

# NORTHERN MANHATTAN 2020 MID-YEAR SALES REPORT

by Ariel Property Advisors | Released July 2020



Investment Sales  
Capital Services  
Investment Research

arielpa.nyc  
212.544.9500

# 2020 MID-YEAR OVERVIEW

**\$386MM**

Dollar Volume



**37**

Transaction Volume



**68**

Property Volume



The emergence of Covid-19 presented sudden and significant uncertainty to all aspects of the global economy during the first half of 2020. This uncertainty led to a sharp reduction in investment property transactions across most asset classes. Since sales volume is light and since the vast majority of transactions covered in this report were put in contract pre-Covid-19, the length and depth of this downturn is unclear at this time.

For 1H20, Northern Manhattan saw 37 transactions consisting of 68 properties totaling \$385.71 million. Year-over-year, this represents a 14% reduction in transaction volume, a 1% reduction in property volume and a 42% reduction in dollar volume. The dollar and transaction volume seen so far this year is comparable to what the market saw during the depths of the Great Recession from the 2nd half of 2008 through 2010.

Northern Manhattan's multifamily sector started the year at a relatively slow pace as values continued to adjust from the 2019 rent regulations and as investors braced for the potential of further rent reforms in 2020, particularly the 'good cause' eviction bill that was under consideration. Covid-19 swept aside the possibility of further rent reform this year as the government devoted its full attention to managing the virus's impact. 1H20 saw 19 multifamily transactions totaling \$155.538 million in gross consideration, which represents a 27% decline in transaction volume and a 40% decline in dollar volume year-over-year.

Though few multifamily properties have come to market and those that did have been hampered by logistical challenges to tours and routine due diligence activities, recent bidding activity and contract signings suggest pricing to be down 10-20% from last year's figures. Retail in mixed-use properties remains a major challenge and while residential rents are facing downward pressure, collections have been buoyed by temporary government stimulus. Lenders are currently underwriting with a laser-focus on in-place cashflows and collections, giving little weight to retail income, vacancies and proformas.

Development sites also saw light trading activity. As previously mentioned, all 1H20 transactions were closed or put in contract pre-Covid. One notable sale took place at 620 West 153rd Street, a ~150,000 buildable square foot site between Broadway and Riverside Drive that sold for \$28.75 million or \$191/BSF. The average price per buildable square foot for ground-up development sites came in at \$180/BSF, which represents a 16% drop from 2019 levels. That said, few ground up development sites sold so the small sample size makes this figure particularly sensitive. The 1H20 also saw several small vacant conversion opportunities trade, typically for \$350-450 per square foot depending on location and condition.

Office and commercial property sales in Northern Manhattan were notably strong during the 1H20. The sector was led by the \$45.252 million purchase of a 67,000 square foot office condominium at 117 West 124th Street by the Children's Aid Society for their new, consolidated headquarters. The price translated to \$675 per square foot. Several other office condominiums and retail condominiums sold for values hovering between \$525-600 per square foot.

As we look to 2H20, the outlook for the Northern Manhattan and broader New York City real estate market is unclear. Two certainties to count on for the moment are that interest rates are expected to remain near

record low levels for the foreseeable future and that the Federal Reserve will continue to employ swift, decisive actions to avoid a financial crisis like we had in 2008. The speed and strength of the economic recovery will largely depend on how quickly the scientific community develops effective treatments and our collective ability to contain its spread and avoid another shutdown. The federal government's fiscal stimulus provided tremendous support thus far but it remains to be seen how much additional support will be provided to struggling state governments and businesses. Lastly, investment sales activity may remain subdued in the run-up to the 2020 elections, which will have major implications for tax and housing policy in 2021 and beyond.

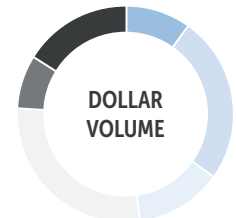
We look forward to our continued efforts in providing the Northern Manhattan community with the most informative and insightful market knowledge available. Please feel free to contact us for further information regarding any of the enclosed properties or to discuss real estate trends in general.

We wish you good health and safety during this challenging time.

