



REBNY Report: NYC investment sales activity keeps pace in 2H16 as consideration cools

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New York, NY The 2016 investment sales market in New York City remained on par with 2015, recording strong activity throughout the boroughs countered by a moderate dip in total consideration (monetary value for completed transactions) in the second half of the year, according to the Real Estate Board of New York (REBNY) Investment Sales Report.

Staten Island and Queens recorded gains in closed transactions, while citywide sales of garages, gas stations, and vacant land rose 28 percent in the second half of 2016. Office buildings continued to dominate the highest-priced transaction rankings and multifamily rental properties without an elevator maintained market share registering 1,080 sales, the largest number of transactions recorded for any property category.

The total number of transactions closed throughout the five boroughs in the second half of 2016 remained stable at 2,880—one percent less than the 2,901 closed last year. Total citywide consideration for the trade of multifamily rental, office, industrial, hotel, and retail properties in addition to commercial condominiums, garages, gas stations, vacant land, and other assets was \$26.8 billion in the second half of 2016, a 22 percent decline from the \$34.3 billion recorded in the second half of 2015. This difference is attributable to the historic high, multi-billion dollar sales that closed in the second half of 2015, including the sales of Stuyvesant Town–Peter Cooper Village and the office building at 11 Madison Ave.

“Investment sales activity was resilient in 2016 with healthy transaction volume throughout the five boroughs,” said John Banks, REBNY president. “The year-over-year consistency in overall sales was bolstered by growing interest among the City’s diverse asset types.”

The top three, highest-priced transactions closed in the second half of 2016 were for office buildings. These included: the \$1.15 billion sale of a minority stake in the office building 1095 Avenue of the Americas; the \$707 million sale for a portion of the office building 501 West 30th Street, also known as 10 Hudson Yards; and the \$652 million sale for a 50 percent stake in the Olympic Tower at 641 Fifth Ave. including two adjacent retail buildings at 647 and 649 Fifth Ave.

Breakdown by Borough

Manhattan investment property trading continued to outpace the other boroughs in the second half of 2016, accounting for 63 percent of total citywide consideration. Total consideration for Manhattan

was \$17.0 billion, a 28 percent decline from \$23.8 billion in the second half of 2015, while activity dipped six percent year-over-year to 652 transactions from 612. The number of hotel trades in Manhattan rose 50 percent to 24 in the second half of 2016.

Staten Island experienced the greatest nominal and proportional growth closing 273 transactions in the second half of 2016, a 31 percent rise year-over-year, while the borough's total consideration more than doubled to \$492 million. The bump in sales volume was driven by trades in the category of garages, gas stations, and vacant land.

Queens investment activity increased six percent to 649 completed transactions from 612 in the second half of 2015, while its dollar consideration remained steady at \$3.5 billion. Fifty six percent of citywide industrial-categorized property sales took place in Queens, while the number of completed transactions for garages, gas stations, and vacant land in the borough grew by 59 percent year-over-year to 183 in the second half of 2016.

Brooklyn sales of garages, gas stations, and vacant land accounted for 37 percent of citywide consideration in this property category and rebounded in total consideration rising 23 percent to \$802 million from \$653 million in the second half of 2015. The number of transactions for this property type in Brooklyn increased by 11 percent year-over-year to 198 from 179, while Brooklyn's overall transaction volume for all property types declined six percent to 954 from 1,019. The borough's total consideration dropped 13 percent to \$4.4 billion from \$5.0 billion in the second half of 2015.

Bronx investment sales activity slowed by three percent overall, but posted significant gains in the categories of garages, gas stations, and vacant land as well as industrial and office properties. The borough's overall consideration dropped 19 percent year-over-year to \$1.4 billion from \$1.8 billion, while its consideration totals more than doubled in the categories of industrial properties and office buildings along with garages, gas stations, and vacant land.

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