



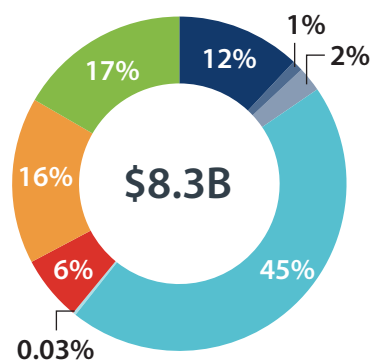
3Q18

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.

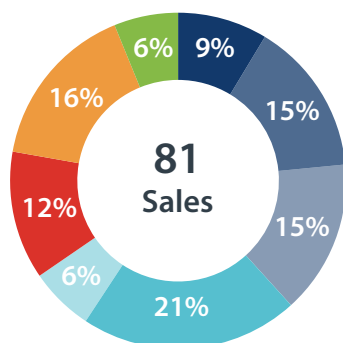
Development – Developer Confidence Grows, Location Is King

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

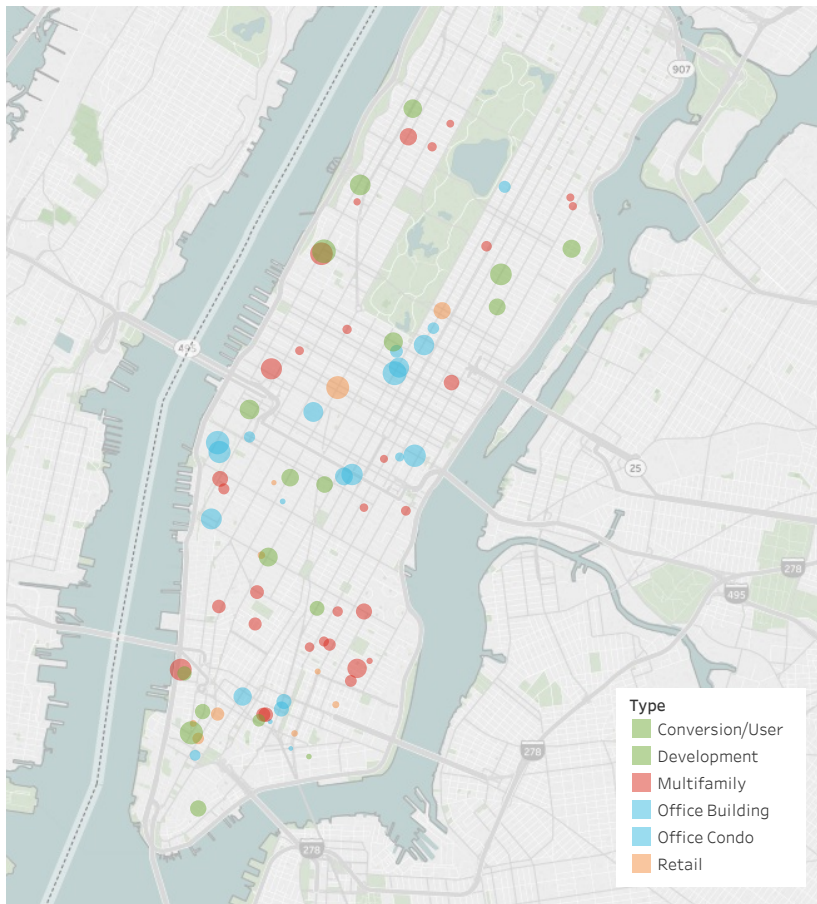
As we look toward the end of 2018, the strength of the investment sales market suggests optimism across asset classes. Some investors, such as multi-family and retail owners, are waiting to see what the future holds, while developers and office owners are confidently forging ahead. Real estate investors, 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.