2

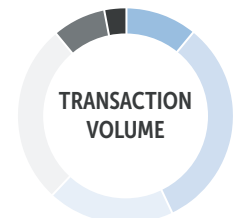
## DOLLAR VOLUME COMPARISON BY SUB-MARKET

10%	Washington Heights	\$36,884,393
25%	Central Harlem	\$97,712,210
13%	Hamilton Heights	\$51,143,931
28%	East Harlem	\$107,250,867
0%	West Harlem	\$0
8%	Inwood	\$29,535,068
16%	Morningside Heights	\$63,184,422
	GRAND TOTAL	\$385,710,892



## TRANSACTION VOLUME COMPARISON BY SUB-MARKET

11%	Washington Heights	4
32%	Central Harlem	12
19%	Hamilton Heights	7
27%	East Harlem	10
0%	West Harlem	0
8%	Inwood	3
3%	Morningside Heights	1
	GRAND TOTAL	37



# REAL ESTATE TIMELINE / PRICING METRICS

**\$339**

\$/SF - Multifamily

**\$247,001**

\$/Unit - Multifamily

**4.80%**

Cap Rate - Multifamily

**9.67**

GRM - Multifamily

**\$180**

\$/BSF - Development\*

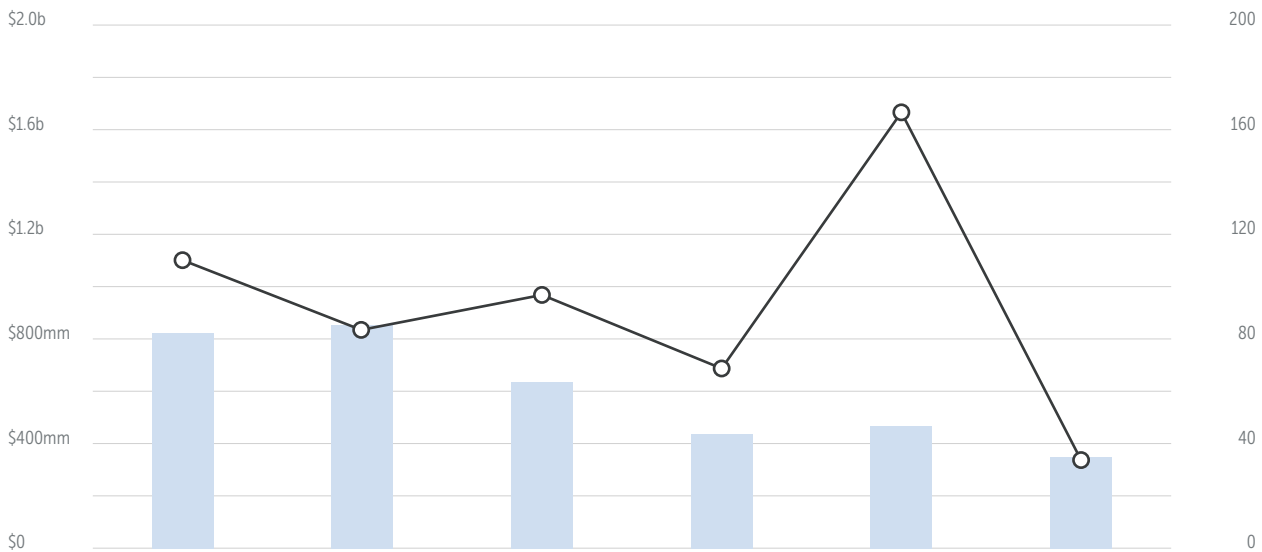
**\$552**

\$/SF Commercial

2020 Property Value Metrics

## NORTHERN MANHATTAN 2017 - 2020 REAL ESTATE TIMELINE

Transaction Volume ● | Dollar Volume ○



	2H 2017	1H 2018	2H 2018	1H 2019	2H 2019	1H 2020
Trans Vol:	<b>81</b>	<b>85</b>	<b>63</b>	<b>43</b>	<b>45</b>	<b>37</b>
Dollar Vol:	<b>\$1.11B</b>	<b>\$808MM</b>	<b>\$981MM</b>	<b>\$669MM</b>	<b>\$1.66B</b>	<b>\$386MM</b>

