



Manhattan Property Sales Report

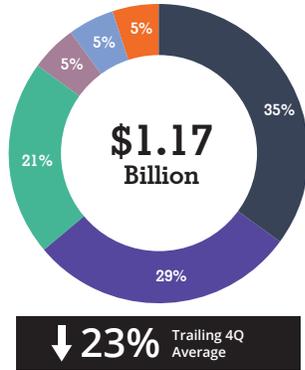
Tri-State Investment Sales
Third Quarter 2021

**AVISON
YOUNG**

Investment Sales Summary

In the third quarter of 2021, there were 55 Manhattan investment sale transactions for over \$1.1 Billion in total dollar volume. This tally bested the second quarter's 51 transactions, marking the highest transaction count for any quarter since the beginning of the pandemic and an increase of 47% off the trailing 4-quarter average. The back-to-back quarters of rebounding transaction volume may signal the beginning of a sustained market recovery from the pandemic. While total transaction count has seen a positive uptick, total dollar volume has continued to lag, as there was a 23% decrease based off the trailing 4-quarter average. Historically, Office makes up the largest percentage of total dollar volume where a majority of the billion-dollar trophy transactions take place; this quarter it is ranked second behind Multifamily. The return to office plans have remained uncertain, complicating office asset underwriting and

Total Dollar Volume by Asset Class

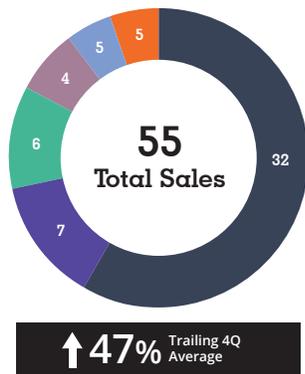


creating more hesitancy for institutional investors. Multifamily/Mixed-Use has fared best, as it has accounted for the largest number of sales and dollar volume for the quarter. Owners have seen the demand for their apartments drastically increase as renters have come back in droves. If annualized, the 187 total projected transaction count would be a 17% increase over 2020, while the \$5.4 billion in forecasted volume would be a 37% decrease.

Multi-Family/Mixed-Use

The Manhattan Multi-family and Mixed-use market recorded 32 transactions for just over \$417 million in total dollar volume, an 83% increase and 4% decrease off the trailing 4-quarter average, respectively. The average price per square foot decreased by 12% to \$634, and the average cap rate decreased by 4 basis points to 4.91%, in comparison to the trailing 4-quarter average. 25% of the transaction volume for the quarter was accounted for in the sale of a portfolio of 12 walk-up buildings in the Upper East Side for \$61 million and 250-258 East 3rd Street for \$49.5 million – both transactions brokered by Avison Young.

Number of Sales by Asset Class



Retail

The Manhattan Retail market recorded just 3 transactions for over \$61.5 million in dollar volume. Although the low number of transactions is not surprising given the recent history of the retail sector, some marquee transactions were announced in the third quarter. The pending transactions of 530 Fifth Avenue and Vornado's package of 5 retail buildings would mark around \$375 million in dollar volume.

Office

The Manhattan Office market recorded 7 transactions for just over \$341 million in total dollar volume, which was a 75% increase and a 51% decrease off the trailing 4-quarter average, respectively. The price per square foot equated to \$815, a 20% decrease in comparison to the trailing 4-quarter average. The quarter saw an increase in value add and leasehold transactions which usually trade at a lower PSF. The leading transaction for the quarter was 576 Fifth Avenue, a 78,564 square foot building which sold for \$101 million, equating to \$1,285/SF. Of note, there have been no billion-dollar transactions in the office sector since the onset of the pandemic. However, Google's announcement of the \$2.1 billion acquisition of the St. John's Terminal will give a boost to the stats in the fourth quarter 2021 or first quarter 2022, depending on the close date.

