



Property Sales Report
3Q 2013

Press Conference 10/15/2013



Realty Services

Property Sales Report

Headline Statement



Realty Services

"The recovery in New York City's property sales market accelerated in the third quarter of 2013 but its dynamics have changed. As pricing for existing Manhattan properties has exploded, investors are stepping up the risk ladder chasing yield and increasingly buying development and value-added properties as well as properties outside of Manhattan."

Property Sales Report

3Q13: New York City Performance



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	3Q13	2013 1-3Q13	2012	2013 % from 2012	2013 % from 2011
Dollar Volume	\$8B	\$30.2B*	\$41B	-26%	8%
Properties Sold	996	3,251*	4,066	-20%	46%
Average Price per Property	\$8.1M	\$9.3M	\$10.1M	-8%	-26%
Average Price per SF	\$451	\$455	\$469	-3%	13%
Average Price per BSF	\$215	\$186	\$198	-6%	3%

* Annualized



Sales Market Overview

Economics



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Economics Shutdown!



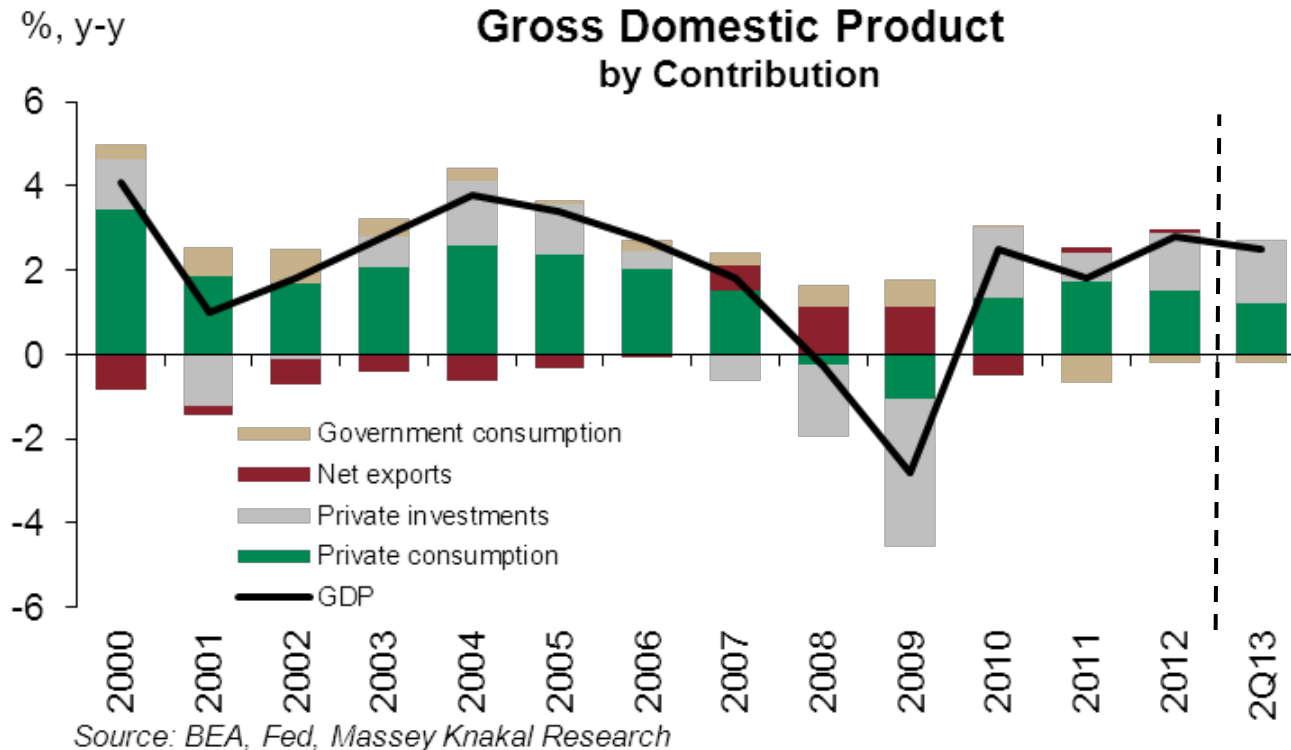
Due to the lapse in government funding, www.bea.gov will be unavailable until further notice. This includes access to all data and the e-File system.

We sincerely regret this inconvenience.

Additional information can be found at [link to PDF](#).

Updates regarding government operating status and resumption of normal operations can be found at www.usa.gov.

Due to the Government shutdown – there will be no economics update this quarter!



- The end of 2012 and the beginning of 2013 were shaped by austerity, which dragged down overall GDP growth
- Private consumption remained a disappointing component as it contributed 1.2% to 2Q13's economic growth – the historical average is 1.9%.
 - Particularly as we are in a recovery, private consumption should be higher
- The government shutdown is expected to have a short-term effect on economic growth and economists slash 4Q13 forecasts. That effect is stronger, the longer the shutdown lasts.
 - For example, Merrill Lynch lowered its 4Q13 forecast by 50 bps to 2%

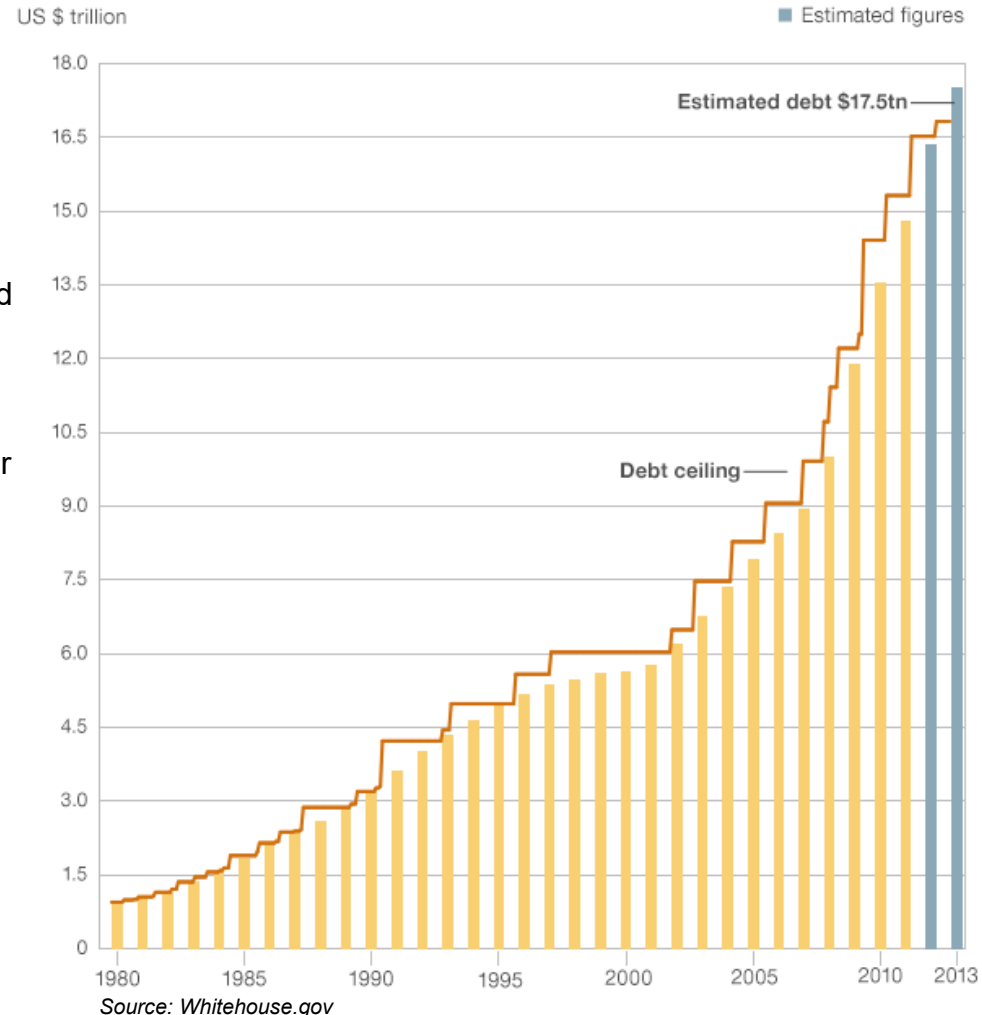
Economics

A fragile economy – consequences for CRE



- The major impact the shutdown has on the economy and CRE is that it is fuelling markets' nervousness.
- As the shutdown and the debt ceiling debate create uncertainty rather than confidence, corporates may defer decisions, like leasing office space, to a later point in time.
- Similar applies – although to a lesser extent – to the property investment market.
- The adverse economics effects, may cause the Fed to further delay tapering as QE is bound to economic activity.
 - This will support low treasury rates and favorable financing conditions.