## PROPERTY VALUE METRIC COMPARISON (2013 - 2020)

INDICATOR	2013	2014	2015	2016	2017	2018	2019	2020
\$/SF - Multifamily**	\$219	\$271	\$337	\$361	\$382	\$376	\$353	\$339
\$/Unit - Multifamily**	\$178,971	\$236,520	\$273,232	\$315,261	\$320,729	\$314,012	\$307,738	\$247,001
Cap Rate - Multifamily**	4.92%	4.56%	4.28%	3.95%	4.08%	4.06%	4.73%	4.80%
GRM - Multifamily**	11.21	12.82	14.66	15.87	15.24	15.36	13.72	9.67
\$/BSF - Development*	\$119	\$135	\$199	\$228	\$209	\$218	\$216	\$180
\$/SF - Commercial	\$589	\$496	\$635	\$838	\$1,240	\$759	\$725	\$552

\*reflects transactions of vacant land or equivalent development sites  
 \*\*reflects multifamily transactions of 10+ residential units

## OBSERVATIONS BY PRODUCT TYPE

	PROPERTY TYPE	1H 2020	% CHANGE 1H '20 - 2H '19	2H 2019	% CHANGE 1H '20 - 1H '19	1H 2019
DOLLAR VOLUME	Multifamily	\$155,538,729	-89%	\$1,453,101,385	-40%	\$258,675,000
	MF-MU 10+ resi units	\$138,397,110	-90%	\$1,425,155,000	-41%	\$233,020,000
	MF-MU 6-9 resi units	\$9,858,382	-44%	\$17,694,973	-48%	\$18,955,000
	MF-MU Small	\$7,283,237	-29%	\$10,251,412	9%	\$6,700,000
	Commercial	\$28,560,694	214%	\$9,100,000	1%	\$28,291,000
	Ind / WH / Sto*	\$0	N/A	\$0	N/A	\$0
	Development	\$140,227,004	-12%	\$159,225,000	14%	\$122,576,000
	Office	\$61,384,465	667%	\$8,000,000	N/A	\$0
	Special Purpose	\$0	N/A	\$31,756,929	N/A	\$259,707,500
	GRAND TOTAL	\$385,710,892	-77%	\$1,661,183,314	-42%	\$669,249,500

TRANSACTION VOLUME	Multifamily	19	-21%	24	-27%	26
	MF-MU 10+ resi units	12	-8%	13	-20%	15
	MF-MU 6-9 resi units	5	-17%	6	-38%	8
	MF-MU Small	2	-60%	5	-33%	3
	Commercial	4	300%	1	-20%	5
	Ind / WH / Sto*	0	N/A	0	N/A	0
	Development	11	-21%	14	10%	10
	Office	3	200%	1	N/A	0
	Special Purpose	0	N/A	5	N/A	2
	GRAND TOTAL	37	-18%	45	-14%	43

PROPERTY VOLUME	Multifamily	43	-31%	62	0%	43
	MF-MU 10+ resi units	35	-31%	51	9%	32
	MF-MU 6-9 resi units	6	0%	6	-25%	8
	MF-MU Small	2	-60%	5	-33%	3
	Commercial	5	400%	1	-29%	7
	Ind / WH / Sto*	0	N/A	0	N/A	0
	Development	16	0%	16	-6%	17
	Office	4	300%	1	N/A	0
	Special Purpose	0	N/A	5	N/A	2
	GRAND TOTAL	68	-20%	85	-1%	69

\*Ind / Wh / Sto: Industrial / Warehouse / Self Storage

# FEATURED TRANSACTIONS

Morningside Heights  
**92-100 CLAREMONT AVENUE**



Property Type: **Development**  
 Sale Amount: **\$60,727,250**  
 \$/BSF: **\$174**  
 Sale Date: **6/22/2020**

Central Harlem  
**117 WEST 124<sup>TH</sup> STREET**



Property Type: **Office Condo**  
 Sale Amount: **\$45,252,000**  
 \$/SF: **\$675**  
 Sale Date: **3/4/2020**

Hamilton Heights  
**620 WEST 153<sup>RD</sup> STREET**



Property Type: **Development**  
 Sale Amount: **\$28,750,000**  
 \$/BSF: **\$191**  
 Sale Date: **5/15/2020**

Central Harlem  
**CENTRAL HARLEM LIHTC PORTFOLIO**



Property Type: **Multifamily**  
 Sale Amount: **\$13,750,000**  
 \$/SF: **\$133**  
 Sale Date: **4/14/2020**

