

## New York City Commercial-Property Sales To Rise In '12, Massey Knakal Says

By David M. Levitt - Jan 17, 2012 1:35 PM ET

Sales of commercial properties in [New York City](#) are likely to be "way up" this year from 2011's \$25.6 billion, as the market rebounds from the financial crisis, executives from Massey Knakal Realty Services said.

The brokerage, which specializes in New York-area investment transactions, projected a 60 percent to 75 percent increase in sales [volume](#) to \$41 billion to \$45 billion. The seven-year average is \$30 billion, the Manhattan-based firm said in a report released today.

"We expect volume to be way up in 2012" because of a "regression to long-term trends" and a potential increase in capital-gains taxes next year, Chairman Robert Knakal said at a briefing.

Developers anticipating better times ahead have been driving up values of construction sites, looking beyond such potential obstacles as an interest-rate increase and reduced lending stemming from [Europe's](#) debt crisis, said Paul Massey, the firm's chief executive officer. Sales slowed in the second half as bidders failed to match seller expectations after [Standard & Poor's](#) downgraded the U.S. credit rating and the threat of default by [Greece](#) and other European nations grew.

Deals in the fourth quarter totaled \$6 billion, down from \$7.1 billion in the previous three months and \$8.5 billion in the second quarter, the highest quarterly total since 2008, Knakal said.

The firm is advising clients to consider selling to avoid possibly higher capital-gains taxes in 2013, Knakal said. With President [Barack Obama](#), who favors increasing the levies, leading in polls, sellers may want to act quickly because it takes several months to market a property and complete a deal, he said.

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