US debt and the debt ceiling



Sales Market Overview

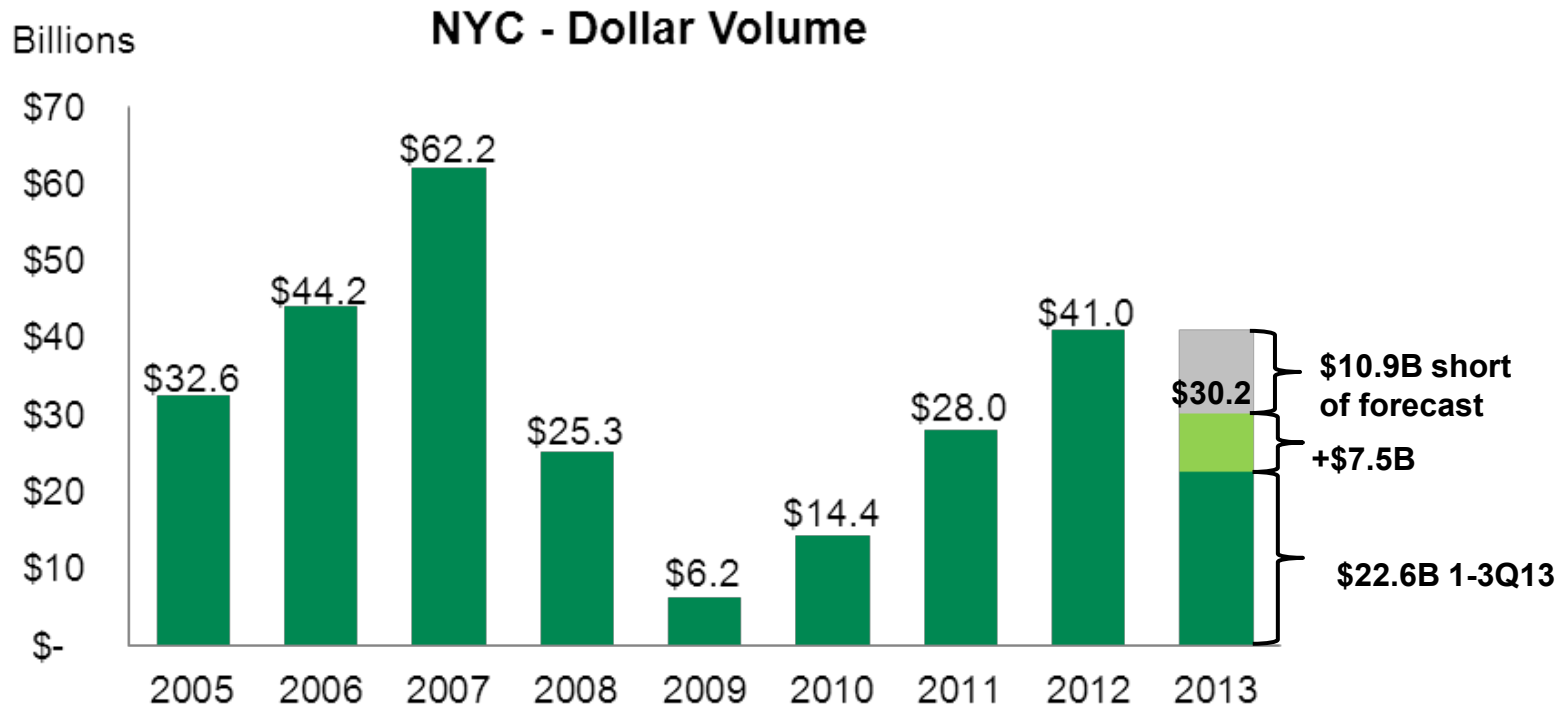
New York City



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New York City

Dollar volume – Below forecast



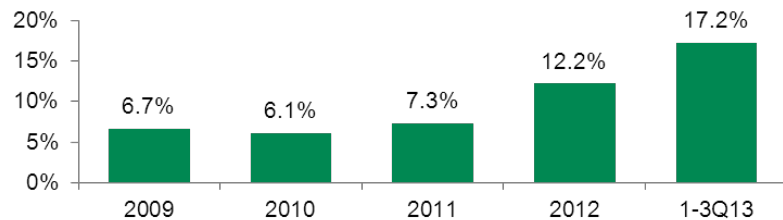
Source: Massey Knakal Research

- Dollar volume picked up pace slower than expected and is \$30.2B on an annualized basis
 - Due to a lack of 'mega deals', the average price per property dropped from \$10.1M in 2012 to 8.1M in 3Q13
- The deal pipeline for the remainder of the year is substantial with \$5B to \$7B expected to be generated from 'mega deals' alone (e.g. Park Avenue Atrium, Time Warner Center)
- With \$1.3B, Northern Manhattan already exceeds the 2012 total (\$1.1B)

New York City

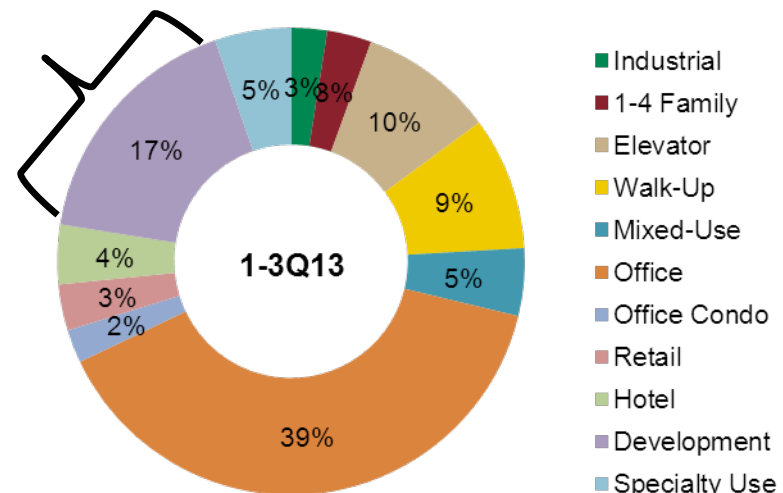
Dollar volume – Resurgence of dev. sites

Share of developments of total dollar volume



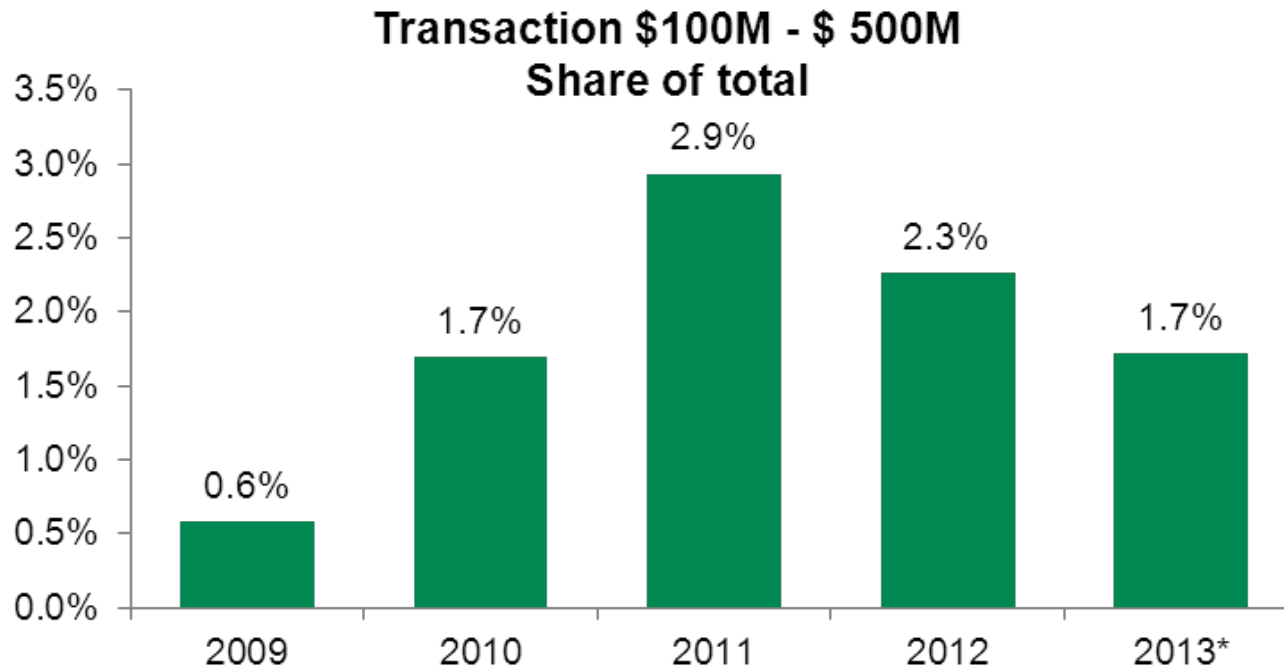
Source: Massey Knakal Research

NYC - Dollar Volume



Source: Massey Knakal Research

- Dollar volume was dominated by the office sector, with 39% of the total
- The more interesting aspect, however, is the importance of developments
- Through 3Q13, development sites generated 17% of total dollar volume doubling the sectors recent historic average (2009-2012)
- In 3Q13, developments were responsible for 22% of the total dollar volume
- Resurgence of development sites indicates increasing confidence in future NYC property performance



* Annualized

Source: Massey Knakal Research

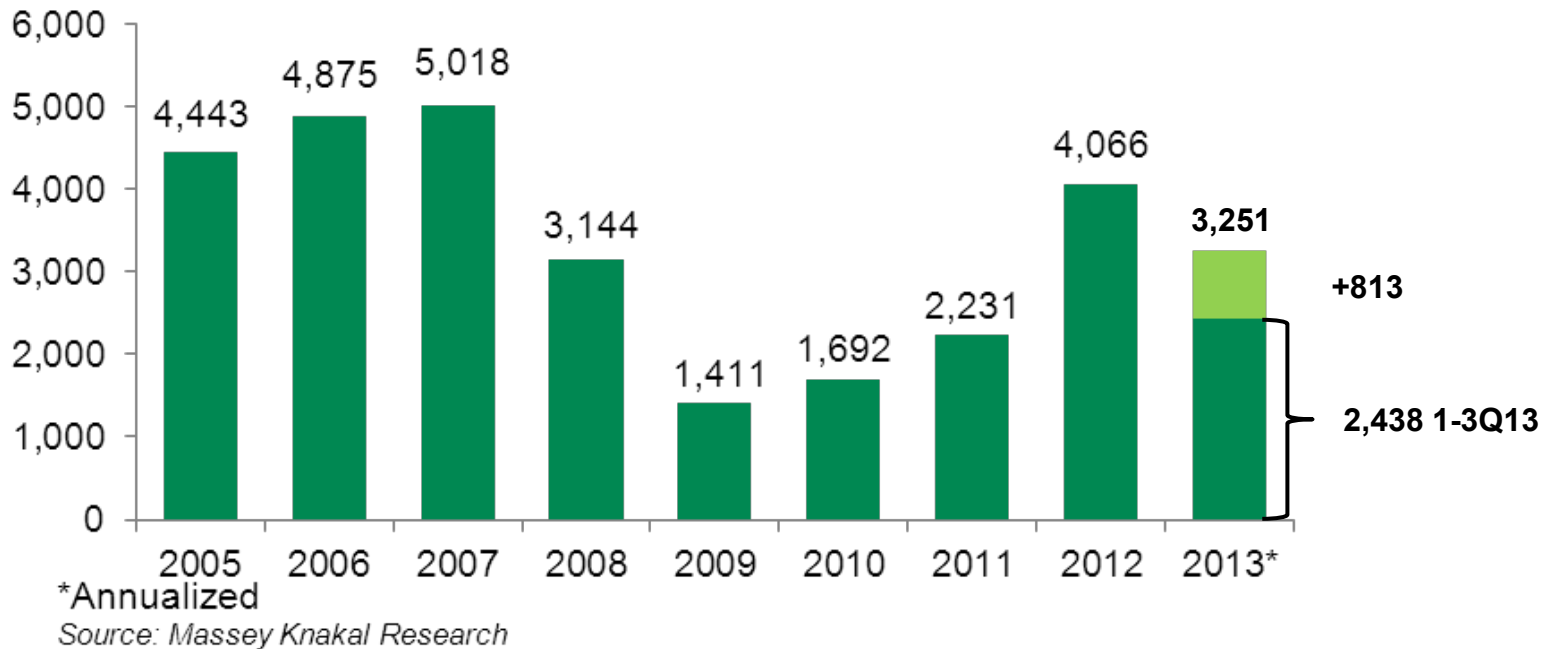
- Despite the surge of 'mega deals', with three transactions exceeding \$1B in 1-3Q13, the share of \$100M-\$500M fell as the year progressed.
- 1.7% of all transactions were made up of transactions between \$100M and \$500M, which is back to 2010 levels
- Through 3Q13, the 25 largest transactions generated a total dollar volume of \$10.4B. That is 5% lower than 2012 and 9% lower compared to 2011.

