



New York City Multifamily Sales in April stable month-over-month

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Month-over-month, New York City multifamily transaction volume held steady and the dollar volume of those deals increased in April compared to March, according to Ariel Property Advisors' Multifamily Month in Review for April.

April saw 38 transactions comprised of 53 buildings totaling \$619.215 million in gross consideration. This represents a 12 percent decrease in transaction volume, a slight 2 percent increase in building volume, and a 79 percent increase in dollar volume compared to March, which saw 43 transactions comprised of 52 buildings totaling \$345.917 million in gross consideration.

Year-over-year, multifamily transactions decreased 22 percent, building volume decreased 23 percent, and dollar volume increased 50 percent compared to April 2012, which saw 49 transactions comprised of 69 buildings totaling \$413.142 million in gross sales.

Aside from a \$400 million Upper West Side multifamily portfolio transaction that drove dollar volume higher in April 2013, the vast majority of sales during the month were less than \$10 million.

"Despite low sales volume, multifamily prices continue to rise as high demand confronts few available properties on the market," said Shimon Shkury, president of Ariel Property Advisors. "These rising prices and the financing environment, which has seen interest rates starting to tick up in the last month, may give owners more of an incentive to list properties during the second half of the year."

The Multifamily Month in Review for April illustrates the upward pressure on multifamily prices in the six months ended April 2013 compared to the six months ended April 2012. Year-over-year, average cap rates during this six-month period fell to 4.64 percent from 5.15 percent in Manhattan; to 5.44 percent from 6.59 percent in Northern Manhattan; to 6.22 percent from 7.41 percent in Brooklyn; and to 5.89 percent from 6.32 percent in Queens.

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

- Manhattan saw eight transactions comprised of nine buildings and led the month in terms of dollar volume with \$462.683 million in sales, an increase of 193 percent month-over-month and an increase of 191 percent year-over-year.

- Brooklyn was the most active month in terms of transaction volume with 15 sales comprised of 22 buildings totaling \$73.136 million in gross consideration. The trades took place in neighborhoods throughout the borough and included several impressive sales in Williamsburg that sold for prices north of \$350 per square foot.
- Northern Manhattan multifamily sales took a slight dip with nine transactions comprised of 13 buildings totaling \$59.875 million, compared to 10 transactions comprised of 15 buildings totaling \$61.575 million in April 2012.
- The Bronx slowed down following a relatively strong March with five transactions comprised of eight buildings totaling \$17.971 million in gross consideration. Pricing continued to improve as all transactions were above \$85 per square foot and several went above \$100 per square foot.
- Queens saw only one multifamily property sell in April at 34-15 37th Avenue in Long Island City. The 30,000 square foot walk-up property sold for \$5.5 million, which represents \$185 per square foot and \$138,370 per unit.

For the six months ended in April 2013, the average monthly transaction volume dropped to 54 transactions per month, but the six-month average dollar volume increased to \$652 million.

More information is available from Mr. Shkury at 212-544-9500, ext. 11, or sshkury@arielpa.com. For a copy of the report, please see <http://arielpa.com/newsroom/report-MFMIR-Apr-2013>.

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