



Ariel Property Advisors' releases January Multifamily Month in Review

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New York City multifamily transactions increased 76% in January 2014 from January 2013, and the dollar volume generated by those trades jumped 107%, according to Ariel Property Advisors' Multifamily Month in Review for January.

In January, New York City saw 58 transactions comprised of 93 buildings totaling \$707.302 million in gross consideration, compared to January 2013, which saw 33 transactions comprised of 70 buildings totaling \$341.097 million in gross consideration.

While January multifamily sales declined compared to the prior month of December—down 28% in transaction volume and 44% in dollar volume—that trend is a somewhat regular occurrence at the beginning of the year since many deals are pushed to close in December for tax purposes.

"The growth in January's year-over-year numbers suggests that 2014 is going to be a robust year for New York City multifamily sales, in terms of both pricing and volume," said Shimon Shkury, president of Ariel Property Advisors. "Contract signings and new listing activity we've seen during the first quarter back this up."

The following is a breakdown of the January 2014 multifamily data by submarket:

- * Brooklyn was the most active in terms of transactions, building, and dollar volume with 22 sales taking place throughout the borough across 40 buildings. Brooklyn also showed positive gains month-over-month in dollar and building volume. All told, multifamily sales in the borough totaled \$239.985 million in gross consideration, a large portion of which came from a four-building portfolio in Brighton Beach that traded for \$70 million.

- * Manhattan trailed just behind Brooklyn in January in terms of dollar volume with \$235.63 million in gross consideration over 11 transactions and 14 buildings. A single building that sold at 15 Cliff St. in the Financial District netted \$95 million, which translates to just under \$600 per ft. Also of note in Manhattan, the average cap rate for the six months ended in January fell to 3.95%, which is the first time the six-month average has fallen below 4%.

- * The Bronx realized huge increases over a lackluster January 2013, with dollar volume totaling \$157.973 million across 14 transactions and 22 buildings. A family-owned portfolio on Pelham Parkway sold for \$156 per ft., or over \$52 million total.

- * Northern Manhattan saw eight sales take place, a slight increase both month-over-month and year-over-year, but only \$55 million in dollar volume. Of the trades in the area, one stood out at 416 East 120th St., a new construction rental building that sold for just over \$400 per ft.

- * Queens had a relatively light month, with seven buildings trading at a total of \$18.238 million. Pricing, however, remained strong on a long-term basis, with similar metrics to Northern Manhattan and Brooklyn.

For the six months ended in January 2014, the average monthly transaction volume dropped slightly

to 64 transactions per month. The six-month average dollar volume also fell slightly to \$852 million. 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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