New York City

Properties sold – Exceeding forecast



NYC - Properties Sold



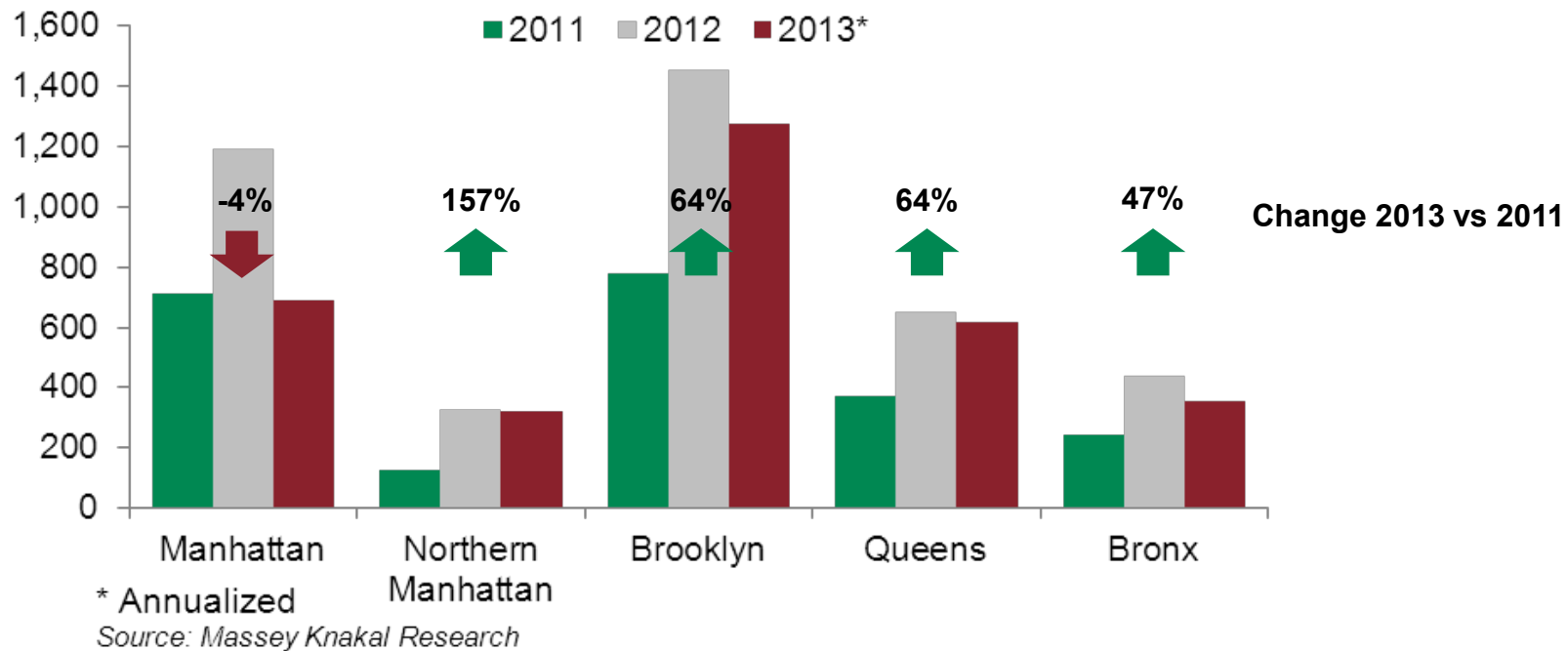
- As anticipated, transactional activity increased over the course of the year and is now on track to exceed our forecast of 3,050 properties sold for 2013
- The annualized figure of 3,251 property sales will be 20% below 2012 but 46% above 2011
 - Pick up in sales activity is driven by the boroughs

New York City

The boroughs, not Manhattan, drive activity



NYC - Number of properties sold



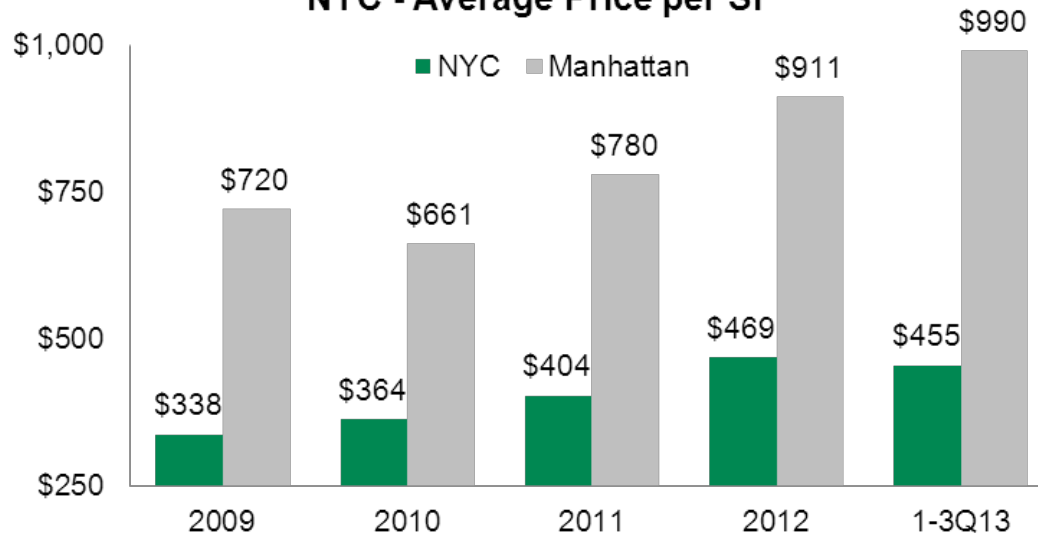
- Compared to 2011, all of the outer boroughs have seen significant increases in the number of properties sold
 - Most of them aren't far off the extraordinary year 2012
- Manhattan is the only market falling short of 2011's number of properties sold
- The diverging trend of Manhattan and the boroughs accelerated throughout the year

New York City

Manhattan has become expensive



NYC - Average Price per SF*



	2011	2012	1-3Q13	12 vs 13
Manhattan	\$ 780	\$ 911	\$ 990	8.7%
NMH	\$ 205	\$ 265	\$ 313	18.0%
Brooklyn	\$ 237	\$ 284	\$ 286	0.8%
Queens	\$ 258	\$ 260	\$ 287	10.3%
Bronx	\$ 158	\$ 166	\$ 186	12.4%

Source: Massey Knakal Research

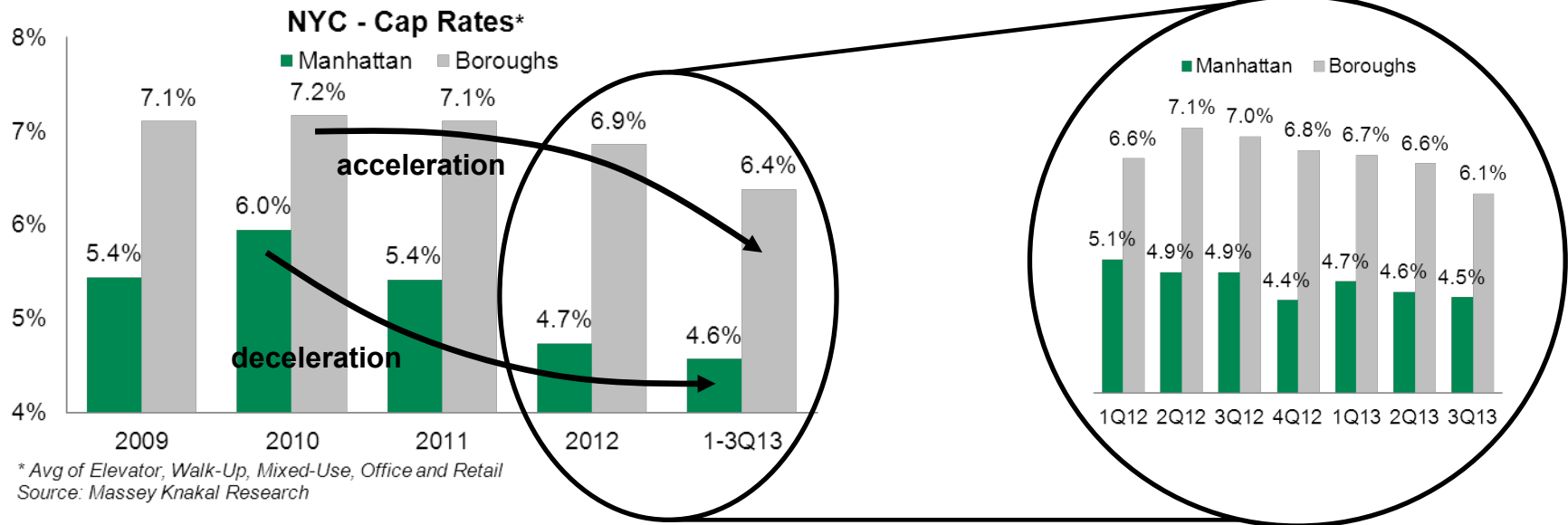
*Average of Elevator, Walk-Up, Mixed-Use, Office and Retail Averages

Source: Massey Knakal Research

- In New York City, average price per SF has fallen by 3% to \$455 due to the increase in sales outside Manhattan. The share properties sold in the boroughs was up from 71% in 2012 to 79% in 2013 (2011 was 68%)
- In Manhattan, PPSF increased by 9% in 2013 from 2012
- From the trough of the market in 2010, Manhattan PPSF has increased by 50% – more than in any other market
 - Manhattan rate of growth declines (18% in 2011, 17% in 2012)

