

N. Manhattan building sales start off strong

April 13, 2010 08:50PM *By Amy Tennery*



Robert Knakal of Massey Knakal Realty Services

While commercial real estate experts had expected to see a significant uptick in market activity in the first quarter of 2010, the volume of building sales in New York City stayed relatively stagnant, according to Massey Knakal Realty Services' first-quarter report, released today.

The city had one borough that showed some strides -- Manhattan, with the northern part of the borough producing particularly strong figures.

There were 35 properties sold in the first quarter in northern Manhattan (which covers north of 96th Street on the East Side and north of 110th Street on the West Side), 94 percent higher than was seen during the same time period a year earlier. Aggregate sales meanwhile, which hit approximately \$117 million, went up 197 percent over first-quarter 2009.

While the rest of the borough gave a strong showing in its transaction volume, with 99 properties sold in the first quarter, marking a 98 percent increase over the same quarter a year earlier, the uptick in aggregate sales was not as impressive as in the triple-digit blocks of Northern Manhattan. Aggregate sales were around \$1.5 billion in the first quarter of 2010, up just 0.2 percent from the same quarter a year earlier.

There were a total of 373 properties sold in New York City the first quarter of this year, up a modest 2.8 percent from the same quarter a year earlier, when 363 properties sold. The figure pales in comparison to the market's peak of 1,353 property sales in the first quarter of 2007.

Robert Knakal, chairman of Massey Knakal, said the report, which was culled from public sources such as the city's ACRIS, clearly showed the rebound in some areas.

"We've seen a very strong recovery in Northern Manhattan," Knakal said, in part because, "that market overshot to the downside... during this past down cycle."

Robert Shapiro, vice president of sales at Massey Knakal, said the multi-family sector in northern Manhattan remains attractive to investors.

Recent deals have included Goldfarb Properties closing on an approximately 85,000-sqaure-foot rental building at 920 Riverside Drive for \$15.675 million in January.

Two-and-a-half-months later, another buyer bought a trio of multi-family buildings -- 839, 845, and 853 Riverside Drive -- for a combined \$17.3 million.

"It's one of the few areas within Manhattan that has below-market rents," Shapiro noted.

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