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NYC Sales Hit Post-Recession Highs

By Paul Bubny | New York

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Knakal says it's feeling a lot like 2007.

NEW YORK CITY—"The investment sales market in New York is about as good as it could be," **Robert Knakal**, chairman of **Massey Knakal Realty Services**, said at the firm's quarterly media briefing Tuesday morning. On an annualized basis, the first quarter has set a new record for the number of properties sold citywide, and all of the metrics charted by Massey Knakal at very least set a new post-recession high during Q1 when annualized.

The number of properties hit 5,020 during the quarter, up 28% on an annualized basis, while dollar volume across the city rose 39% to an annualized \$53.1 billion during Q1,

while. The actual tally of \$13.3 billion for the quarter was up 108% year-over-year, said Knakal.

"We're feeling very much like we did in 2007," he observed. If sales maintain their present rate, the year will close with more sales transactions than we saw in '07.

What's driving the volume of sales year to date across the city? In a word, supply. Historically, demand for New York City properties has exceeded supply for as long as Massey Knakal has kept track, with the exception of the Resolution Trust Corp. days of 1992. This year, "the increase in value has been so compelling that stuff is coming onto the market" as formerly reluctant sellers get into the game, said Knakal.

That increase in supply, and therefore volume, is not coming only from Manhattan south of 96th Street. In fact, Manhattan's share of the total number of properties sold YTD is the smallest since 2006 at 18%, after reaching a high point of nearly one-third of the total in 2011. "What's driving New York City is the push to the outer boroughs," said partner **James Nelson**, a blogger for [GlobeSt.com](#).

Also claiming an increasingly large slice of the pie are sales in the development and office categories. In Manhattan, for example, development sites' share of the pie has gone from 5% of the total number of properties sold in 2009 to 18% in Q1 of this year, Nelson said. Pricing on parcels has increased by nearly two-thirds since 2009, and Q1's citywide average of \$209 per buildable square foot marks the third consecutive quarter that pricing in this asset class has exceeded \$200 per square foot, according to figures from Massey Knakal.