New York City

Cap rates in boroughs catching up quickly



- In New York City, cap rates continued to decline to post-recession record low levels of 5.9% (2012:6.1%)
- Diverse trends on a geographical level:
 - Cap rate compression in Manhattan is slowing
 - Average cap rates in the boroughs, however, are compressing at a faster rate – closing the gap to Manhattan
 - This trend accelerated remarkably in 3Q13

New York City

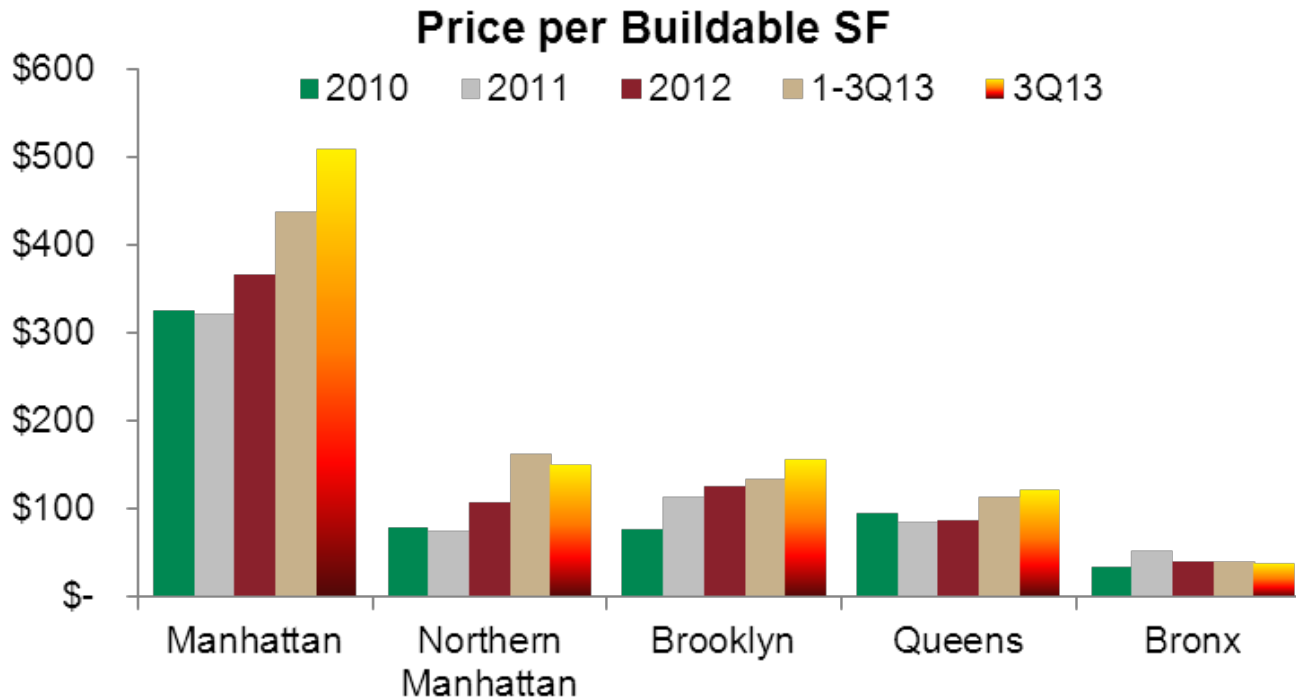
Developments are on fire



- 2013 price per buildable is skewed down by the weak first quarter of the year (based on hyperactivity at the end of last year)
- Impressive increase of price per buildable SF of 52% from 1Q13 to 3Q13
- \$215 per buildable SF is the third highest price on record
- In Manhattan, PPBSF was \$437 in 2013 YTD, 20% higher than in 2012 and 36% higher than in 2011
 - In 3Q13, it was \$510 – 39% higher than the 2012 average

New York City

MH and NMH leads dev appreciation



Source: Massey Knakal Research

- Manhattan and Northern Manhattan are leading in terms of price appreciation of developments over the last two years
- Increases were particularly strong over the last two quarters
- While Brooklyn and Queens are also growing, they trail Manhattan and Northern Manhattan in terms of growth rates

New York City

NMH on Fire – MH and Bklyn cooling



Based on 2013 growth from 2012

	Manhattan	Northern Manhattan	Brooklyn	Queens	Bronx
\$ Volume*	3	5	1	2	4
# of properties sold*	1	5	3	4	2
\$ per SF	2	5	1	3	4
\$ per BSF	3	5	2	4	1
Cap rate	1	4	2	3	5
Sum (1H13 result)	10 (11)	24 (24)	9 (11)	16 (14)	16 (15)

* Annualized

The property scoring matrix ranks each market by its performance (% or bps growth) in 1-3Q13 compared to 2012. The higher the score the better the performance.

Sales Market Overview

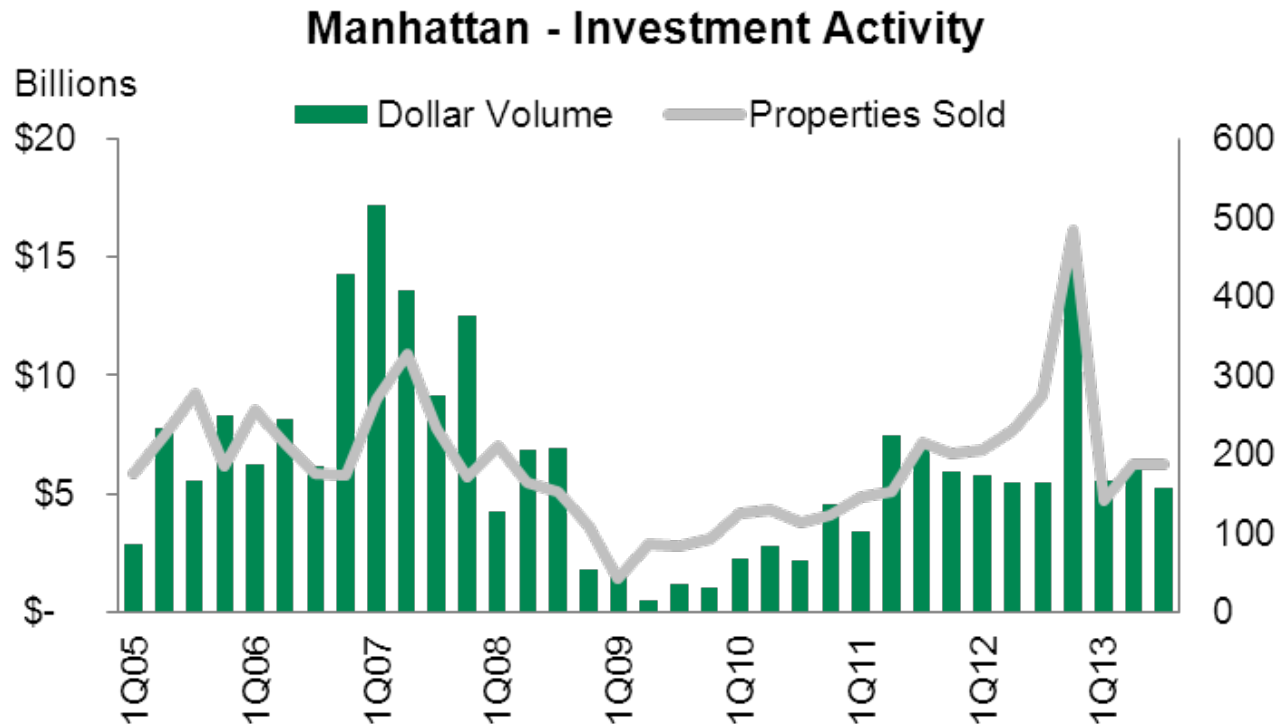
Markets Overview



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Manhattan

Investment activity – a flat quarter



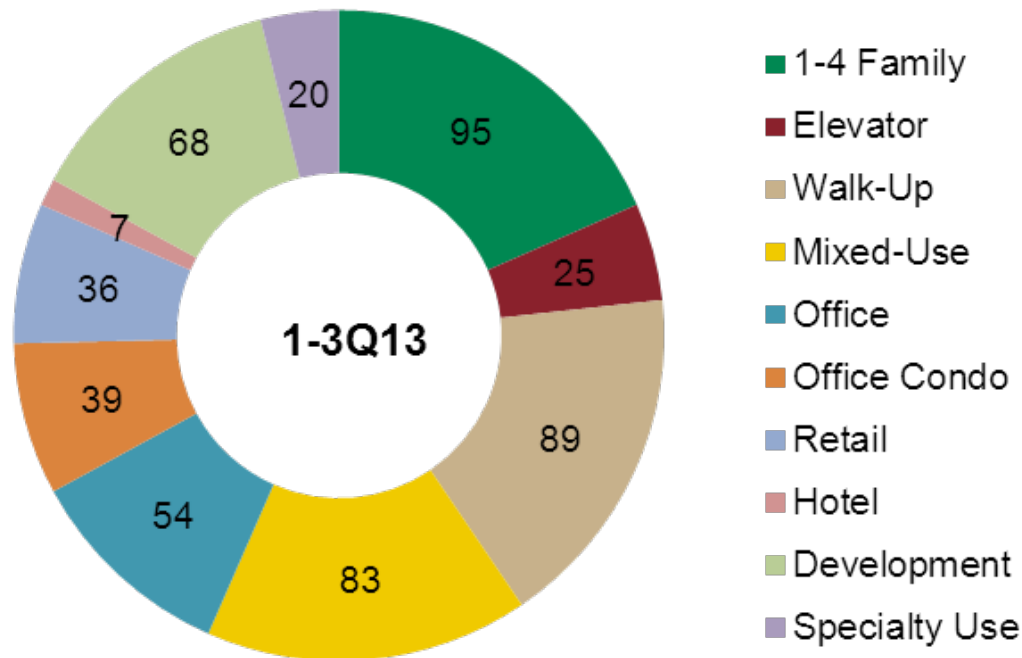
Source: Massey Knakal Research

- In 3Q13, Manhattan's dollar volume (-14%) and number of properties sold (-1%) declined compared to the previous quarter
- Manhattan has become very low-yielding making the boroughs – in relative terms – more attractive
- However, fourth quarter is expected to see a resurgence in dollar volume because of pending mega deals