NUMBER OF SALES BY ASSET CLASS



- Elevator Apartments
- Walk-Up Apartments
- Mixed-Use
- Office Buildings
- Office Condos
- Retail
- Development
- Conversion/User

Market Snapshot



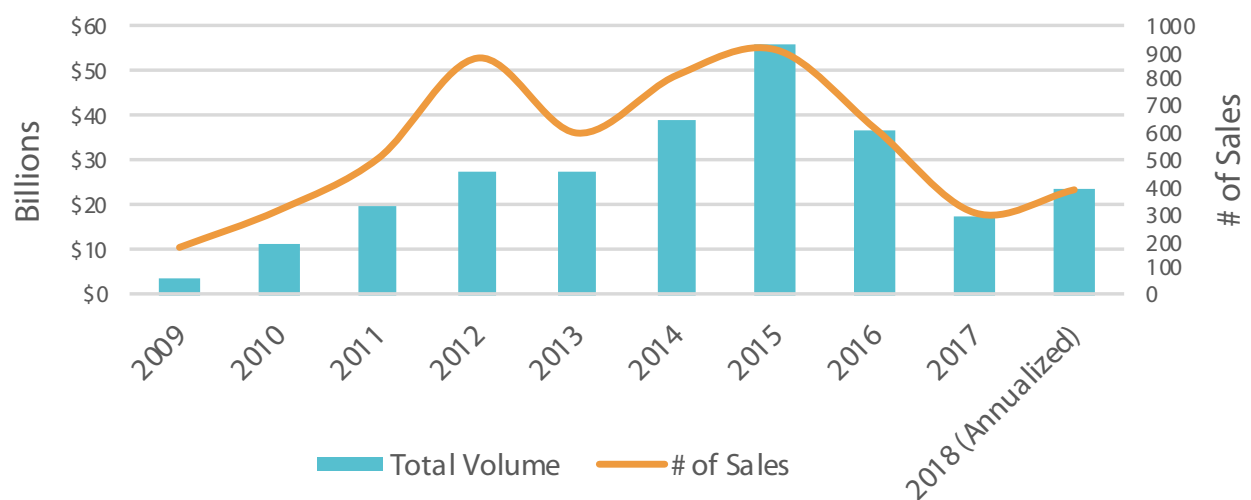
ALL TRANSACTIONS IN MANHATTAN

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 (Annualized)	\$23,269,702,681	385
10 Year Average	\$26,151,970,268	550

