



August NYC multifamily transactions hold steady year-over-year for Ariel Property Advisors

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The New York City multifamily market took a modest breather in August posting 59 transactions, a slight 3 percent year-over-year decline, according to Ariel Property Advisors' Multifamily Month in Review for August.

The number of buildings traded in August also dropped 3%-85%, and the dollar volume of those trades fell 23 percent to \$456.765 million, compared to August 2012, which saw 61 transactions comprised of 88 buildings totaling \$594.020 million.

August sales figures also were lower compared to the prior month of July, which saw particularly heavy dollar volume as a result of a single \$600 million residential portfolio sale in Manhattan. Compared to July, August transaction volume declined 12%, building volume declined 34%, and dollar volume fell 62%.

"Since the end of the first quarter, we've seen the multifamily sales market steadily improve and pricing indicators rise throughout the city," said Shimon Shkury, president of Ariel Property Advisors. "Taken together, the July and August figures reinforce our expectation that this trend will continue."

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

* Manhattan: With 17 transactions comprised of 24 buildings totaling \$173.235 million in gross consideration, Manhattan was the most active submarket in terms of both building transactions and dollar volume. All transactions were under \$25 million and most were under \$20 million, so the lack of institutional level sales led to a decline in year-over-year dollar volume. Pricing remains strong, however, with many transactions selling at cap rates below 4.5%.

* Brooklyn: Brooklyn saw an increase in transactions on both a month-to-month and year-over-year basis. The borough's 16 transactions comprised of 24 buildings totaling \$78.431 million in gross consideration. One notable sale was 54-66 Livingston Street, a 32,000 s/f elevated building which sold for \$13.25 million, or \$413 per s/f.

* Northern Manhattan: Northern Manhattan posted strong monthly dollar volume with \$138.095 million in gross consideration trading among 10 transactions comprised of 15 buildings. Most of this dollar volume was driven by three institutional level sales above \$20 million, the largest of which being the \$48.200 million sale of a two-building package at 2 Ellwood Street and 64 Hillside Avenue.

* The Bronx: Multifamily sales in the Bronx were relatively stable on a year-over-year basis but down on a month-to-month basis. August saw 14 sales comprised of 20 buildings totaling \$61.819 million in gross consideration. The largest sale was a 300-unit portfolio in Mount Hope that traded for \$29 million, which translates to \$110 per s/f.

* Queens: Following a standout month of sales in July, Queens saw only two sales multifamily transactions totaling \$5.184 million in gross consideration in August. This is roughly in line with August 2012 figures.

For the six months ended in August 2013, the average monthly transaction volume ticked up to 56 transactions per month. The six-month average dollar volume also rebounded to \$677.132 million from \$642.609 million the previous month.

The multifamily transactions included in the analysis occurred at a minimum sales price of \$1 million, with a minimum gross area of 5,000 s/f, and with a minimum of 10 units.

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