



## **The Queens multifamily market: By the numbers - record breaking data**

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Last year we saw the highest building turnover rate ever for Queens. Let us look at the record breaking data for the borough.

In 2014, in the 12-unit and above submarket for Queens, there was 58 transactions. This consisted of 134 apartment buildings containing 3,757 units for a total sales volume of \$849.566 million; a 6.22% turnover rate (a 9% increase over 2013). The total sales volume was down; however the average sales prices for apartment buildings in Queens were way up.

I will break this down in two sectors; the walk-up sector and the elevator sector.

In 2013, the average sales price for a walk-up apartment building in the borough was \$5.787 million. In 2014, that number sky rocketed to \$9.629 million. A 40% increase! For the elevator sector, in 2013 the average sales price was \$17.282 million. Last year, the number rose to \$24.183 million; a 28.6% increase. These are averages we have never seen in the Queens market.

To give you an idea of how much the average prices have shot up, in 2011 the average walk-up sold for \$2.335 million , in 2012 that number rose to \$4.608 million. The average elevator apartment building in 2011 sold for \$14 million and in 2012 it rose to \$15.04 million.

Since 2011, the average walk-up sales price has risen 75.76% and the average elevator apartment building price went up 42.24%. Bottom line, if you were investing in multifamily in Queens in 2011 and 2012, you look like a genius right now.

Let's look at some trophy sales last year in the sub sector:

The largest portfolio sale in the Queens apartment building market in 2014 was the "Kew Gardens Portfolio" sale. This package contained 53 buildings on 12 parcels consisting of 1,269 residential units with 1 commercial unit with a total of 1.029 million s/f. The portfolio sold for \$217.5 million to A & E Real Estate, based in Manhattan. The sales price equates to a 4% cap rate. It closed in September 2014.

The largest single asset multifamily sale in the borough was the purchase of 12-15 Broadway in Astoria. This eight-story luxury building, built in 2011, comprised of 214 units with 144,303 s/f. It traded for a whopping \$88.5 million, which equates to \$413,551 per unit and roughly \$613 per s/f. The sellers were the Criterion Group and the purchaser is David Lubinitsky from Long Island City. This sale also represented the highest price per unit and price per SF in the borough for 2014.

Currently, in 1st quarter 2015, there have already been some interesting transactions in the borough.

On January 8th, the Kushner Companies made their way into the Queens multifamily market with the purchase of a four-building, 132 residential, 11-store, pre-war, walk-up portfolio in the Ditmars section of Astoria, Queens. They paid a total of \$47.8 million for the portfolio, which equates to \$376 per s/f and \$362,121 per residential unit. That's an average of \$11.95million per walk-up apartment

building ladies and gentlemen.

In February, 41-40 Parsons Blvd. in Flushing traded for \$10.575 million to Wai Realty Group based in Manhattan. The building is a corner 39,216 s/f, six-story, elevator apartment building built in 1954 with 49 residential units. The sales price equates to \$215,816 per unit or \$243.76 per s/f. Not a bad deal for the purchaser.

The Queens market in general is such a widely talked about hot market. We get hundreds of calls from investors a week looking to invest in investment properties here. They are mostly looking for multifamily buildings or residential development sites. Both products are selling for numbers never before seen in the borough.

The land prices we are seeing for residential development are anywhere from a low of \$150 per buildable s/f up to \$380 per buildable s/f (depending on location); with the trend going nowhere but up.

It is also important to monitor new rent regulation legislation on the table as well as keeping an eye on new zoning initiatives. As long as rates stay low, which we are hearing will stay low until at least 2016; 2015 will continue to be a remarkable year for the multifamily market.

Stay tuned.

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