Methodology

Avison 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

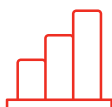
Multi-Family/Mixed-Use

Market Snapshot



\$1.3B

Total Dollar Volume



31

Number of Sales



3.67%

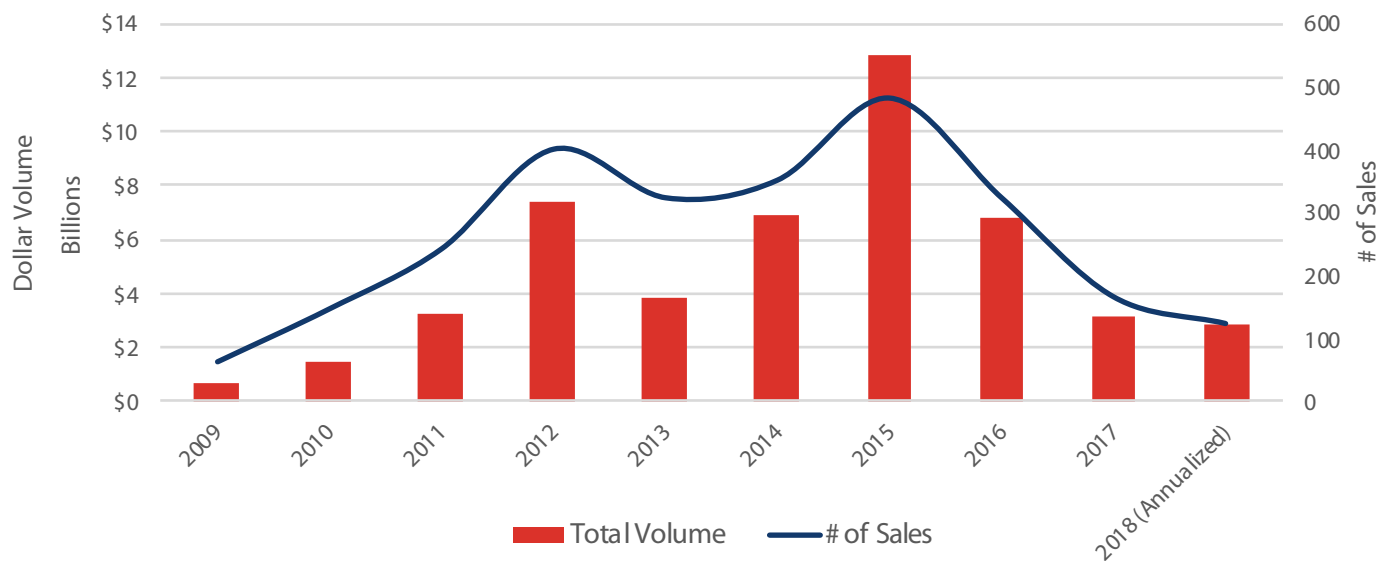
Average Cap Rate



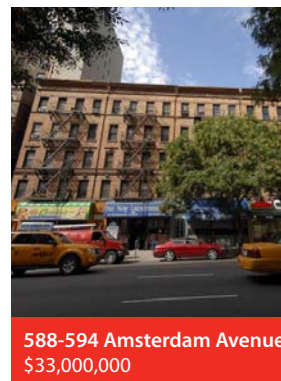
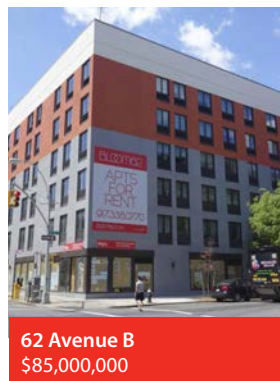
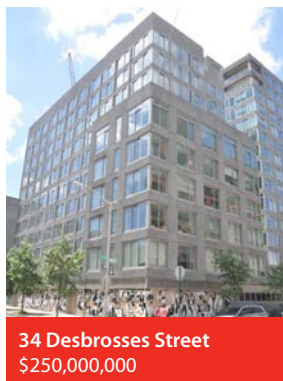
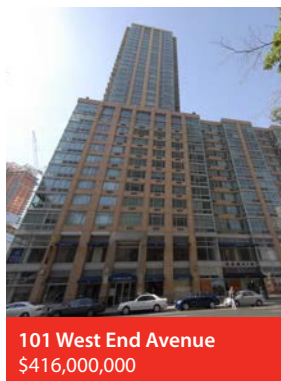
\$970