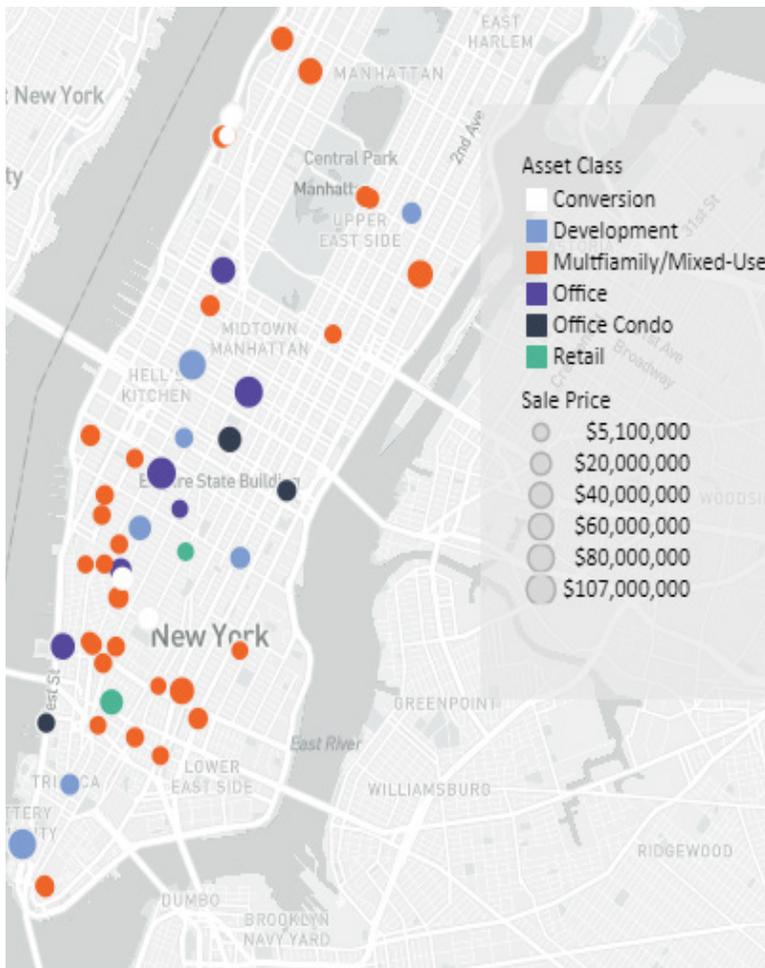
Development

The Manhattan development market recorded 6 transactions for just over \$241 million in total dollar volume, an 8% decrease and 49% increase off the trailing 4-quarter average, respectively. The average price per buildable square foot equated to \$308/SF, a 26% decrease in comparison to the trailing 4-quarter average. The leading transaction for the quarter was Grubb Properties purchase of 111 Washington Street for \$89,155,000, equating to \$246/BSF.

- Office
- Multi-Family
- Office Condos
- Conversion
- Development
- Retail

Trends to Watch

- How will the uncertainty of the future 421a affect investor appetite for land sites?
- Will the velocity of the residential rental leasing market lead to a return of pre-covid asset pricing levels?
- Will the proposed Commercial Rent Control gain any momentum in City Council?



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 (Annualized)	\$5,423,347,605	187

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 10.5.2021.

