



Ariel Property Advisors' New York City multifamily month in review for February

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Following January's trend, New York City multifamily sales volume remained light in February as the market continued to react to the 2012 year-end surge, according to Ariel Property Advisors' Multifamily Month in Review: New York City for February.

New York City saw 28 multifamily transactions comprised of 63 buildings totaling \$249.105 million in gross consideration in February. This represents a 4 percent increase in transaction volume, a 2 percent increase in building volume, and a 22 percent decline in dollar volume compared to January 2013, which saw 27 transactions comprised of 62 buildings totaling \$319.182 million in gross consideration.

The February 2013 figures represent a 28 percent decrease in transaction volume, a 16 percent decrease in building volume, and a 42 percent drop in dollar volume compared to February 2012, which saw 39 transactions comprised of 75 buildings totaling \$428.823 million in gross consideration.

"It's important to note that in a normal market it takes 30 to 90 days to close a deal after a contract is signed," said Shimon Shkury, president of Ariel Property Advisors. "The expiration of the Bush tax cuts at the end of 2012 changed this dynamic as the vast majority of signed contracts required closings to take place before year-end."

Shkury said that sales activity on recent listings is robust and that multifamily prices are rising. "Bidding wars are back and many offerings are going above asking price as high demand confronts tremendously low inventory," he noted.

The following is a breakdown of the February 2013 multifamily data by submarket:

* Northern Manhattan led February in building volume and dollar volume as the area saw five transactions comprised of 30 buildings totaling \$110.875 million in gross consideration. The majority of this came from the sale of a \$75 million portfolio of properties located throughout West Harlem and Washington Heights.

* Manhattan had a relatively light month with seven sales totaling \$88.8 million in gross consideration. The Kushner Companies' purchase of seven East Village multifamily buildings for \$49 million made up the bulk of this activity.

* The Bronx saw six transactions comprised of seven buildings totaling \$25.927 million in gross consideration, which represents an improvement on both a month-to-month and year-over-year basis.

* Brooklyn saw six sales comprised of six buildings totaling \$10.787 million in gross consideration. Deals were on the smaller side in February, with the highest price paid being \$2.51 million for a 29-unit walk-up building in East Flatbush.

* Queens was fairly active in terms of transactions but light on dollar volume with four transactions

totaling \$12.714 million in gross consideration. All of the deals were on the lower end, ranging between \$2 million to \$3.9 million in gross consideration.

For the six months ended in February 2013, the average monthly transaction volume dropped to 59 transactions per month. The six-month average dollar volume also dipped to \$639.825 million.

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