Washington Heights  
**1314 RIVERSIDE DRIVE**

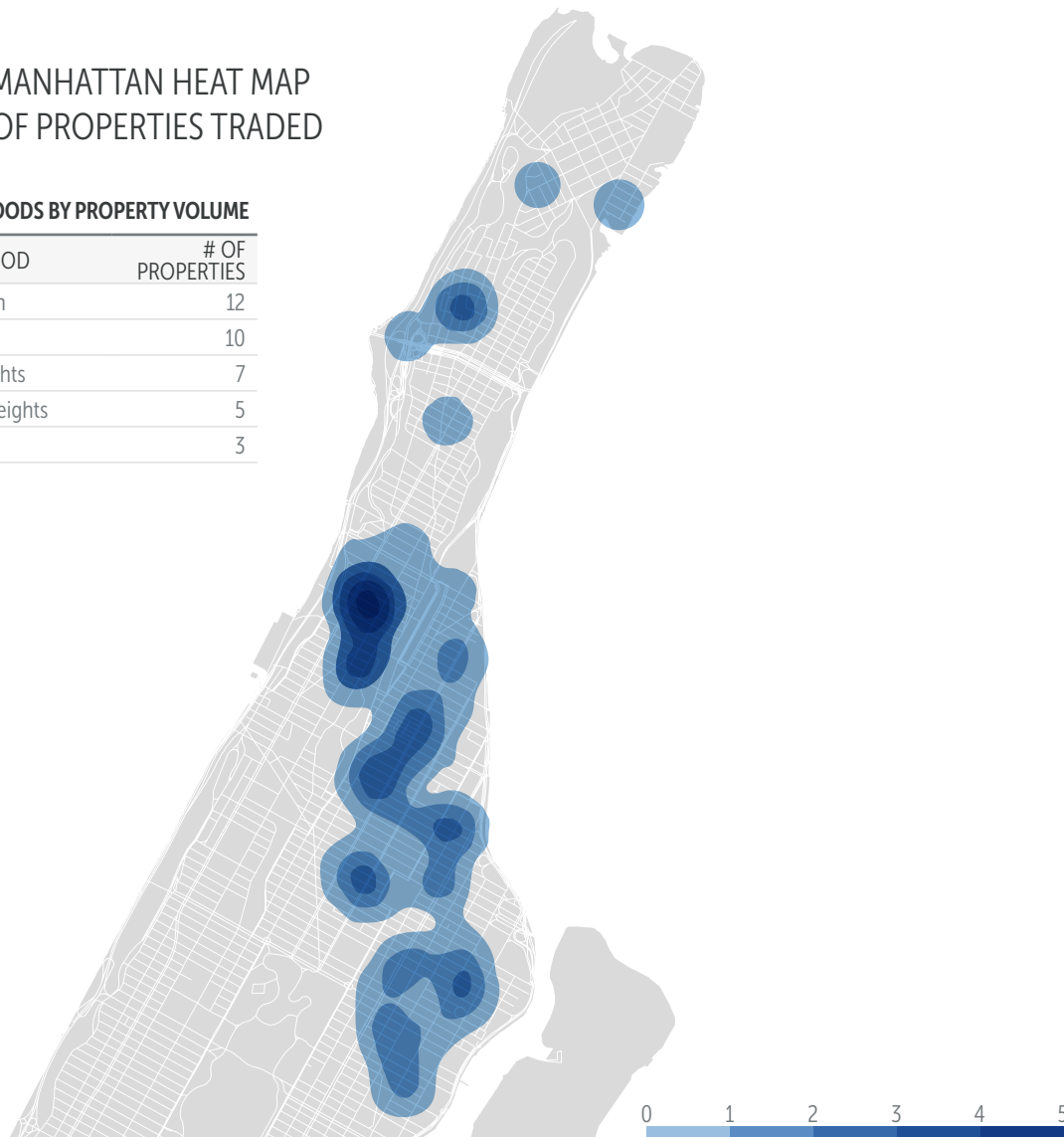


Property Type: **Multifamily**  
 Sale Amount: **\$10,150,000**  
 \$/SF: **\$246**  
 Sale Date: **3/11/2020**