Transaction Volume & Number of Sales by Year



Detailed sale information is available on page 9

Multi-Family/Mixed-Use

Market Snapshot



\$417M

Total Dollar Volume



4%*



32

Number of Sales



83%*



4.91%

Average Cap Rate



4 bps*



\$634

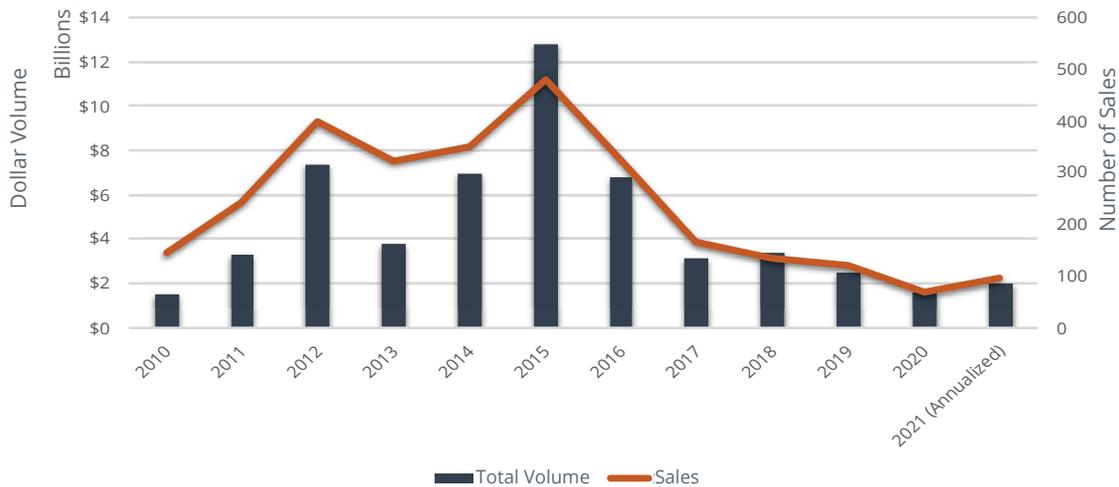
Average Price PSF



12%*

*Trailing Four Quarter Average

Transaction Volume & Number of Sales by Year



Largest Transactions

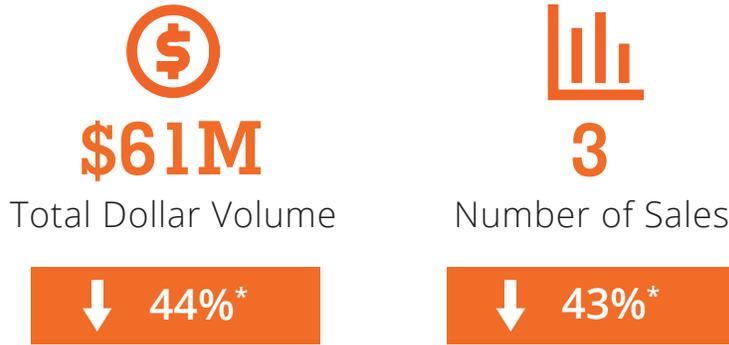
Upper East Side Portfolio
\$61,000,000

50-58 East 3rd Street
\$49,500,000

660 Columbus Avenue
\$45,625,000

