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Manhattan Commercial-Property Deals Reached Record in '12

By David M. Levitt - Jan 22, 2013

Manhattan had a record number of commercial real estate sales last year as landlords rushed to complete deals before an expected tax increase, according to Massey Knakal Realty Services.

Transactions totaled 1,148 for the area south of 96th Street on the east side and below 110th Street on the west side, the New York-based brokerage said in a report today. That represents about 4.2 percent of the area's properties, the most since Massey Knakal began keeping records in 1984.

Sales were fueled by rising demand for apartments and retail properties, said Robert Knakal, co-founding partner of the brokerage. Volume jumped toward the end of the year as owners sought to finish deals before an expected increase in the U.S. capital-gains tax, he said.

"Tax policies almost always have an impact on what happens in the marketplace," Knakal said in a telephone interview. "People were rushing to get transactions done."

About 38 percent of the year's sales were in the fourth quarter, a record for a single three-month period, according to the report.

"Typically, we sell 30 to 40 buildings in a month," Knakal said. "We sold 120 buildings in December."

Transactions last month included TIAA-CREF's purchase of a 49 percent stake in the Frank Gehry-designed luxury apartment tower in the financial district.

Buyers paid $30.3 billion for Manhattan commercial real estate in 2012, the most since $52.5 billion in 2007, when 999 properties changed hands, according to Massey Knakal. Sales that year were driven by easy access to securitized credit, which dried up in 2008 after banks lost billions on bad mortgages.

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