

3Q18

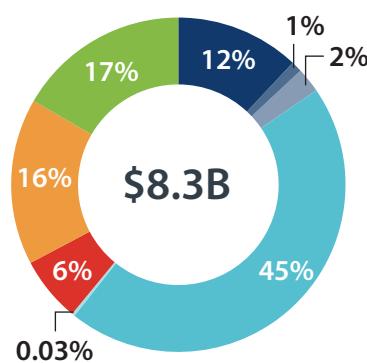
# Property Sales Report

**Manhattan  
Investment Sales**



# Investment Sales Summary

## TOTAL DOLLAR VOLUME BY ASSET CLASS



Manhattan saw a blockbuster third quarter with \$8.3 billion in total investment sales, which is almost double the first two quarters combined. Major transactions powered growth in the third quarter including the \$1.286 billion sale of the office portion of 666 Fifth Avenue, the \$1.155 billion sale of the ABC studio campus on the Upper West Side, the \$900 million sale of 261-271 11th Avenue, currently under contract, and the \$650 million sale of a development assemblage consisting of five commercial buildings in Hudson Square. Additionally, the predicted number of sales remain on track to hit about 385 sales this year. While this number is lower than the previous 10 years, it is still a dramatic uptick from the recent past. In all, 2018 annualized sales are expected to reach nearly \$23 billion, right around the 10-year average, suggesting the market is normalizing.

### Multi-Family – Pricing and Activity Continue Divergence

Multi-family dollar volume remained low with 31 sales for a combined \$1.28 billion, but pricing remained strong at a \$940 per square foot or a 3.67 percent cap. The number of sales increased sharply this quarter over last, rising from 26 percent of quarterly transactions to 38 percent of the total. This disconnect between low sales numbers and high pricing is a continuation of the trend prominent from the second quarter.

### Retail – Less of More

Retail demand remained high with this year expected to double the amount of sales from last year at an average of \$2,415 per square foot or a 4.33 percent cap. 2018 has seen an overall rise in asset pricing, while the number of transactions has decreased this year down to 12 percent of total sales this quarter, relative to 20 percent in the previous quarter; likewise, the annualized expected sales of 68 is half of the 10-year high of 120 sales in 2012. This confluence of factors suggests that as the retail market continues its correction, sales will be dominated by fewer and higher priced assets.

### Office and Office Condo – Large Sales Boost the Asset Class

Office and office condos led this quarter with 46 percent of the Manhattan dollar volume. The dominance of this asset class is in line with the 10-year average of office product comprising 54 percent of Manhattan dollar volume. Office building pricing held strong at \$975 per rentable square foot or a 4.75 percent cap on average. Alternatively, office condo units traded for an average of \$910 per rentable square foot. Office properties were powered by nine properties or portfolios of sales over \$100 million, including the sale of the office portion of 666 Fifth Avenue and the pending sale of 261-271 11th Avenue.

### Development – Developer Confidence Grows, Location Is King

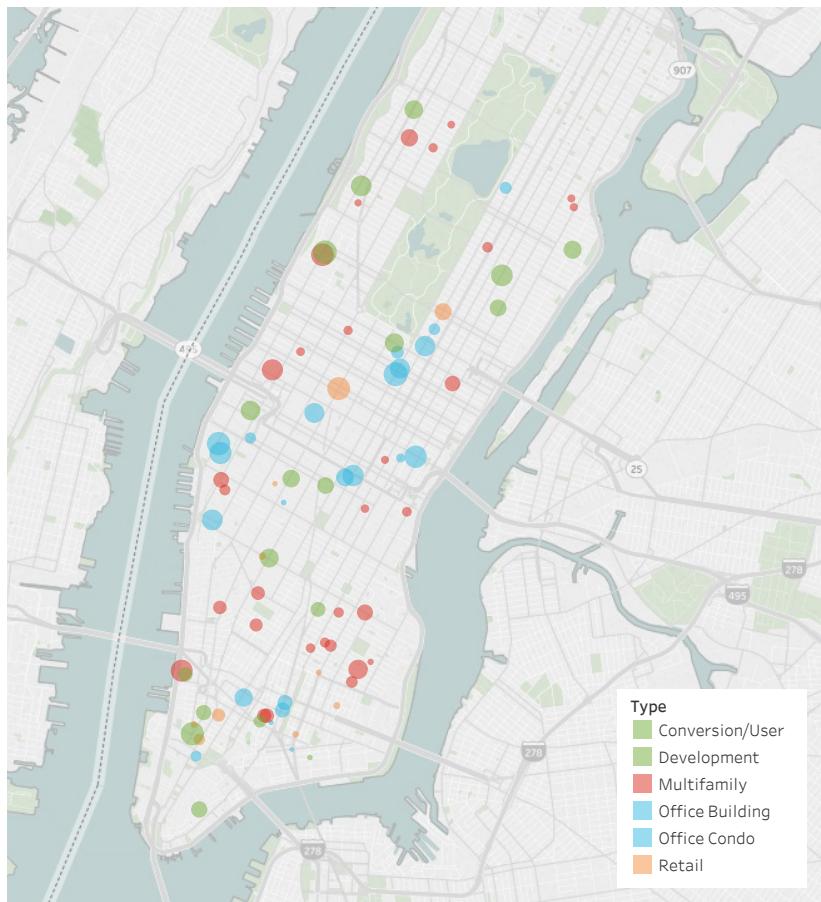
Development sites continued to show signs of life with the 13 sites traded amounting to almost two million buildable square feet at an average of \$740 per buildable square foot. This number obscures the fact that development site pricing is heavily dependent on locations with pricing ranging from the \$400 to over \$1,500 per buildable square foot. The trades included a number of portfolios, most notably Disney's purchase of a five-parcel site for \$650 million that will be redeveloped into a new headquarters at 4 Hudson Square.