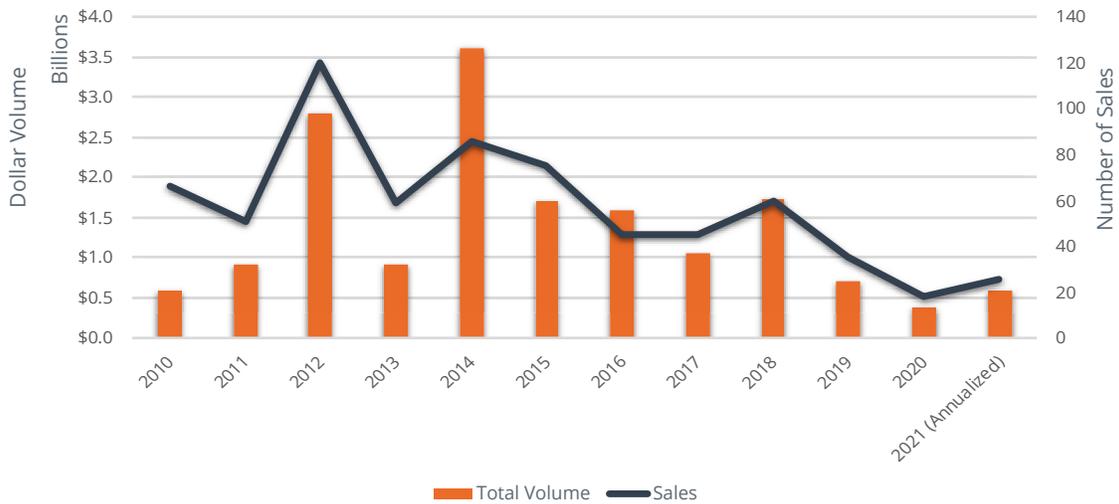
Retail

Market Snapshot



*Trailing Four Quarter Average

Transaction Volume & Number of Sales by Year



Largest Transactions



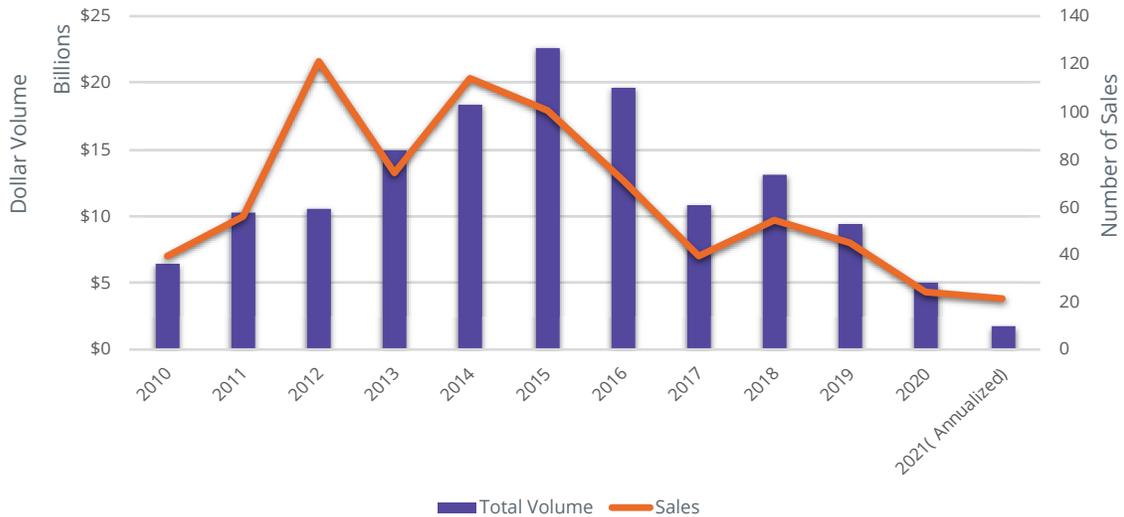
Office

Market Snapshot



*Trailing Four Quarter Average

Transaction Volume & Number of Sales by Year

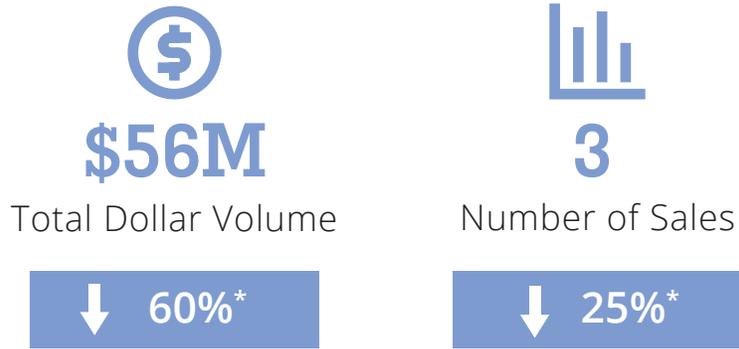


Largest Transactions



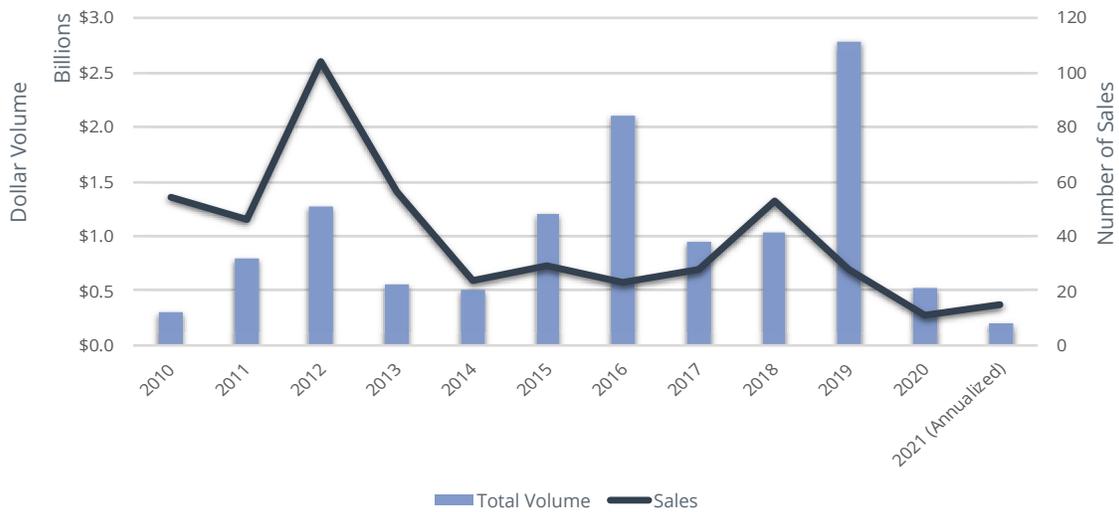
Office Condo / Co-op

Market Snapshot



*Trailing Four Quarter Average

Transaction Volume & Number of Sales by Year



Largest Transactions