Manhattan

Properties sold by property type

Manhattan - Properties Sold

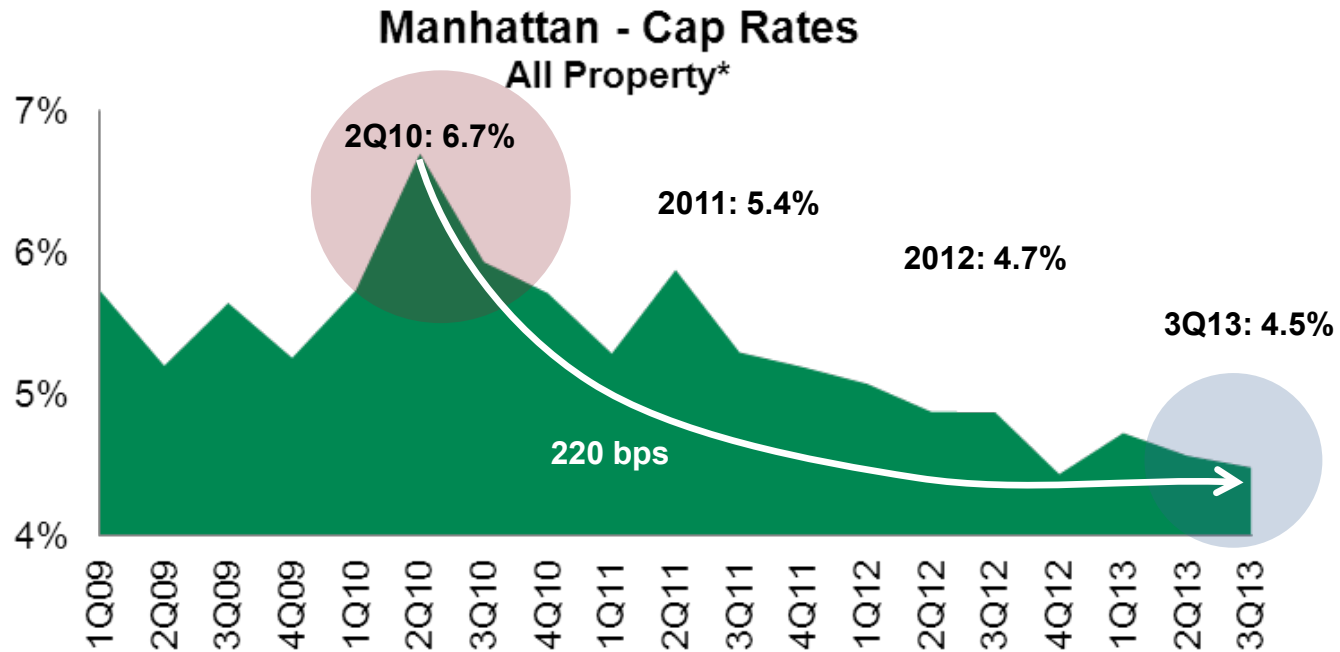


Source: Massey Knakal Research

- Residential properties (1-4 Family, Elevator, Walk-Up and Mixed-Use) dominated Manhattan's transaction activity
- Developments make up the largest non-residential property sector – many of these will be developed into residential use

Manhattan

Pricing – Cap rates



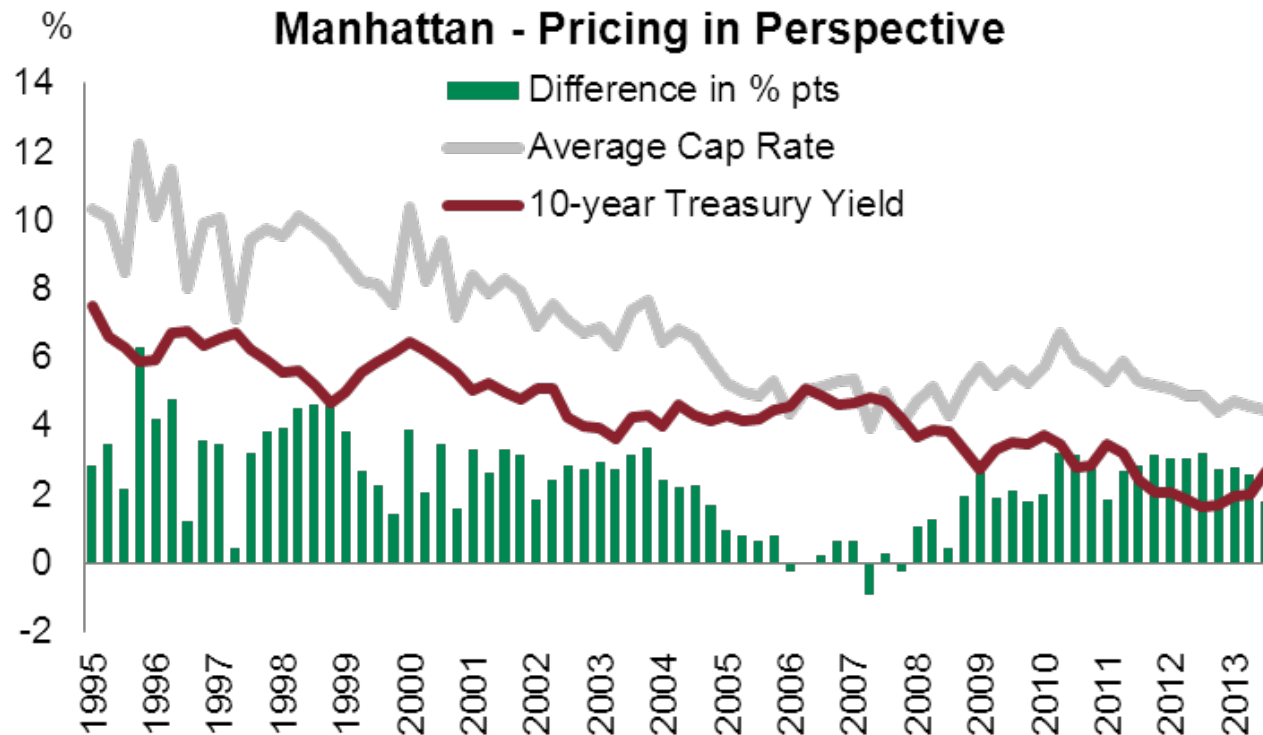
* Elevator, Walk-Up, Mixed-Use, Office and Retail

Source: Massey Knakal Research

- Following the uptick of cap rates in 1Q13 (which was caused by the hyperactivity in 4Q12), average cap rates continued to fall to 4.5%
- As cap rate compression is slowing, Manhattan shows signs of leveling out

Manhattan

Pricing – Cap rates in perspective



Source: Fed, CoStar, Massey Knakal Research

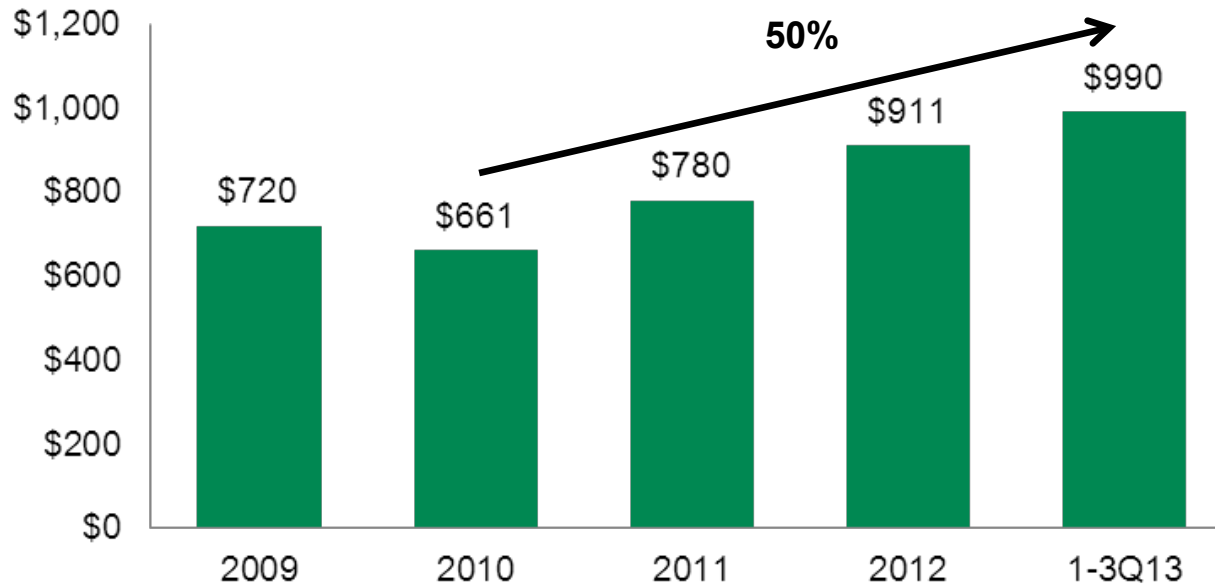
- While the ten year treasury has trended upwards since mid-2012, cap rates in Manhattan kept falling
- As a consequence, the risk premium (cap rate - treasury gap) for Manhattan properties has fallen to 177 bps
- The average gap over the last ten years is 181 bps
 - This includes the extraordinary period of negative spreads between 2006 and 2008

Manhattan

Pricing – Price per SF



Manhattan - Average Price per SF*



Avg. PPSF by property type		
Elevator	\$685	↓
Walk-Up	\$704	↑
Mixed-Use	\$990	↑
Office	\$887	↑
Retail	\$1,687	↑