Average Price PSF

Transaction Volume & Number of Sales by Year



Largest Transactions



Retail

Market Snapshot



\$527M

Total Dollar Volume



10

Number of Sales



4.33%

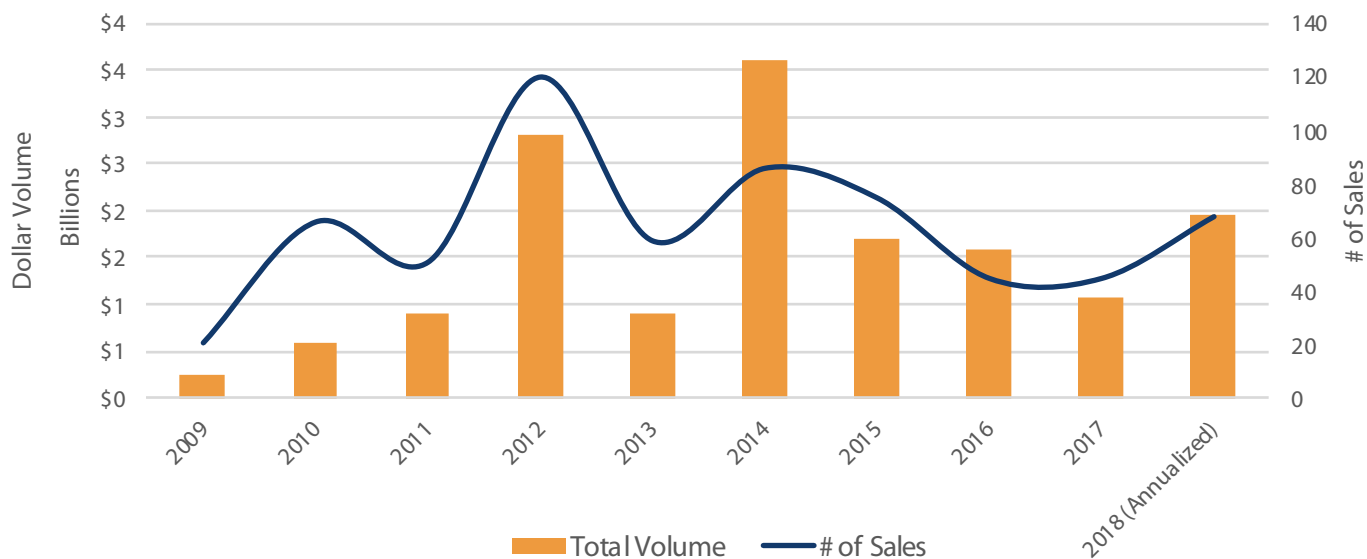
Average Cap Rate



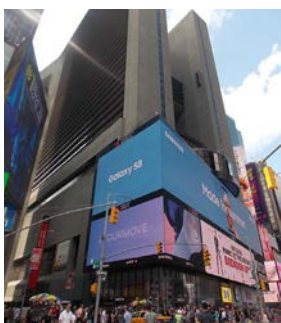
\$2,415

Average Price PSF

Transaction Volume & Number of Sales by Year



Largest Transactions



1535 Broadway
\$442,000,000



770 Madison Avenue
\$31,000,000



90-94 Franklin Street
\$15,550,000



108 Chambers Street
\$10,000,000



116-118 West 14th Street
\$5,800,000

Office

Market Snapshot



\$3.8B

Total Dollar Volume



17

Number of Sales



4.75%

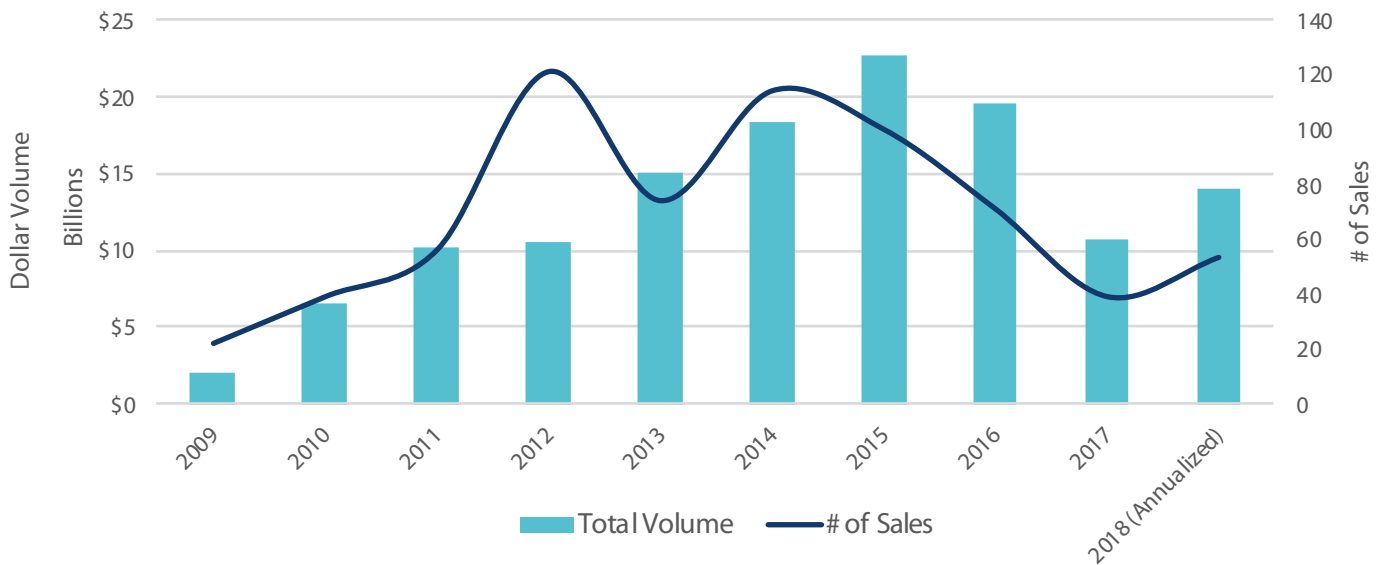
