



## **2010 investment sales market outlook**

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There certainly appears to be some optimism floating around in the spring air to counteract all the pollen otherwise making many suffer. The investment sales market has allegedly quadrupled in the first quarter of 2010 versus Q1 2009, a claim which seems overstated. Besen & Associates' sales activity is markedly better in 2010 year-to-date, as our firm is tracking to potentially double transaction volume of 2009.

We have seen an increased number of multifamily transactions in Northern Manhattan, where investors have found better values compared to peak pricing in the years from 2005 to 2007. For example, we just sold 91 Fort Washington Ave., a corner elevator apartment building with 43 units for \$5.4 million, a price that equates to an 8.8 GRM, a 6% cap rate and \$89 per s/f. This property would have easily traded for a multiple over 10 times the gross annual rent and a sub 6% cap a few years back.

Simple supply and demand dynamics are holding up prices in prime Manhattan locations. On the Upper East Side of Manhattan, we have just put two walkup buildings with 40 apartments in the East 70s under contract for a price of \$7.3 million, amounting to a 13 GRM, 4.4% cap rate and \$411 per s/f. This is arguably 2006 level pricing.

In the boroughs, we are seeing multifamily in the Bronx sell for multiples between 5.5 and 7.5, and price per unit averaging around \$60,000. Good elevator apartment buildings in Queens are still commanding 10+ GRM and 5.5-6% cap rate pricing. Brooklyn multifamily sales we've transacted have been varied, with cap rates ranging from 5 to 7.5%, and price per apartment averaging about \$85,000.

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