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Cignature Realty issues report: “Manhattan Multifamily Insight”

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Lazer Sternhell,
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Manhattan, NY The multifamily market saw an increase of 47.7% in total dollar volume and a modest decrease of 0.6% in total building volume during the first half of 2018 compared to the first half of 2017 according to a first-time area multifamily market report by Cignature Realty Associates, a locally-based commercial real estate brokerage firm that specializes in the sale of multifamily and mixed-use area apartment buildings.

To access all the “Manhattan Multifamily Insight” reports, go to the Cignature Realty website at cignaturerealty.com/insight.

There were some other bright spots: The average total sale price for elevator buildings and price per s/f for walk-up buildings in the borough increased compared to the first half of 2017.

“Overall, the Manhattan multifamily market continues to be lackluster, primarily because the forces of a healthy real estate market are not aligned,” said Cignature Realty’s CEO Lazer Sternhell, “Rising interest rates and low cap rates are enticing buyers to wait for better deals. In addition, government regulation including higher taxes and fees, as well as increased and stricter regulations are all contributing to the multifamily market slowdown.”

Cignature Realty’s “Manhattan Multifamily Insight” for Mid-Year 2018 is the first in a series of monthly and quarterly reports designed to give building owners, buyers and sellers specific market knowledge on closed sales in the borough and its major submarkets—Northern Manhattan, Upper West Side, Upper East Side, Midtown and Downtown.

“We wanted to create a series for reports that are focused exclusively on Manhattan’s multifamily market,” said Peter Vanderpool, president of Cignature Realty. “For our clients who invest in multifamily apartment buildings, our data can help guide them when they need to make important decisions in today’s market.”

The Mid-Year 2018 report gives a detailed snapshot of multifamily sales for the first half of 2018 in total dollar/building volume and average total sale price per building, per unit and per s/f. This report also compares the data with the first half of 2017 as well as a breakdown by submarkets.

Some highlights of the attached report reveal:

- Mid-year 2018 total dollar volume (\$2.3 billion) represents a 47.7% increase as compared to mid-year 2017.
- Mid-year 2018 building volume (178 buildings sold) was a 0.6% decrease as compared to mid-year 2017.
- Mid-year 2018 average total sale price per building for walk-up buildings is \$8.1 million, an 8.7% decrease as compared to mid-year 2017; and for elevator buildings, is \$32.8 million, a 28.4% increase over mid-year 2017.
- Mid-year 2018 average total sale price per unit for walk-up buildings is \$748,516, a 9.4% decrease as compared to mid-year 2017 and for elevator buildings \$868,900, a 4.7% decrease over mid-year 2017.
- Mid-year 2018 average total sale price per s/f for walk-up buildings is \$1,128, a 1.8% increase over mid-year 2017 and for elevator buildings, \$768 or a 13.8% decrease.

Submarket breakdown comparing mid-year 2018 with mid-year 2017:

Northern: 100.7% increase in dollar volume; a 10.0% decrease in building volume and 27.6% increase in unit volume.

Upper West Side: 89.2% increase in dollar volume; no change in building volume and a 63.2% increase in unit volume.

Upper East Side: 5.5% increase in dollar volume; a 4.8% decrease in building volume and a 12.9% decrease in unit volume.

Midtown: 18.4% decrease in dollar volume; a 19.0% decrease in building volume and a 1.9% decrease in unit volume.

Downtown: 56.5% increase in dollar volume; a 48.3% increase in building volume and a 47.8% increase in unit volume.

Cignature Realty is a commercial real estate brokerage company located in New York City. The Company, a leader in Manhattan multifamily and mixed-use apartment building sales, provides unparalleled deal execution supported by exceptional market intelligence for a broad range of real estate investors, from single-property owners to institutional and private equity funds.

The Cignature Realty team has closed hundreds of commercial real estate transactions and has accumulated multiple awards recognizing their achievements and contributions to the New York real estate industry.

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