### Conclusion

As we look toward the end of 2018, the strength of the investment sales market suggests optimism across asset classes. Some investors, such as multi-family and retail owners, are waiting to see what the future holds, while developers and office owners are confidently forging ahead. Real estate investors, while aware of the long-time horizons of their investments, continue to demonstrate their confidence in the market in the assets they buy and sell.



# Market Snapshot

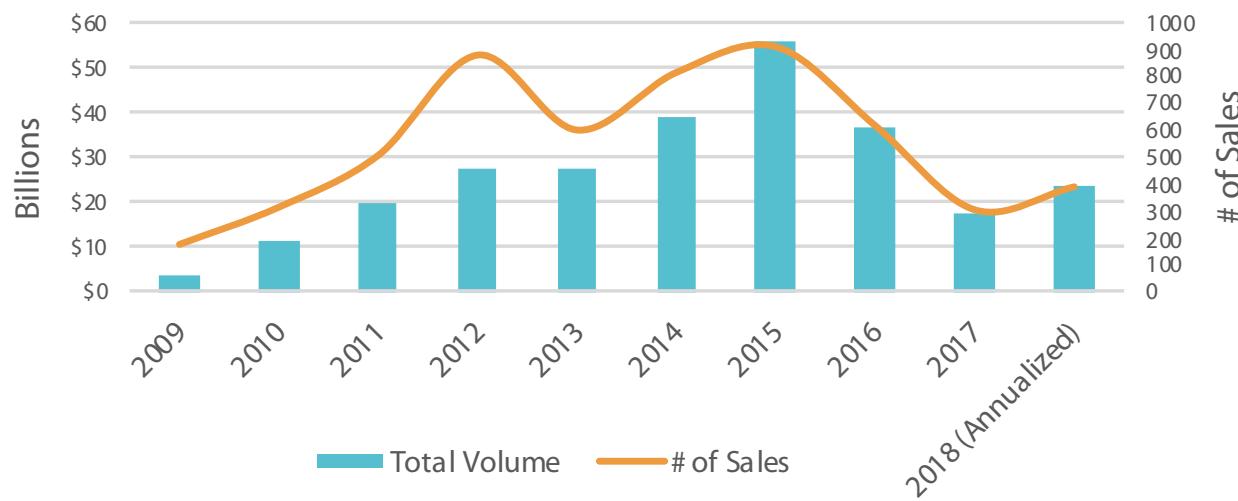


| ALL TRANSACTIONS IN MANHATTAN |                  |                 |
|-------------------------------|------------------|-----------------|
| Year                          | Total Volume     | Number of Sales |
| 2009                          | \$3,690,000,000  | 170             |
| 2010                          | \$11,260,000,000 | 310             |
| 2011                          | \$19,990,000,000 | 505             |
| 2012                          | \$27,750,000,000 | 882             |
| 2013                          | \$27,030,000,000 | 600             |
| 2014                          | \$38,840,000,000 | 817             |
| 2015                          | \$55,500,000,000 | 913             |
| 2016                          | \$36,440,000,000 | 616             |
| 2017                          | \$17,750,000,000 | 300             |
| 2018<br>(Annualized)          | \$23,269,702,681 | 385             |
| 10 Year Average               | \$26,151,970,268 | 550             |

## Methodology

Avision Young's Tri-State Investment Sales group tracks confirmed transactions above \$5 million (\$1 for retail properties and office condominiums) sold in Manhattan south of 96th Street.

## Transaction Volume and Number of Sales by Year



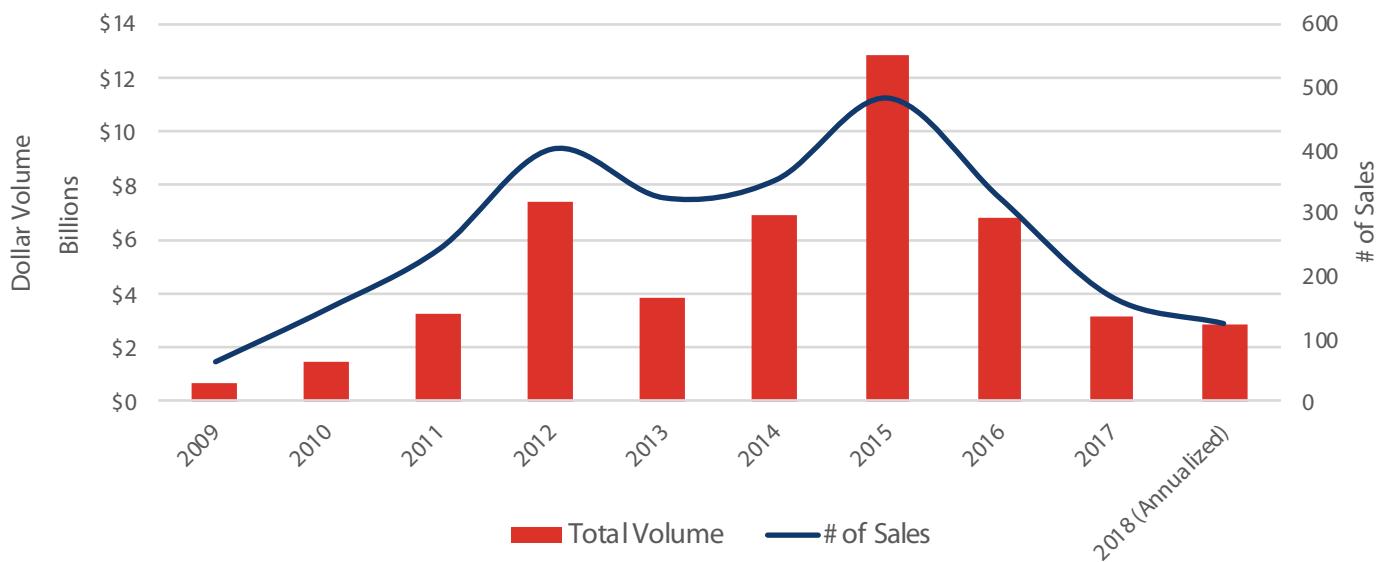
Detailed sale information is available on page 10