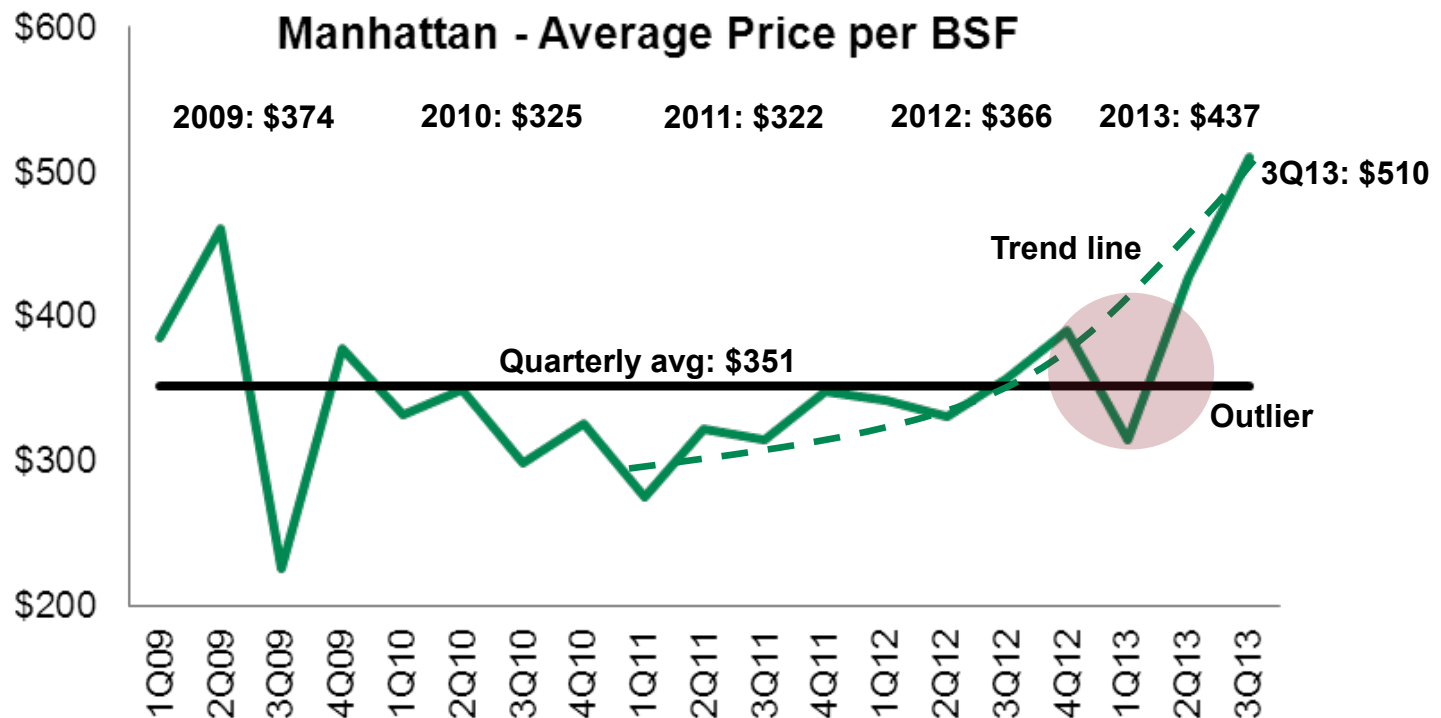
*Average of Elevator, Walk-Up, Mixed-Use, Office and Retail Averages

Source: Massey Knakal Research

- Price per SF was up 9% from 2012 and up 50% since 2010
- Steady gains in price per SF since the trough in 2010
- All property types, with the exception of elevator properties, saw an increase in price per SF from 2012.
- While Walk-Up (16%), Mixed-Use (22%) and Office (20%) were up significantly from 2012, Retail grew by 1% and Elevator was down by 7%

Manhattan

Property type focus: Development



Source: Massey Knakal Research

- As economics and property fundamentals improve, investors are returning to development
- In the third quarter alone, there have been 10 development sales with a price per buildable north of \$500, while in all of 2011 there were four
- With price per SF for existing buildings high and cap rates being low – higher prices per buildable become more viable

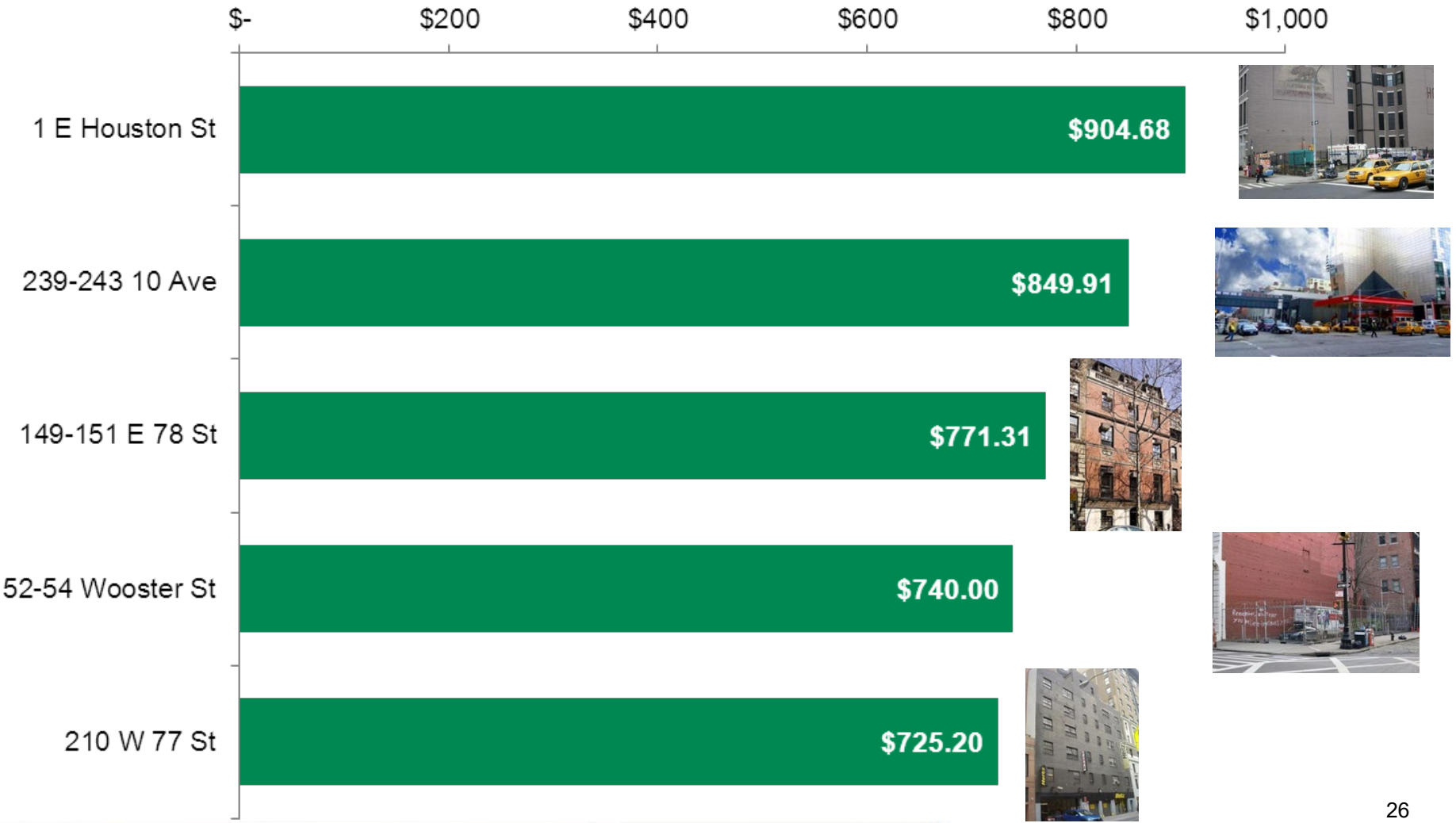
Manhattan

Top five development deals



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Manhattan - Highest \$/BSF 3Q13



Manhattan

Trends



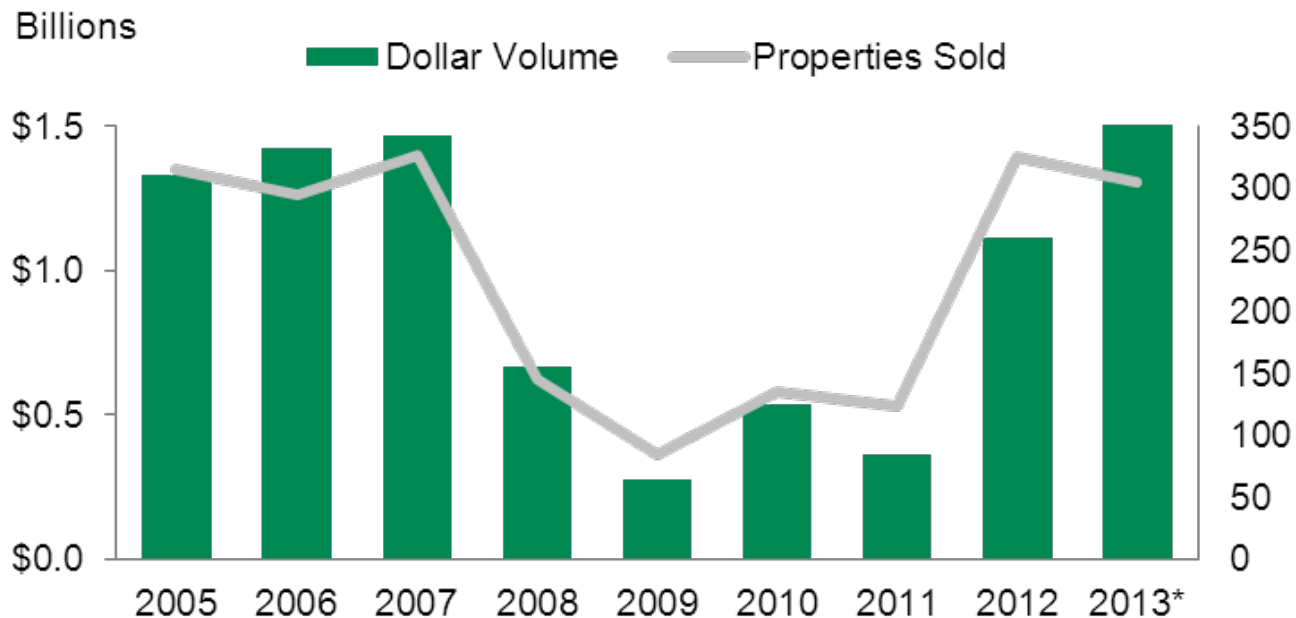
- Manhattan prices keep increasing although the rate of growth is slowing
- High prices and low cap rates for existing buildings make investors look for alternative returns:
 - The boroughs and
 - Developments
- Dollar volume stagnated over the course of the year and the number of properties sold was up only slightly