Average Cap Rate



\$975

Average Price PSF

Transaction Volume & Number of Sales by Year



Largest Transactions



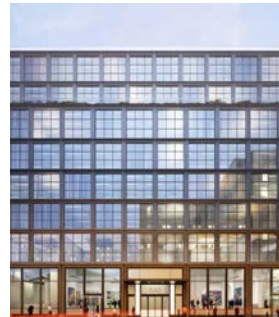
666 Fifth Avenue
\$1,286,083,000



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

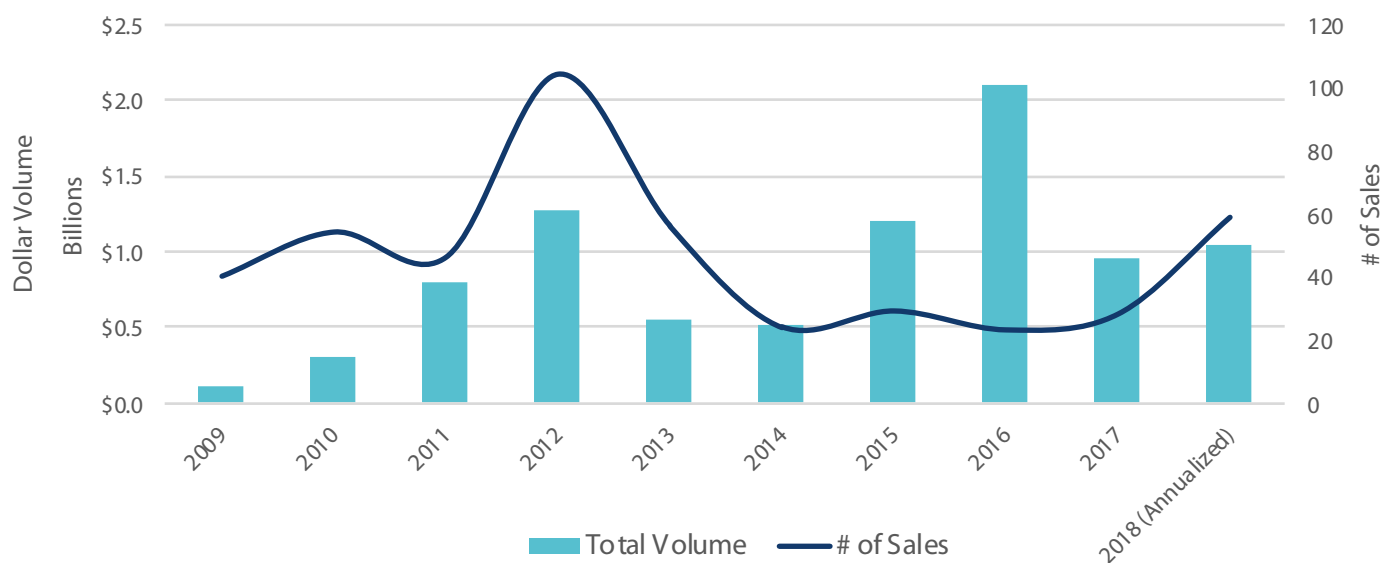
Number of Sales



\$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



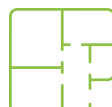
\$1.3B

Total Dollar Volume



13

Number of Sales



1.8M

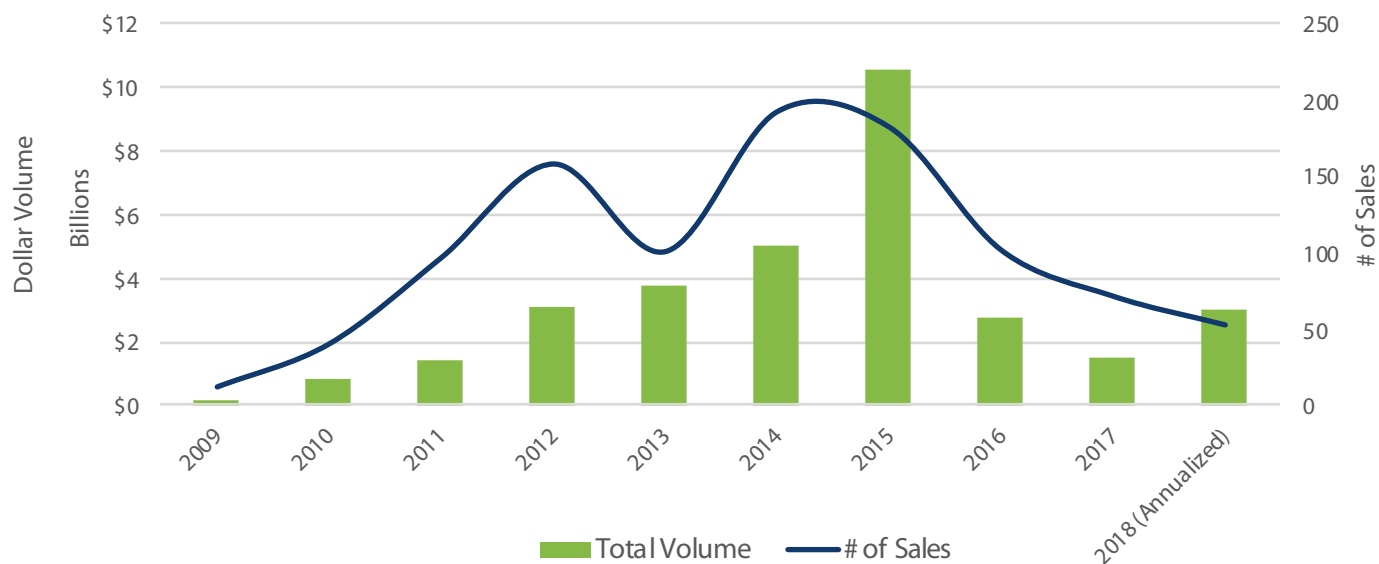
Total BSF



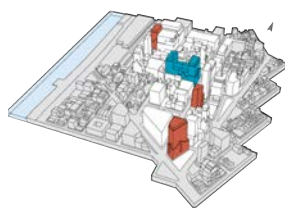
\$740

Average Price BSF

Transaction Volume & Number of Sales by Year



Largest Transactions



Disney HQ Portfolio