# Multi-Family/Mixed-Use

## Market Snapshot



## Transaction Volume & Number of Sales by Year



## Largest Transactions



**101 West End Avenue**  
\$416,000,000



**34 Desbrosses Street**  
\$250,000,000



**520 West 43rd Street**  
\$193,000,000



**62 Avenue B**  
\$85,000,000



**588-594 Amsterdam Avenue**  
\$33,000,000

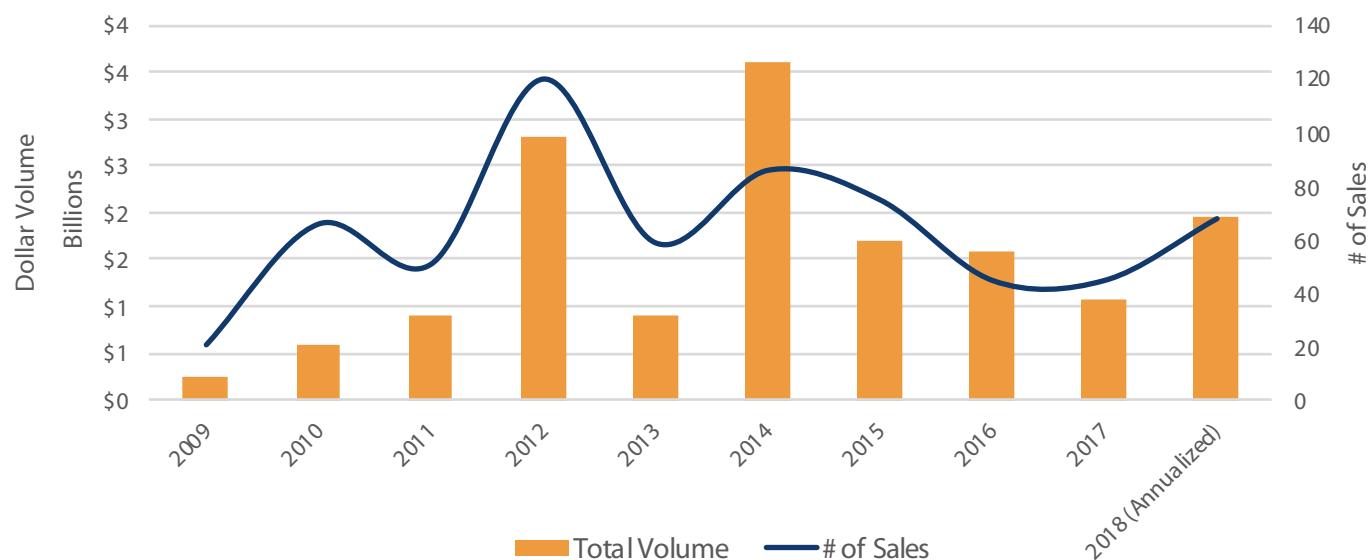


# Retail

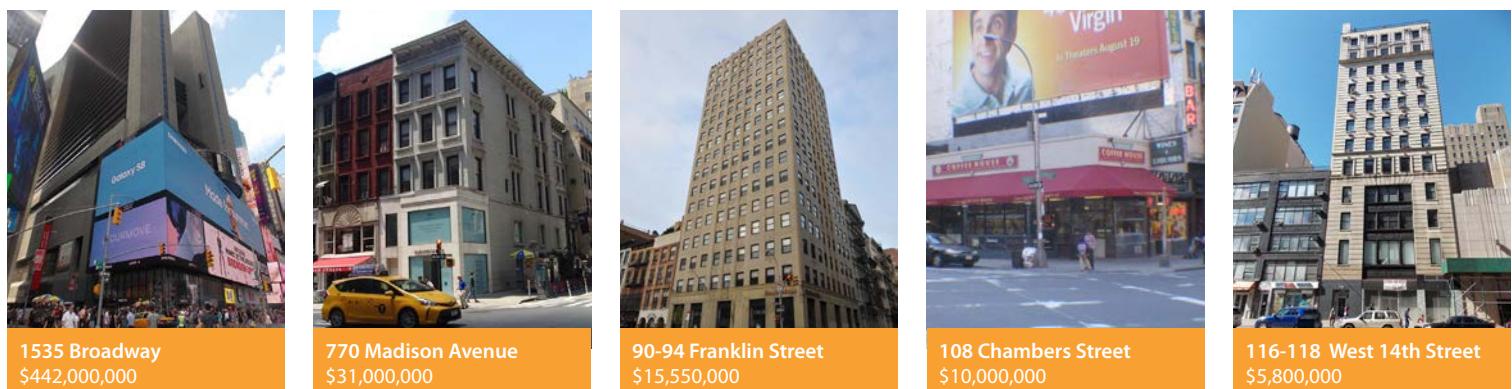
## Market Snapshot



## Transaction Volume & Number of Sales by Year



## Largest Transactions

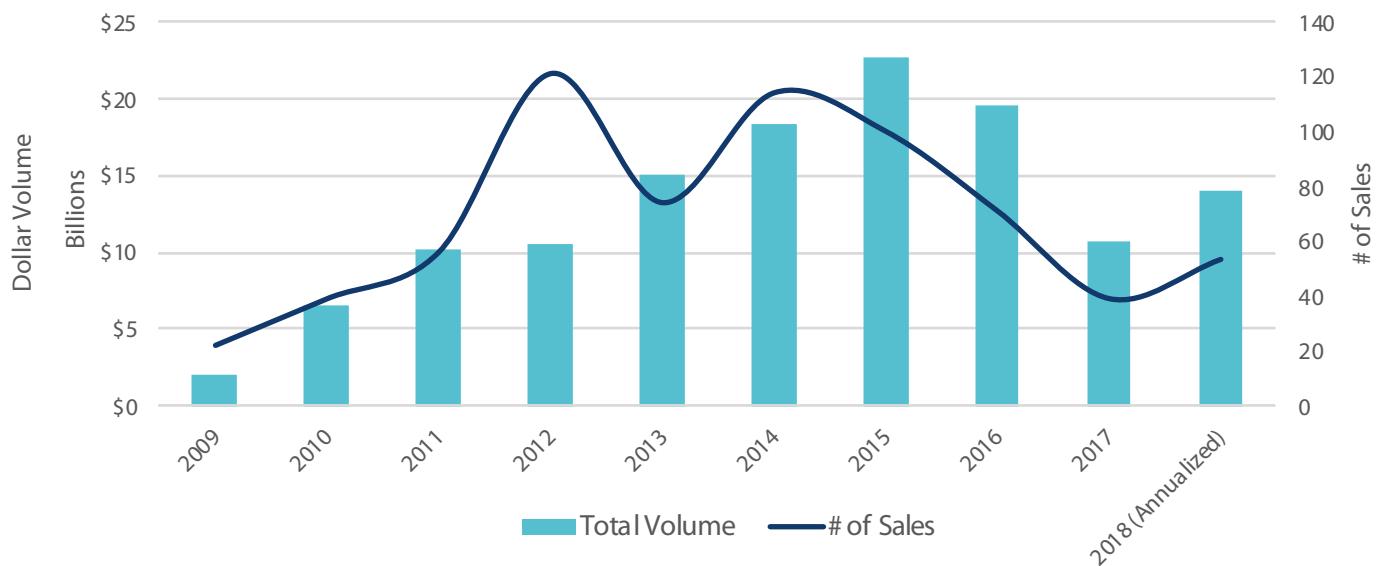


# Office

## Market Snapshot



## Transaction Volume & Number of Sales by Year



## Largest Transactions



666 Fifth Avenue  
\$1,286,083,000



261-271 11th Avenue  
\$900,000,000