Northern Manhattan

Investment activity – On track for record year



Northern Manhattan - Investment Activity



*Annualized

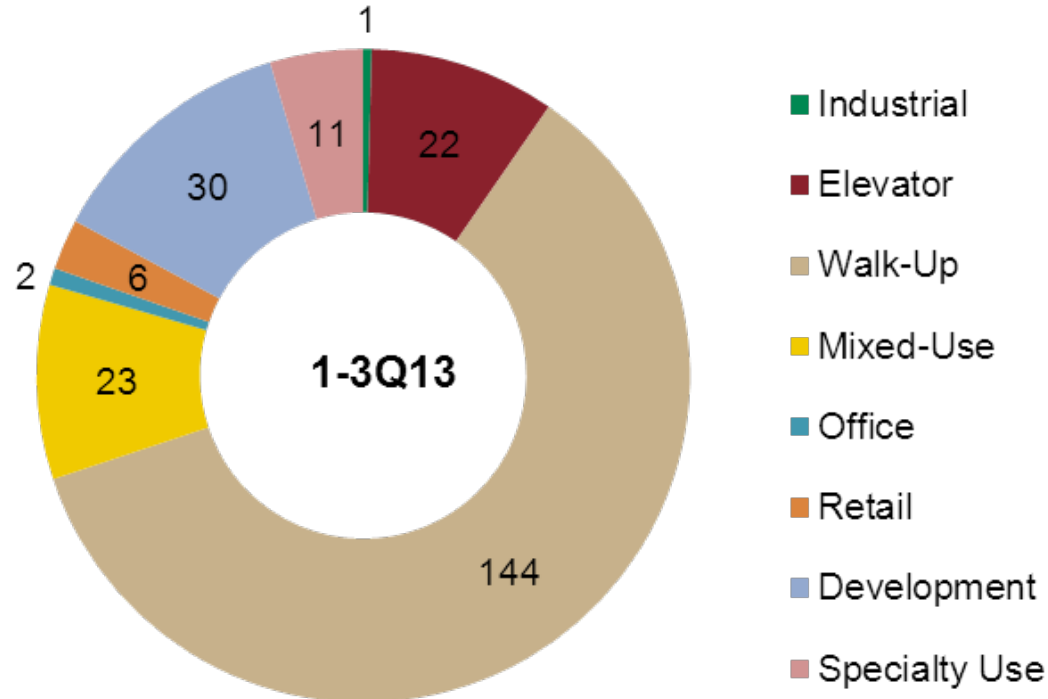
Source: Massey Knakal Research

- Northern Manhattan's trend of strong investment activity accelerated in 3Q13
- Dollar volume in 3Q13 was \$766M – the highest on record
 - That is based on big ticket sales (The Monterey), larger portfolio sales and a general pick-up in activity
- Dollar volume 1-3Q13 is already exceeding last year's 'hyperactivity'
- Annualized dollar volume is on track to be the highest ever
- On an annualized basis, the 319 sales expected for 2013 will exceed the annual average of the pre-recession boom (312 from 2005-2007)

Northern Manhattan

Properties sold – Walk-Up driven

Northern Manhattan - Properties Sold



Source: Massey Knakal Research

- Walk-Up was the dominant sector through 3Q13 as several larger portfolios were sold
- In 3Q13, 64 Walk-Up properties were sold – 61% of the total

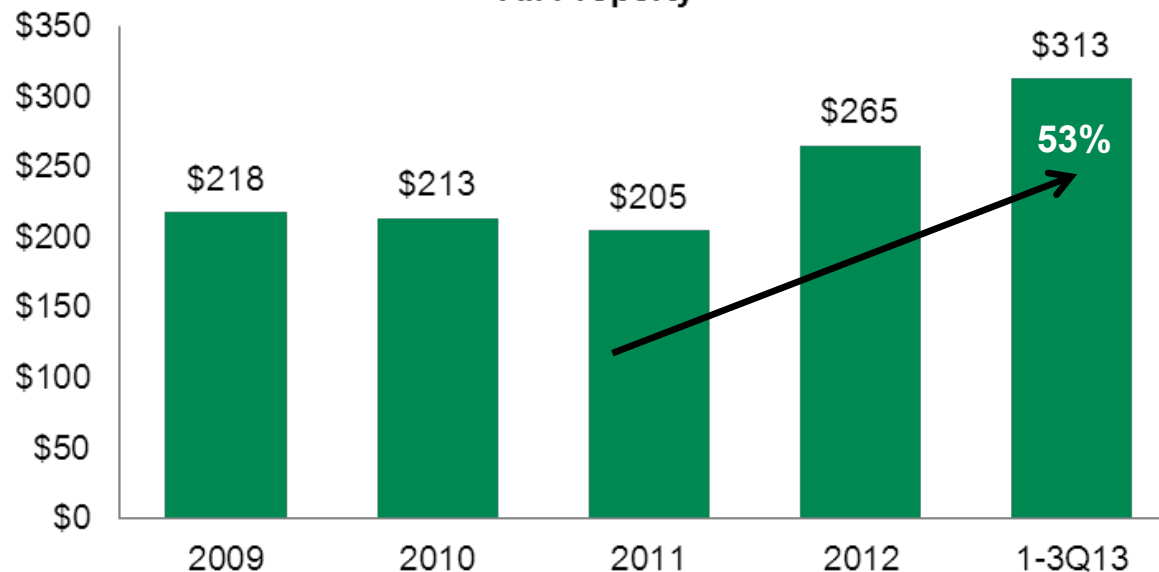
Northern Manhattan

Pricing – Price per SF up on demand



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Northern Manhattan - Average Price per SF*
All Property



Avg. PPSF by property type

Elevator	\$238	↑
Walk-Up	\$217	↑
Mixed-Use	\$268	↑
Office	\$284	↑
Retail	\$556	↑

*Average of Elevator, Walk-Up, Mixed-Use, Office and Retail Averages

Source: Massey Knakal Research

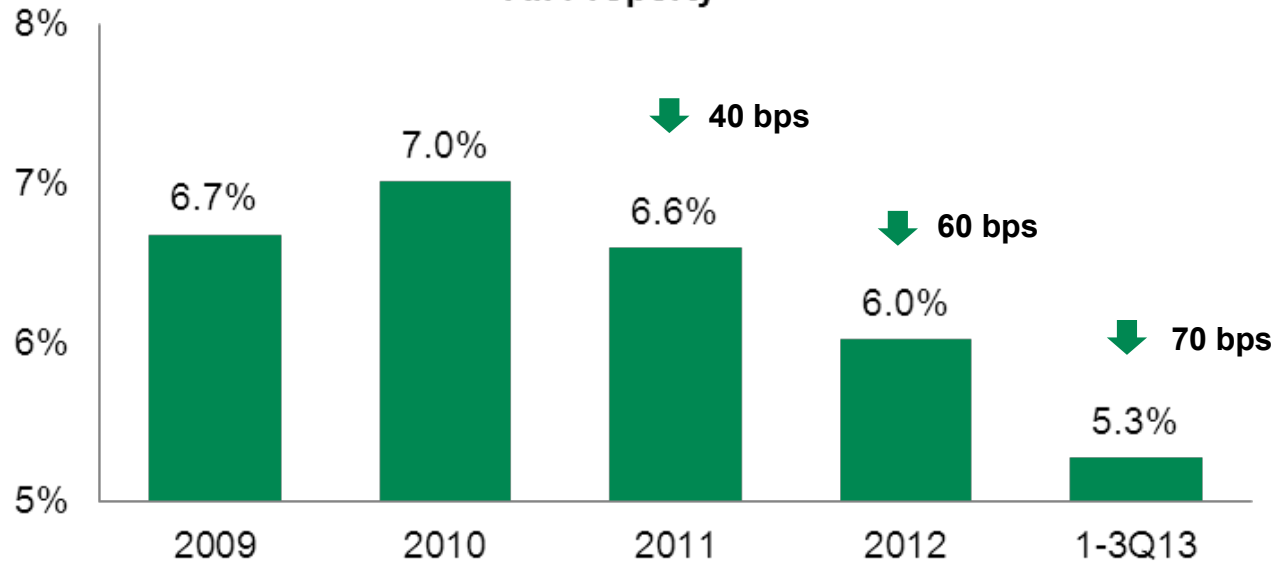
- Over the last two years, average price per SF was up 53% in Northern Manhattan
- Price per SF was up 18% when compared to 2012
- Price appreciation is driven by the surge of investment activity: Increasing demand triggers price appreciation

Northern Manhattan

Pricing – Cap rates on record low level



Northern Manhattan - Cap Rates All Property*



* Average of Elevator, Walk-Up, Mixed-Use, Office and Retail

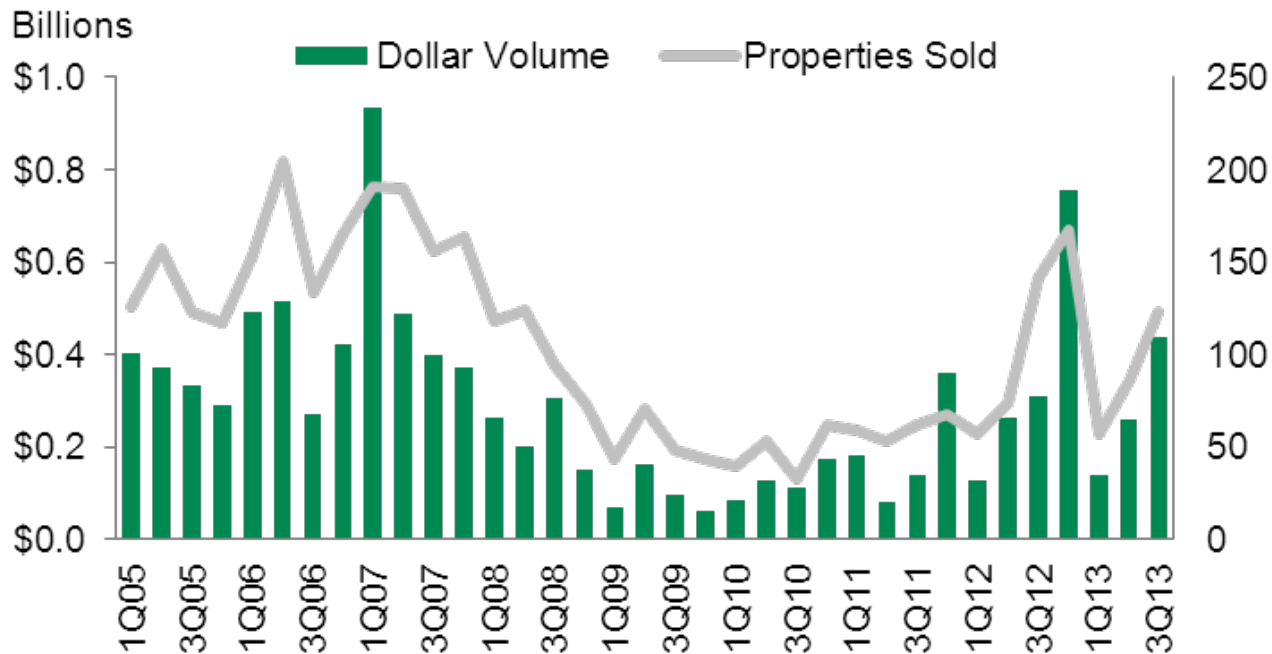
Source: Massey Knakal Research

- Pick-up in demand and a more optimistic stance over NMH's property performance causes investor's to be willing to pay lower cap rates
- Average cap rates in 2013 were 5.3% - 70 bps lower than one year ago
- In 3Q13, the three lowest yielding transactions all had cap rates below 4%
 - In comparison, in 2009, 2010 and 2011, there were no trades reported with a sub-4% cap rate and only four with sub-5%

