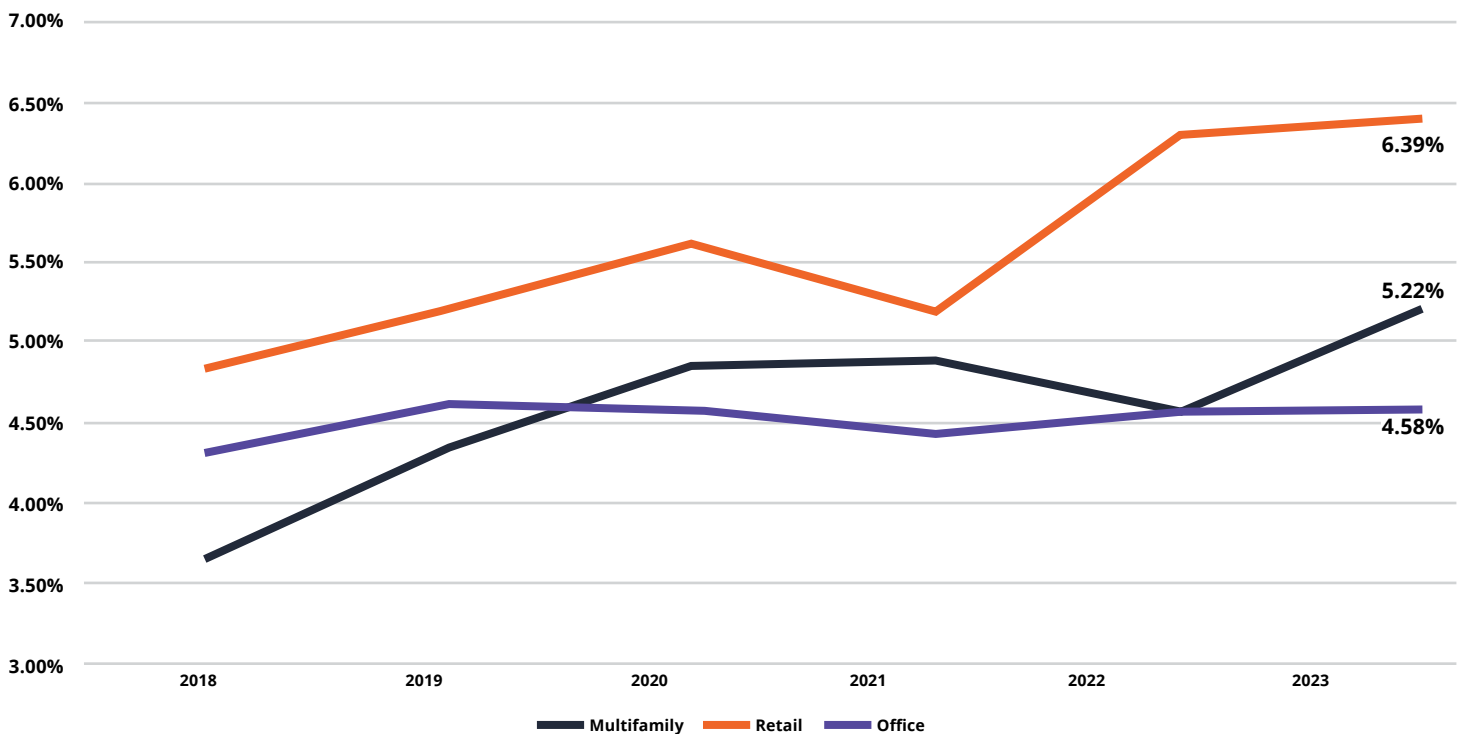
Largest transactions



5-Year Historical Pricing



5-Year Cap Rates



Get more market information

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