



Ariel Property Advisorsâ€™™ Multifamily Month in Review: New York City for May

July 21, 2014 - Front Section

New York City multifamily building sales rose 15 percent and the dollar volume of those trades jumped 33 percent in May 2014 compared to May 2013, according to Ariel Property Advisors' Multifamily Month in Review: New York City for May.

For the month, New York City saw 52 transactions comprised of 102 buildings totaling \$645.876 million in gross consideration compared to May 2013, which saw 61 transactions comprised of 89 buildings totaling \$484.966 million in gross consideration.

"May figures bolster our expectations that market reports covering the first half of 2014 will show strong year-over-year gains in multifamily pricing and sales volume," said Shimon Shkury, president of Ariel Property Advisors.

Transaction volume was unchanged month-to-month but building volume declined 8 percent from 111 in May compared to April and the dollar volume of those trades declined 9 percent from \$711 million, primarily because of fewer deals in the Bronx and Brooklyn.

The following is a breakdown of the May 2014 volume by submarket:

- Manhattan: Manhattan rebounded in May after a slow April with 13 transactions totaling \$239.218 million in gross consideration, a 31 percent increase in dollar volume from the previous month and an 88 percent jump in dollar volume compared to May 2013. Despite leading the city in transactions and dollar volume, only one notable portfolio traded in Manhattan as individual properties made up the bulk of transaction volume for the month. Manhattan's activity was anchored by the \$68.167 million sale of 277 West 10th Street, a 144 unit core asset located in the West Village. The transaction represented \$495 per square foot and the new owner plans to reposition the asset by reconfiguring the building to larger units.
- Northern Manhattan: Northern Manhattan experienced very strong month-to-month and year-over-year gains as it saw 31 buildings trade across 10 transactions totaling \$133.478 million. This represents a 107 percent increase in building volume and a 68 percent increase in dollar volume from April, and a 138 percent increase in building sales and an 80 percent increase in dollar volume compared to May 2013. Northern Manhattan can attribute its strong month to portfolio sales, which accounted for 24 of the buildings traded. A notable transaction was the sale of a portfolio of properties owned by Yeshiva University for \$72.5 million to Cammeby's International. The sale represented \$192 per square foot and \$179,000 per unit.
- The Bronx: Although the Bronx saw month-to-month decreases after an unusually strong April, the borough experienced solid year-over-year gains as the number of buildings sold increased 40 percent to 28 and dollar volume of those trades increased 32 percent to \$131 million from May 2013. Pricing remained strong as ever in the Bronx, as the average price per square foot for multifamily transactions in May was \$129.

- Brooklyn: After seeing several very active months, Brooklyn multifamily sales calmed down in May with 12 transactions trading for \$107.455 million in gross consideration, a decrease of 20 percent and 52 percent, respectively, from the previous month. The sale of a newly-constructed building located at 76 Meserole Street in East Williamsburg \$35.6 million, or \$584 per square foot, stands out as a testament to strong pricing throughout the borough.

- Queens: With \$34.7 million trading across five transactions, Queens' May multifamily sales picked up from a sluggish April. A 66 unit elevatored building in Kew Gardens sold for \$14 million, or \$212,000 per unit, demonstrating the region's strong pricing.

For the six months ended in May 2014, the average monthly transaction volume remained steady, dropping slightly to 63 transactions per month. For the first time since February, the dollar volume fell below \$1 billion and averaged \$937.6 million in May.

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

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-May-2014>.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540