## NORTHERN MANHATTAN HEAT MAP BY NUMBER OF PROPERTIES TRADED

### TOP 5 NEIGHBORHOODS BY PROPERTY VOLUME

NEIGHBORHOOD	# OF PROPERTIES
1. Central Harlem	12
2. East Harlem	10
3. Hamilton Heights	7
4. Washington Heights	5
5. Inwood	3



# DEVELOPMENT PROJECTS IN PROGRESS

## BOROUGH-WIDE PROJECT UPDATES



### 72 East 120<sup>th</sup> Street

Developer: **BFC Partners**  
 Status: **Planned**  
 Type: **Mixed Use**  
 Gross SF: **251,869**



### 77 East 118<sup>th</sup> Street

1681 Madison Avenue

Developer: **BFC Partners**  
 Status: **Planned**  
 Type: **Mixed Use**  
 Gross SF: **233,246**



### 1998 2<sup>nd</sup> Avenue

Developer: **Bolivar Development**  
 Status: **In Progress**  
 Type: **Mixed Use**  
 Gross SF: **144,733**



### 1975 Madison Avenue

Developer: **Round Square Development**  
 Status: **Planned**  
 Type: **Mixed Use**  
 Gross SF: **116,830**



### 1834 Third Avenue

Developer: **Wonder Works Construction**  
 Status: **In Progress**  
 Type: **Condo, Mixed Use**  
 Gross SF: **61,435**



### 11 West 118<sup>th</sup> Street

Developer: **Camber Property Group**  
 Status: **In Progress**  
 Type: **Affordable, Residential**  
 Gross SF: **54,939**

### NORTHERN MANHATTAN 2020 DEVELOPMENT\* ACTIVITY BY SUB-MARKET

LOCATION	TOTAL DOLLAR VALUE TRADED	TOTAL TRANSACTIONS	TOTAL PROPERTIES TRADED	TOTAL BSF
Central Harlem	\$3,730,000	2	2	13,785
East Harlem	\$7,630,000	4	4	44,660
Hamilton Heights	\$33,250,000	2	3	163,634
Inwood	\$12,536,482	1	1	162,063
Morningside Heights	\$60,727,250	1	2	350,000
Washington Heights	\$16,900,000	1	3	177,824
<b>GRAND TOTAL</b>	<b>\$134,773,732</b>	<b>11</b>	<b>15</b>	<b>911,966</b>

\*Includes vacant land & conversion properties only and doesn't include projection data

INVESTMENT SALES,  
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MARKET  
REPORTS



COMPLIMENTARY  
ASSET  
EVALUATIONS



QUALITY  
BROKERAGE  
SERVICES



## ABOUT US

Ariel Property Advisors is an investment real estate services and advisory company located in New York City.

Our company is unique to the industry in that it is structured like an investment bank, with separate divisions for investment sales, capital services and research. This strategic approach to commercial brokerage services allows our professionals to deploy greater resources and provide consistent, seamless execution to every transaction.

We cover all major commercial asset types throughout the New York metropolitan area, but maintain a very sharp focus on multifamily, mixed-use, development, commercial and industrial properties.

From consultation through closing, our professionals are dedicated to achieving optimal results for our clients. Combining the insights of veteran brokers with the latest real estate market intelligence, we find solutions that meet the specific needs of both the client and the asset.

Cultivating long-lasting relationships with the real estate community is essential to the success of both our firm and our clients, so we encourage all market participants to use our company as a resource.

Contact us today for Asset Evaluations, listing information, financing opportunities or our latest market reports.

