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Property sales surge across city

Post-recession records seen this year in terms of the price and the number of deals as owners decide the time has come to take their profits, and as the focus of buyer interest shifts to the outer boroughs where prices are lower and potential returns higher.

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Sales of properties of all sorts soared all across the city in the first quarter from the levels of a year earlier, and are on pace to set post-recession records for the year in terms of the number of sales and the average price per square foot, according to a report released Tuesday morning by Massey Knakal Realty Services.

"It is just about as good as it could be," said Bob Knakal, the firm's chairman, citing projections that total sales are expected to hit \$53 billion citywide this year, which would translate to a 40% jump over 2013's level. Even more remarkably, the number of sales is projected to reach an all-time high of 5,020 this year, and in Manhattan the average price per square foot is also expected to set a new all-time record.

Those two factors are feeding on each other noted Mr. Knakal, with the surge in the price of real estate prompting a ballooning in the supply of all sorts of properties on the market as more landlords decide to take their profits.

"People are looking at properties and saying 'my property that was worth \$25 million is now worth \$75 million—I'm selling,'" he said. "The increase in values is just so compelling."

Much of the growth in sales in the first quarter came from outside of Manhattan. That borough accounted for a mere 18% of total sales in the period, down from a recent peak of 32% in 2011, as investors reached deeper into the city to snap up attractively priced assets. In Brooklyn, for example, 492 properties changed hands in the first three months of the year, the second highest quarterly number ever, behind only the first quarter of 2007. In dollar terms those sales totaled \$1.67 billion, again a record.

"What's driving record numbers across the city is a really big push by buyers into the outer boroughs," said James Nelson, a partner at the firm.

The gains in prices per square foot citywide were broad-based but were paced by big increases in the price of retail properties. High-priced Manhattan saw two eye-popping sales in the first quarter with retail space at 112-115 Prince St. fetching \$9,900 a square foot and at 737 Madison Ave. a whopping \$31,000 a square foot, but the percentage gains in retail space prices were bigger in the other boroughs.



Buck Ennis

Massey Knakal Realty Services expects total property sales in the city to reach \$53 billion this year.