

# REAL ESTATE WEEKLY

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\$1.75

## As ups and downs continue, search for balance starts

Despite high hopes for a New Year bump in the investment sales arena, Massey Knakal Realty Services reported the market has remained flat from 2009 levels.

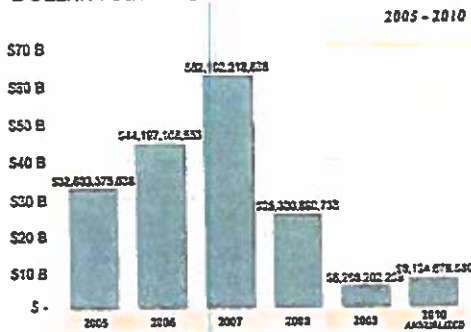
However, issuing the company's first quarter Property Sales Report, Massey Knakal chairman and founding partner Robert A. Knakal wasn't all doom and gloom.

"It is important to note that building sales data is always a lagging indicator of market conditions and the trend towards improving conditions since late 2008, early 2009

issues," he said.

The total number of properties sold citywide in 1Q10

### ANNUAL DOLLAR VOLUME



tracks, Manhattan has been the best performing thus far in 2010.

The 99 sales (occurring south of 96th Street on the east side and south of 110th Street on the west side) represent a 98% increase from the 50 total sales in 1Q09, but a 12% decrease from the 112 sales in 4Q09.

The borough with the least activity was Brooklyn in which there were only 107 properties sold in 1Q10, down 24.6% from the 142 sales in 1Q09 and down 11.6% from the 121 sales in 4Q09.

For dollar volume, the best performing area was Northern Manhattan which saw a 197% increase in activity from 1Q09 and a 51% increase from 4Q09. Brooklyn was the weakest performer with \$162 million of sales in 1Q10, down 23% from 1Q09 and 41% below the \$274 million of sales in 4Q09.

Report highlights include the following:

**MANHATTAN** (south of 96th Street on the east side and south of 110th Street on the

west side)

• There were 99 Manhattan properties sold in 1Q10, which was up 98% from 1Q09, but down 12% from 4Q09 and down 63% from the peak 1Q07.

• Aggregate sales consideration in 1Q10 was approximately \$1.5 billion, up 0.2% from 1Q09 (\$1.5B) and up 51% from 4Q09, but down 91% from the peak 1Q07 (\$17.2B).

• There were five (5) sales over \$100M in 1Q10, whereas there were only seven in all of 2009.

#### BROOKLYN

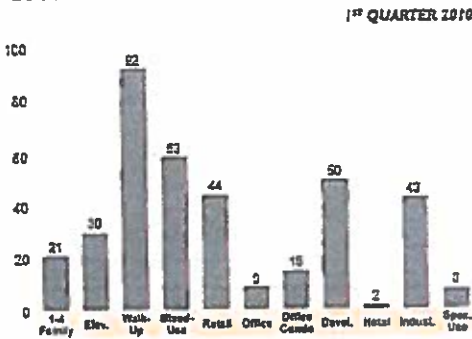
• There were 107 Brooklyn properties sold in 1Q10, which was down 25% from 1Q09, down 12% from 4Q09 and down 80% from the peak 1Q06.

• Aggregate sales consideration in 1Q10 was approximately \$162M, down 23% from 1Q09 (\$209M), down 41% from 4Q09 (\$274M), and down 86% from the peak 1Q06 (\$1.1B).

#### QUEENS

• There were 91 Queens

### PROPERTY SALES VOLUME BY PROPERTY TYPE



properties sold in 1Q10, which was down 13% from 1Q09, down 5% from 4Q09, and down 70% from the peak 1Q06.

• Aggregate sales consideration in 1Q10 was approximately \$143M, down 21% from 1Q09 (\$181M), down 32% from 4Q09 (\$211M), and down 82% from the peak 1Q08 (\$775M).

**NORTHERN MANHATTAN** (north of 96th St. east of Central Park and north of

110th St. west of Central Park)

• There were 35 Northern Manhattan properties sold in 1Q10, which was up 94% from 1Q09 and up 25% from 4Q09, but down 57% from the peak 1Q07.

• Aggregate sales consideration in 1Q10 was approximately \$117M, up 197% from 1Q09 (\$39M) and up 51% from 4Q09 (\$78M), but down 80% from the peak 1Q06 (\$580M).

#### THE BRONX

• There were 41 Bronx properties sold in 1Q10, which was down 15% from 1Q09, down 79% from the peak 1Q07, but even with 4Q09.

• Aggregate sales consideration in 1Q10 was approximately \$70M, down 13% from 1Q09 (\$80M), down 7% from 4Q09 (\$75M), and down 93% from the peak 1Q07 (\$932M).

"While the volume of sales has been relatively flat, we expect volume to rise over the next few quarters as pent up and overwhelming demand continues to outpace the supply of available properties for sale. This dynamic will exert upward pressure on values," said Knakal.

"However, as the supply of distressed assets continues to climb, this addition to supply will exert downward pressure on value.

"Whichever factor becomes dominant will determine the direction of value moving forward," said Knakal.



ROBERT KNAKAL

was 373, up 2.8% from the 363 properties sold in 1Q09. This was down 6.3% from the 398 properties sold in 4Q09.

1Q10 activity also remained 72% below the 1,353 sales occurring in the peak 1Q07.

Within the different market segments Massey Knakal