219-227 & 235 East 42nd Street  
\$360,000,000



540 West 26th Street  
\$257,000,000



183 Madison Avenue  
\$222,500,000



# Office Condo

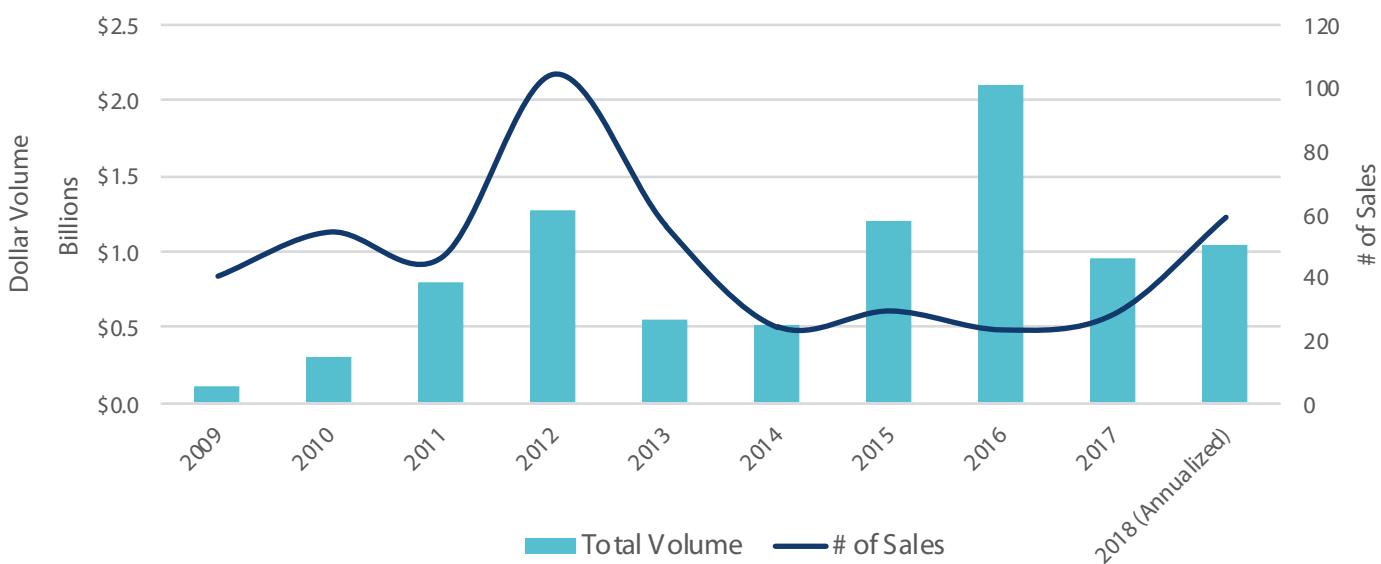
## Market Snapshot

  
**\$24M**  
Total Dollar Volume

  
**5**  
Number of Sales

  
**\$910**  
Condo Average  
Price PSF

## Transaction Volume & Number of Sales by Year



## Largest Transactions



450 West 31st Street  
\$9,500,000



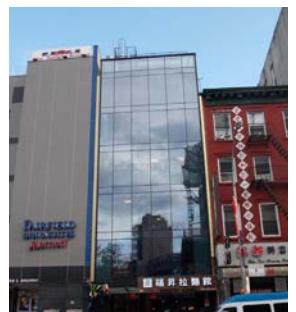
633 Third Avenue  
\$6,987,505



148 West 24th Street  
\$4,100,000



53-55 Elizabeth Street  
\$2,138,000



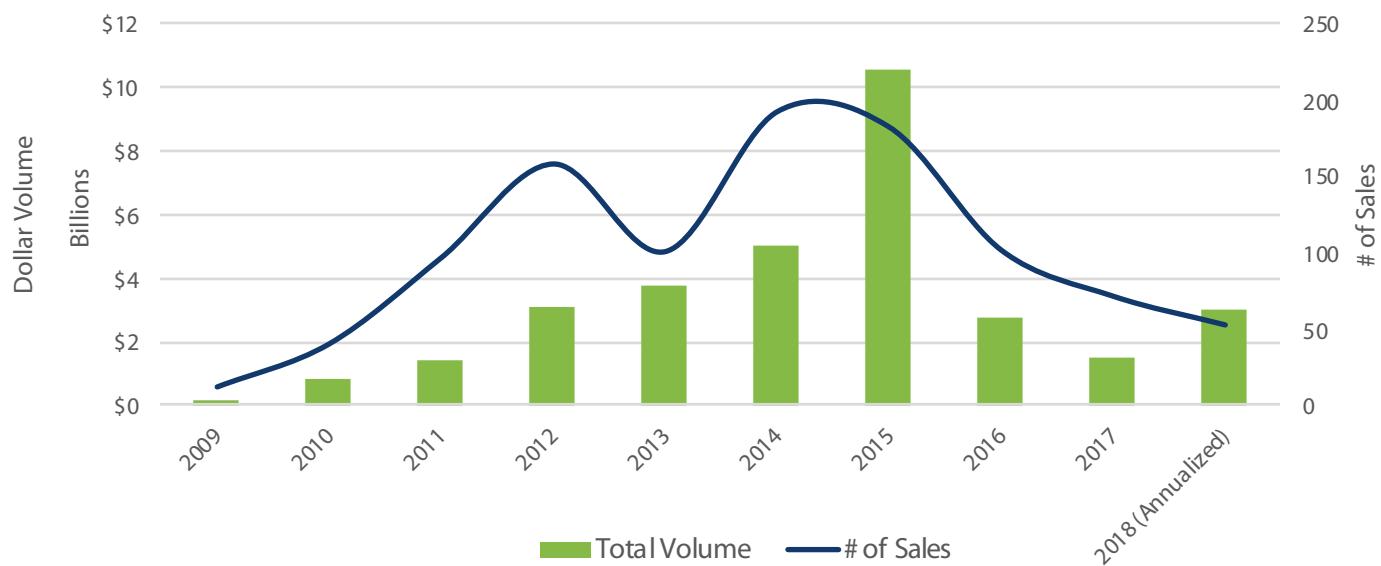
107 East Broadway  
\$1,770,000

# Development

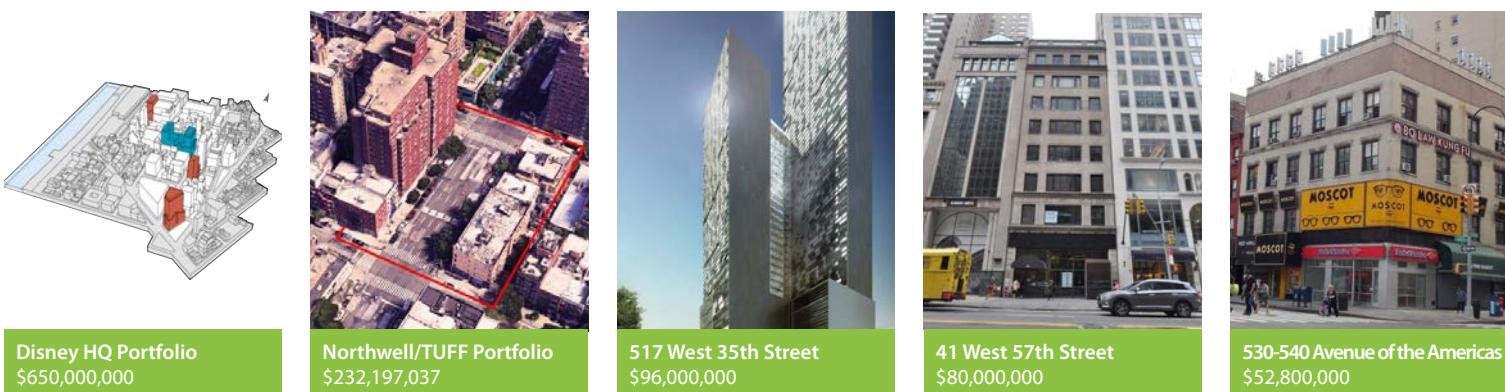