\$650,000,000



Northwell/TUFF Portfolio
\$232,197,037



517 West 35th Street
\$96,000,000



41 West 57th Street
\$80,000,000



530-540 Avenue of the Americas
\$52,800,000

Conversion/User

Market Snapshot



\$1.4B

Total Dollar Volume



5

Number of Sales



1.6M

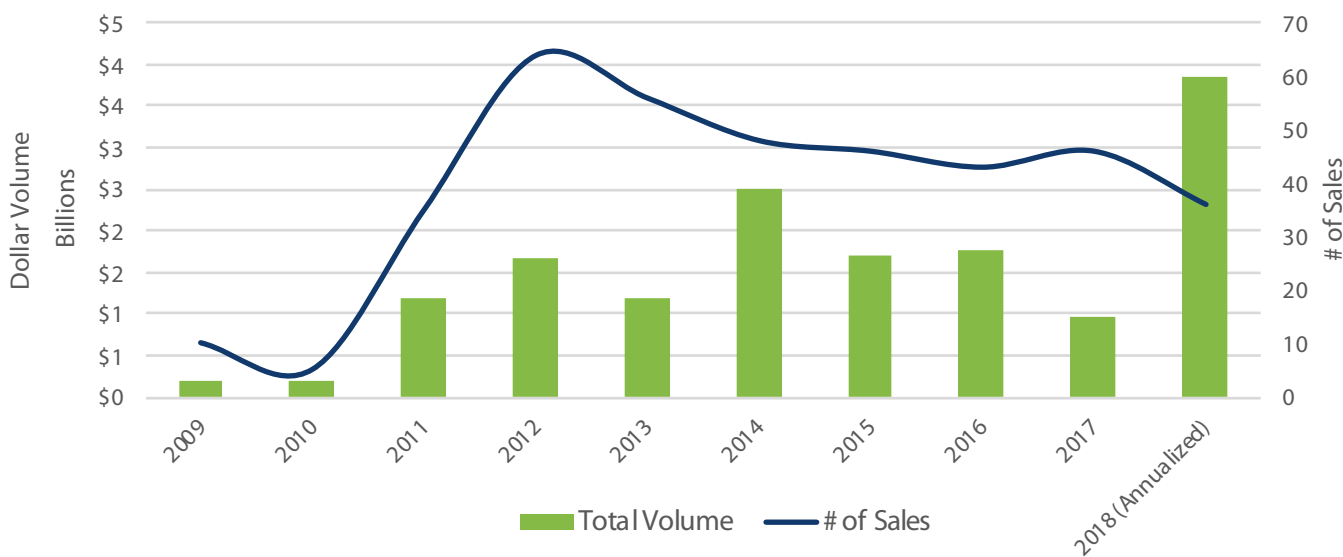
Total SF



\$966

Average Price BSF

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	Assembledge

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	Assembled	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	29,392	\$834	Condo
431-433 Washington Street	\$18,500,000	12,996	\$1,424	TBD

*Under contract

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