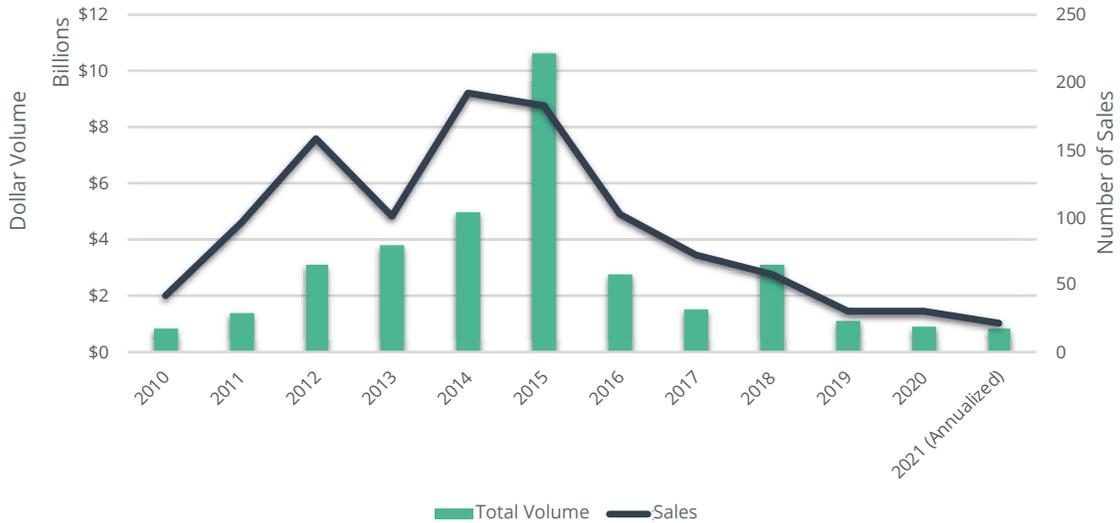
Development

Market Snapshot

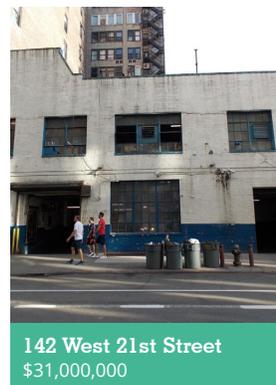
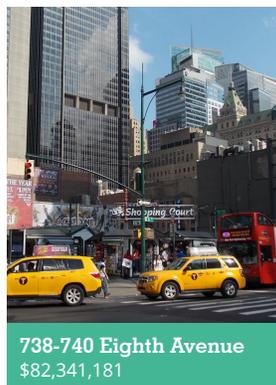
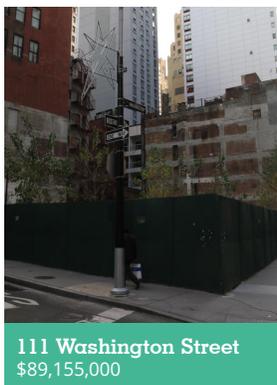


*Trailing Four Quarter Average

Transaction Volume & Number of Sales by Year



Largest Transactions



Conversion

Market Snapshot

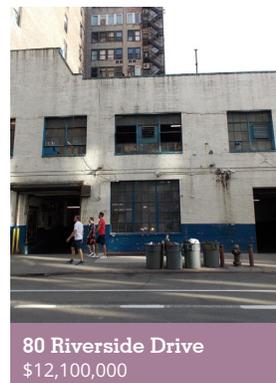
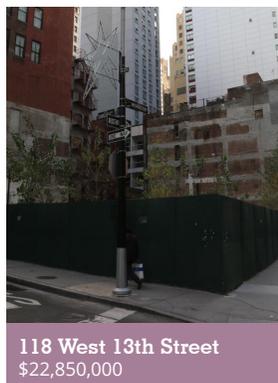


*Trailing Four Quarter Average

Transaction Volume & Number of Sales by Year



Largest Transactions



Get more market information

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