## Market Snapshot



## Transaction Volume & Number of Sales by Year



## Largest Transactions



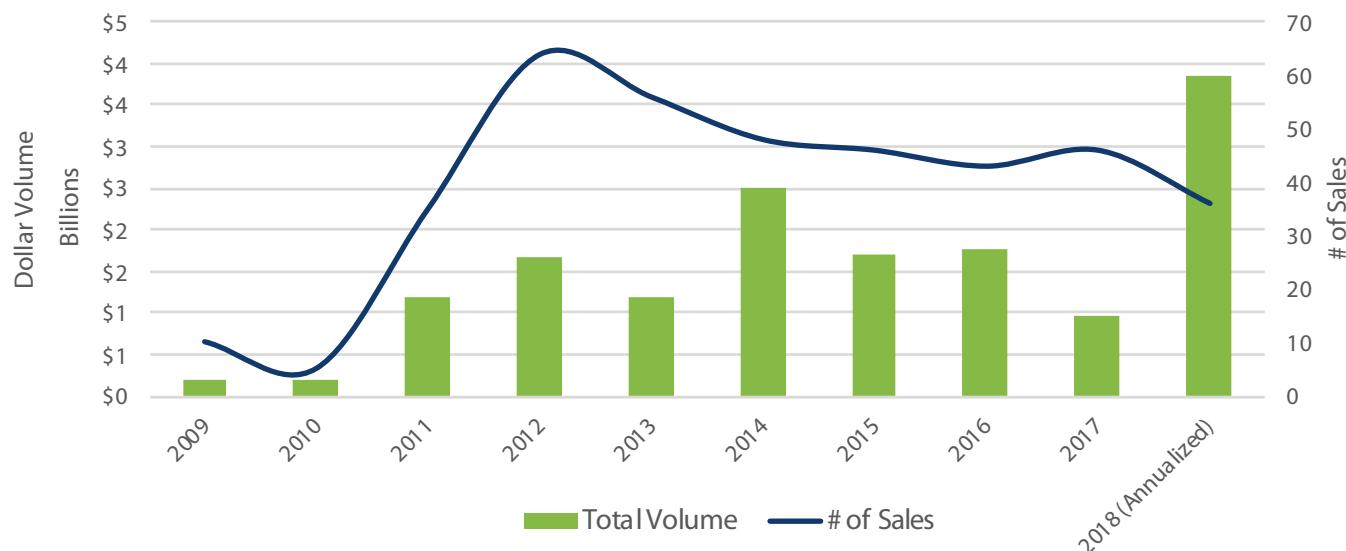


# Conversion/User

## Market Snapshot



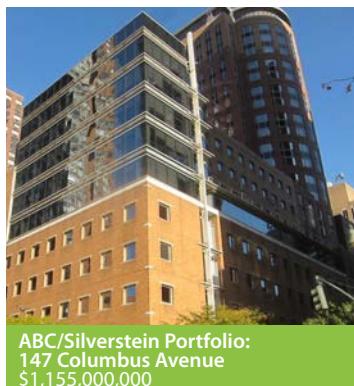
## Transaction Volume & Number of Sales by Year



## Largest Transactions



ABC/Silverstein Portfolio: 60 Pine Street  
\$1,155,000,000



ABC/Silverstein Portfolio:  
147 Columbus Avenue  
\$1,155,000,000



378 West End Avenue  
\$158,000,000



29-31 Leonard Street  
\$24,500,000

# Sale Details

## ELEVATOR APARTMENT PROPERTIES

| Address                  | Price         | # Units | SF      | \$/Units    | \$/SF   | Cap Rate         |
|--------------------------|---------------|---------|---------|-------------|---------|------------------|
| 101 West End Avenue      | \$416,000,000 | 506     | 631,204 | \$822,134   | \$659   | 4.18%            |
| 34 Desbrosses Street     | \$250,000,000 | 291     | 305,542 | \$859,107   | \$818   | Condo Conversion |
| 520 West 43rd Street     | \$193,000,000 | 376     | 340,967 | \$513,298   | \$566   | 4.00%            |
| 62 Avenue B              | \$85,000,000  | 81      | 80,000  | \$1,049,383 | \$1,063 | Not Reported     |
| 222 East 56th Street     | \$25,000,000  | 60      | 37,687  | \$416,667   | \$663   | 3.10%            |
| 341-343 East 62nd Street | \$11,000,000  | 15      | 11,900  | \$733,333   | \$924   | 3.80%            |
| 313 East 61st Street     | \$7,575,000   | 21      | 8,505   | \$360,714   | \$891   | 3.75%            |