# FEATURED MARKET ACTIVITY

## BY ARIEL PROPERTY ADVISORS



**ONE BENNETT PARK -  
29 OVERLOOK TERRACE**  
New York, NY 10033

Location: **Washington Heights**  
Property Type: **Development**

**FOR SALE: \$15,000,000**



**487 WEST 129<sup>TH</sup> STREET**  
New York, NY 10027

Location: **West Harlem**  
Property Type: **Development**

**LAND LEASE: \$1,800,000 / PER  
ANNUM GROUND LEASE**



**88 EAST 111<sup>TH</sup> STREET**  
New York, NY 10029

Location: **East Harlem**  
Property Type: **Multifamily, Retail**

**FOR SALE: \$8,700,000**



**2031-2033 3<sup>RD</sup> AVENUE**  
New York, NY 10029

Location: **East Harlem**  
Property Type: **Development**

**FOR SALE: \$8,000,000**

8



**220-228 EAST 118<sup>TH</sup> STREET**  
New York, NY 10035

Location: **East Harlem**  
Property Type: **Development**

**FOR SALE: \$8,000,000**



**524 EAST 119<sup>TH</sup> STREET**  
New York, NY 10035

Location: **East Harlem**  
Property Type: **Multifamily**

**FOR SALE: \$7,750,000**



**161-165 WEST 132<sup>ND</sup> STREET**  
New York, NY 10027

Location: **Central Harlem**  
Property Type: **Development**

**FOR SALE: \$7,500,000**



**463 WEST 142<sup>ND</sup> STREET**  
New York, NY 10031

Location: **Hamilton Heights**  
Property Type: **Development**

**SOLD: \$4,500,000**



**551 WEST 161<sup>ST</sup> STREET**  
New York, NY 10032

Location: **Washington Heights**  
Property Type: **Multifamily**

**FOR SALE: \$3,950,000**



**521 WEST 134<sup>TH</sup> STREET**  
New York, NY 10031

Location: **Hamilton Heights**  
Property Type: **Development**

**FOR SALE: \$3,800,000**





**2262 FREDERICK DOUGLASS BOULEVARD**  
New York, NY 10027

Location: **Central Harlem**  
Property Type: **Development**

**FOR SALE: \$3,600,000**



**1882 PARK AVENUE**  
New York, NY 10035

Location: **East Harlem**  
Property Type: **Commercial Building**

**FOR SALE: \$2,150,000**



**2791 FREDERICK DOUGLASS BOULEVARD**  
New York, NY 10039

Location: **Central Harlem**  
Property Type: **Commercial Condo**

**FOR SALE: \$1,900,000**



**2805 FREDERICK DOUGLASS BOULEVARD**  
New York, NY 10039

Location: **Central Harlem**  
Property Type: **Development**

**FOR SALE: \$1,695,000**



**304 WEST 137<sup>TH</sup> STREET**  
New York, NY 10030

Location: **Central Harlem**  
Property Type: **SRO**

**IN CONTRACT: PLEASE INQUIRE**

For a full list of properties for sale please visit us at [arielpa.nyc](http://arielpa.nyc)

Join Our Network:



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## OUR METHODOLOGY

### Data collection:

- Property transfers are collected through ACRIS and Property Shark each week, vetted by the research team, and cross-checked with news articles.
- Information obtained from third-party sites such as Costar and LoopNet, along with news articles from sites such as The Real Deal.
- Information from appraisers and brokers on sales not yet publicized.

### Criteria:

- Minimum sales price of \$1mm
- Does not include city transactions, internal sales, notes & ground leases

### Projections:

- Sales are averaged on a per-day basis throughout the year and projected as such
- The assumed ACRIS transfer lag time is 30 days -if final data collection is July 1, we are projecting the sales that will eventually surface from 16-30.

### Location Definitions:

- Manhattan - South of East 96<sup>th</sup> Street and South of West 110<sup>th</sup> Street
- Northern Manhattan - North of East 96<sup>th</sup> Street, North of West 110<sup>th</sup> Street
- The Bronx - Bronx Borough
- Brooklyn - Brooklyn Borough
- Queens - Queens Borough



## COMPLIMENTARY ASSET EVALUATION

Please call us at 212.544.9500 to request an Asset Evaluation

Whether you are considering selling your building or you just want to know the current market value of your property, we are available to provide you with a complimentary asset evaluation. Produced by the joint efforts of our investment sales and investment research teams, an Asset Evaluation will provide you with a thorough analysis of your investment property, and will detail our future marketing efforts on your behalf.

## CAPITAL SERVICES DIVISION

A Diligent Approach for Procuring Your Ideal Commercial Real Estate Lender

Our Capital Services Division provides clients with a broad spectrum of funding sources through our established relationships with over 70 lending entities coupled with our powerful research & investment sales platforms. Our dynamic professionals are immersed in the market, versed in the competition and service each client with a personalized unique offering memorandum and ongoing financial guidance.

For more information, please contact:  
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