## WALK-UP APARTMENT PROPERTIES

| Address                  | Price        | # Units | SF     | \$/Units    | \$/SF   | Cap Rate         |
|--------------------------|--------------|---------|--------|-------------|---------|------------------|
| 72-74 Bedford Street     | \$16,000,000 | 19      | 12,349 | \$842,105   | \$1,296 | 2.00%            |
| 445 West 21st Street     | \$9,350,000  | 10      | 9,375  | \$935,000   | \$997   | High Vacancy     |
| 345 East 33th Street     | \$7,200,000  | 18      | 10,625 | \$400,000   | \$678   | 3.80%            |
| 60 West 89th Street      | \$7,100,000  | 9       | 6,630  | \$788,889   | \$1,071 | Delivered Vacant |
| 435 West 48th Street     | \$6,625,000  | 4       | 6,560  | \$1,656,250 | \$1,010 | 4.18%            |
| 138-140 East 30th Street | \$6,500,000  | 10      | 6,517  | \$650,000   | \$997   | 3.00%            |
| 345 East 92nd Street     | \$6,075,000  | 20      | 8,540  | \$303,750   | \$711   | 2.30%            |
| 123 East 39th Street     | \$6,000,000  | 8       | 5,260  | \$750,000   | \$1,141 | High Vacancy     |
| 319 East 93rd Street     | \$6,000,000  | 10      | 8,648  | \$600,000   | \$694   | Not Reported     |
| 49 West 94th Street      | \$5,900,000  | 6       | 6,060  | \$983,333   | \$974   | Delivered Vacant |
| 241-243 West 75th Street | \$5,310,060  | 17      | 8,496  | \$312,356   | \$625   | Not Reported     |
| 200 East Seventh Street  | \$5,000,000  | 18      | 10,830 | \$277,778   | \$462   | Not Reported     |

## MIXED-USE PROPERTIES

| Address                                    | Price        | # Units | SF     | \$/Units    | \$/SF   | Cap Rate     |
|--|--------------|---------|--------|-------------|---------|--------------|
| 426-430 East 14th Street                   | \$28,250,000 | 51      | 31,875 | \$553,922   | \$886   | Not Reported |
| 203 - 205 10th Avenue/505 West 22nd Street | \$27,600,000 | 30      | 22,945 | \$920,000   | \$1,203 | 3.50%        |
| 116 Mott Street                            | \$22,500,000 | 40      | 21,196 | \$562,500   | \$1,062 | 4.40%        |
| 185-189 Hester Street                      | \$18,250,000 | 37      | 25,961 | \$493,243   | \$703   | 3.68%        |
| 45-47 West 8th Street                      | \$16,064,000 | 16      | 17,750 | \$1,004,000 | \$905   | 3.31%        |
| 228 Thompson Street                        | \$14,300,000 | 9       | 7,128  | \$1,588,889 | \$2,006 | 4.30%        |
| 21-23 Avenue B                             | \$10,350,000 | 16      | 10,588 | \$646,875   | \$978   | 4.80%        |
| 588-594 Amsterdam Avenue                   | \$33,000,000 | 73      | 44,419 | \$452,055   | \$743   | 2.65%        |
| 68 East 79th Street                        | \$8,900,000  | 9       | 6,482  | \$988,889   | \$1,373 | 4.00%        |
| 302 East 12th Street                       | \$7,750,000  | 9       | 6,932  | \$861,111   | \$1,118 | 4.50%        |
| 87 East 4th Street                         | \$7,100,500  | 9       | 4,729  | \$788,944   | \$1,501 | 4.18%        |
| 932 Eighth Avenue                          | \$7,100,000  | 5       | 5,210  | \$1,420,000 | \$1,363 | Assemblage   |

## RETAIL PROPERTIES

| Address                  | Tenants                                   | Price         | Type          | Cap Rate     | SF      | \$/SF   |
|--------------------------|---|---------------|---------------|--------------|---------|---------|
| 1535 Broadway            | Retail/theatre/signage                    | \$442,000,000 | Condo         | 3.80%        | 104,000 | \$4,250 |
| 770 Madison Avenue       | Vacant                                    | \$31,000,000  | Full Building | Vacant       | 6,839   | \$4,533 |
| 90-94 Franklin Street    | Tracy Anderson, Sweaty Better, Quick Cryo | \$15,550,000  | Condo         | 4.50%        | 7,750   | \$2,006 |
| 108 Chambers Street      | Starbucks, Vitamin Shop                   | \$10,000,000  | Condo         | 4.51%        | 1,478   | \$6,766 |
| 116-118 West 14th Street | Vacant                                    | \$5,800,000   | Condo         | Vacant       | 6,340   | \$915   |
| 149 Rivington Street     | Ground Floor Vacant                       | \$5,300,000   | Full Building | Not Reported | 3,887   | \$1,364 |
| 163 Duane Street         | Vacant                                    | \$5,150,000   | Condo         | Vacant       | 8,000   | \$644   |
| 27 Allen Street          | Zipper Stop                               | \$5,075,000   | Full Building | Not Reported | 3,810   | \$1,332 |
| 72 East 1st Street       | Boilermaker, Lazy Llama, and a juice bar  | \$4,525,000   | Condo         | 4.50%        | 2,910   | \$1,555 |
| 236 West 26th Street     | Vacant                                    | \$2,750,000   | Co-op         | Vacant       | 3,500   | \$786   |

| OFFICE PROPERTIES                |                 |       |                  |           |         |  |
|----------------------------------|-----------------|-------|------------------|-----------|---------|--|
| Address                          | Price           | Class | Cap Rate         | RSF       | \$/RSF  |  |
| 666 Fifth Avenue                 | \$1,286,083,000 | A     | Not Reported     | 1,450,000 | \$887   |  |
| 261-271 11th Avenue *            | \$900,000,000   | C     | Partially Vacant | 1,129,200 | \$797   |  |
| 219-227 and 235 East 42nd Street | \$360,000,000   | A     | Sale Leaseback   | 1,100,000 | \$327   |  |
| 540 West 26th Street             | \$257,000,000   | A     | 5.10%            | 166,810   | \$1,541 |  |
| 183 Madison Avenue               | \$222,500,000   | B     | Not Reported     | 274,413   | \$811   |  |
| 430 West 15th Street             | \$158,500,000   | B     | Not Reported     | 98,087    | \$1,616 |  |
| 637-643 Madison Avenue           | \$151,000,000   | A     | Not Reported     | 176,530   | \$855   |  |
| 685 Fifth Avenue                 | \$135,000,000   | A     | Not Reported     | 109,190   | \$1,236 |  |
| 240 West 40th Street             | \$105,000,000   | B     | User Occupied    | 159,774   | \$657   |  |
| 446-448 Broadway                 | \$46,750,000    | C     | Vacant           | 36,694    | \$1,274 |  |
| 135 Bowery                       | \$24,250,000    | A     | 4.20%            | 21,308    | \$1,138 |  |
| 161 Bowery                       | \$24,250,000    | B     | 4.20%            | 26,400    | \$919   |  |
| 10-12 East 33rd Street           | \$46,284,126    | C     | 5.50%            | 70,000    | \$661   |  |
| 26 West 56th Street              | \$14,000,000    | C     | Owner Occupied   | 11,421    | \$1,226 |  |
| 9 East 89th Street               | \$10,905,000    | B     | Renovation       | 10,295    | \$1,059 |  |
| 698-700 Madison Avenue           | \$10,000,000    | C     | Not Reported     | 13,200    | \$758   |  |
| 21 Park Place                    | \$9,000,000     | C     | Delivered Vacant | 11,000    | \$818   |  |

| OFFICE CONDO PROPERTIES |             |       |                      |        |         |  |
|-------------------------|-------------|-------|----------------------|--------|---------|--|
| Address                 | Price       | Class | Unit                 | RSF    | \$/RSF  |  |
| 450 West 31st Street    | \$9,500,000 | B     | 12th Floor/Penthouse | 11,750 | \$809   |  |
| 633 Third Avenue        | \$6,987,505 | A     | 1307/1308/13th Floor | 7,721  | \$905   |  |
| 148 West 24th Street    | \$4,100,000 | C     | 8th Floor            | 4,500  | \$911   |  |
| 53-55 Elizabeth Street  | \$2,138,000 | A     | 2nd Floor - Unit 2C  | 2,400  | \$891   |  |
| 107 East Broadway       | \$1,770,000 | B     | 3rd Floor            | 1,711  | \$1,034 |  |

| DEVELOPMENT SITES                               |               |                |             |         |         |                 |
|---|---------------|----------------|-------------|---------|---------|-----------------|
| Address   | Price         | Zoning         | Assembledge | BSF     | \$/BSF  | Planned Use     |
| Disney HQ Portfolio                             | \$650,000,000 | M1-6, HSQ      | Yes         | 860,250 | \$756   | Office          |
| Northwell/TUFF Portfolio                        | \$232,197,037 | C1-9           | Yes         | 185,920 | \$1,249 | Medical Complex |
| 517 West 35th Street                            | \$96,000,000  | C6-4, M1-5, HY | Yes         | 234,000 | \$410   | Condo / Office  |
| 41 West 57th Street                             | \$80,000,000  | C5-3, MID      | Yes         | 51,210  | \$1,562 | Condo           |
| 530-540 Avenue of the Americas                  | \$52,800,000  | C6-3A, C6-2A   | Yes         | 63,454  | \$832   | Condo / Retail  |
| 2503-2509 Broadway                              | \$50,000,000  | C4-6A, EC-3    | No          | 75,000  | \$667   | Condo / Retail  |
| 1622-1632 York Avenue                           | \$46,500,000  | R10A, C1-5     | Yes         | 75,095  | \$619   | Assisted Living |
| 322-326 Seventh Avenue                          | \$36,000,000  | M1-6           | Yes         | 72,700  | \$495   | TBD             |
| 257-259 East 71st Street / 252 East 72nd Street | \$30,200,000  | R10A, C1-5, TA | Yes         | 79,260  | \$381   | TBD             |
| 20-22 West 30 Street                            | \$29,800,000  | M1-6           | Yes         | 51,350  | \$580   | Office          |
| 62-64 3rd Avenue                                | \$23,000,000  | C6-2A          | Yes         | 34,838  | \$660   | TBD             |
| 109 Mulberry Street                             | \$12,800,000  | C6-2G, LI      | No          | 22,896  | \$559   | TBD             |
| 32 Rutgers Street                               | \$2,900,000   | R7-2           | No          | 7,276   | \$399   | TBD             |

| CONVERSION/USER                          |                 |             |                |             |  |  |
|--|-----------------|-------------|----------------|-------------|--|--|
| Address                                  | Price           | Existing SF | \$/Existing SF | Planned Use |  |  |
| ABC/Silverstein Portfolio                | \$1,155,000,000 | 1,400,336   | \$825          | TBD         |  |  |
| 378 West End Avenue/260 West 78th Street | \$158,000,000   | 134,669     | \$1,173        | Condo       |  |  |
| 60 Pine Street                           | \$28,280,000    | 49,197      | \$575          | -           |  |  |
| 29-31 Leonard Street/198 West Broadway   | \$24,500,000    | 29392       | \$834          | Condo       |  |  |
| 431-433 Washington Street                | \$18,500,000    | 12,996      | \$1,424        | TBD         |  |  |

\*Under contract



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