Northern Manhattan remains on fire:

- 2013 dollar already exceeds the 2012 level
- Broad investor interest in the market – increasingly by institutionals
 - “A trend that began about ten years ago but came to a standstill because of the great recession”
- Cap rate compression accelerated over the last three years

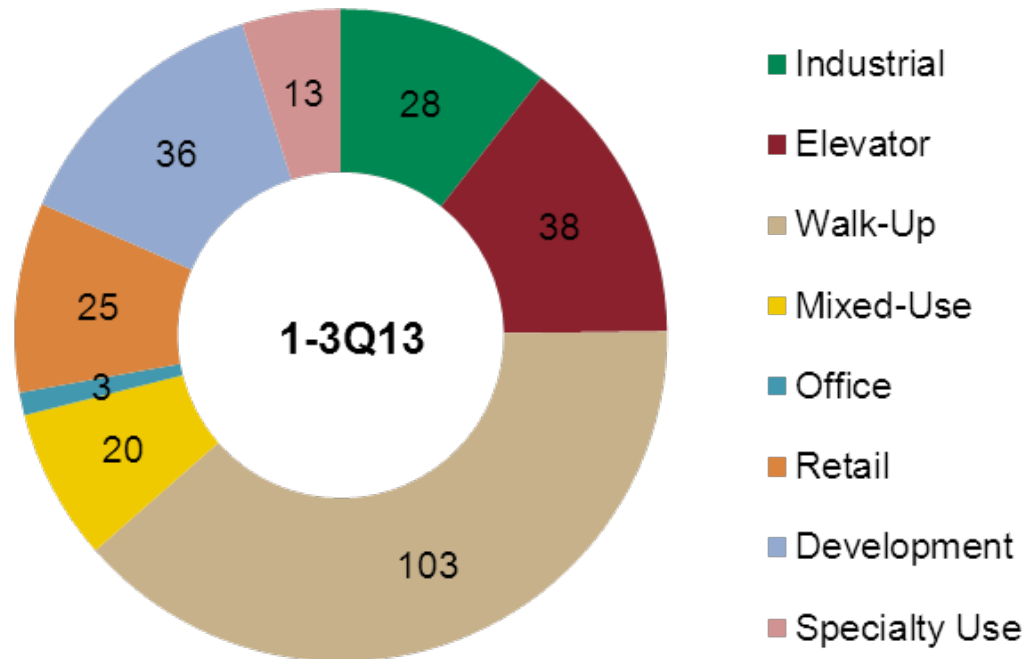
Bronx - Investments



Source: Massey Knakal Research

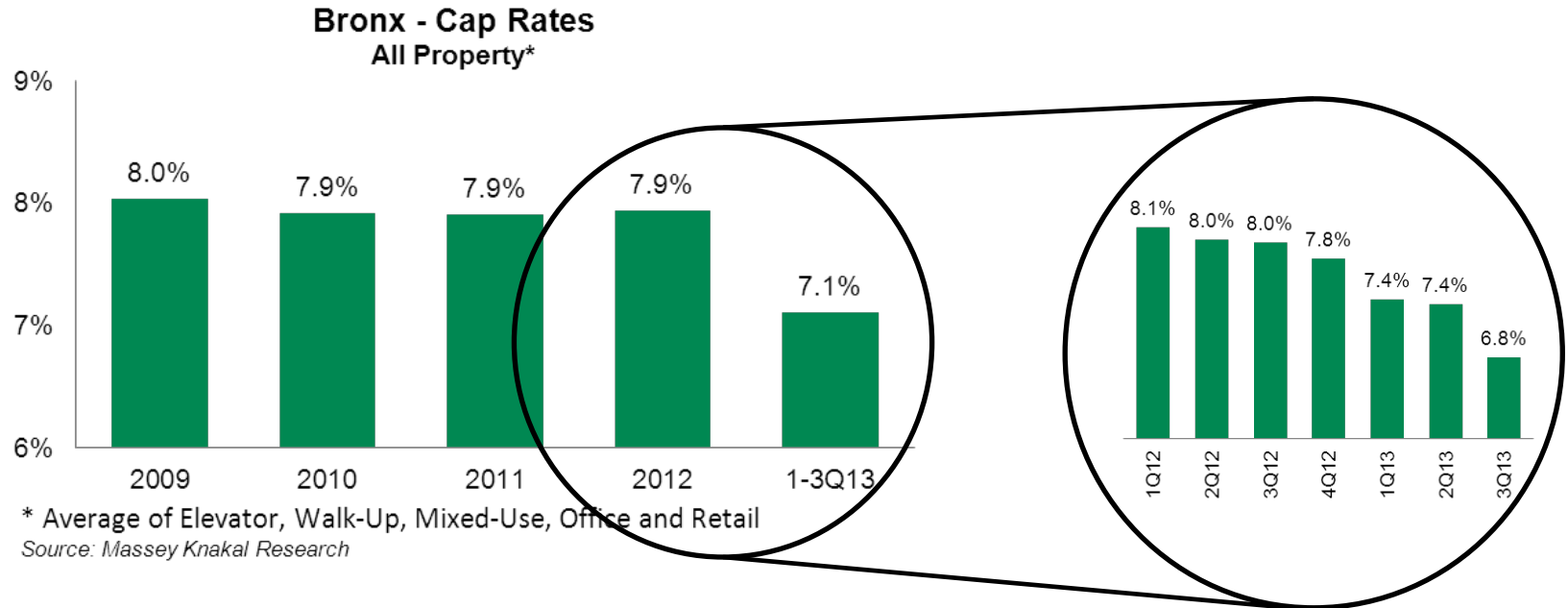
- Over the course of the year both dollar volume and the number of properties sold saw a remarkable pick-up:
 - 3Q13 dollar volume is the second highest and number of properties sold the third highest since 2007
- Annualized dollar volume is \$1.1B – 23% below 2012 but 47% higher than in 2011
- Annualized properties sold is 355, -19% from 2012 and up 47% from 2011

Bronx - Properties Sold



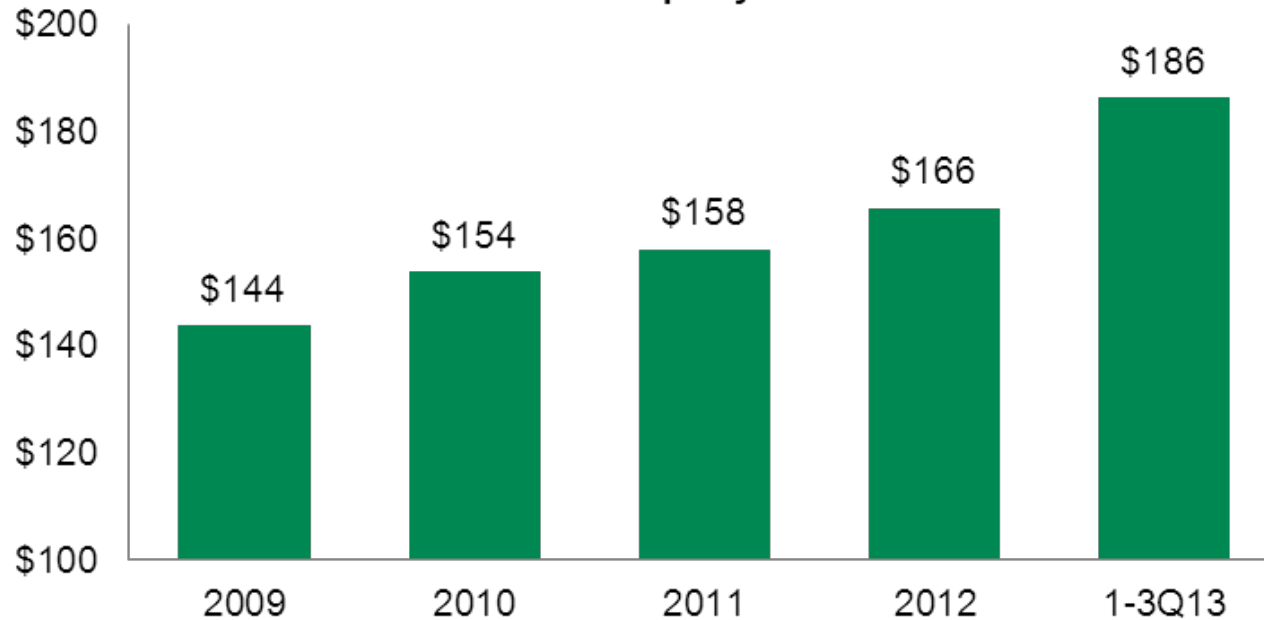
Source: Massey Knakal Research

- Elevator and Walk-Up made up more than half of all properties sold in 1-3Q13
- In 3Q13 alone, 52 Walk-Up properties were sold – as much as the first two quarters of the year combined



- Average cap rates in the Bronx have hovered close to 8% during the last four years
- As risk appetite slowly returns, investors increasingly target 'secondary' areas – pushing up investment activity in the Bronx and driving up pricing
- This is supported by some major rezoning and development projects, like Webster Avenue/Bedford Park rezoning, the Kingsbridge Armory ice rink and the Broadway Plaza and Riverdale Crossing shopping centers

Bronx - Average Price per SF* All Property



Avg. PPSF

Elevator	\$98	↑
Walk-Up	\$110	↑
Mixed-Use	\$150	↓
Office	\$206	↑
Retail	\$367	↑

*Average of Elevator, Walk-Up, Mixed-Use, Office and Retail Averages

Source: Massey Knakal Research

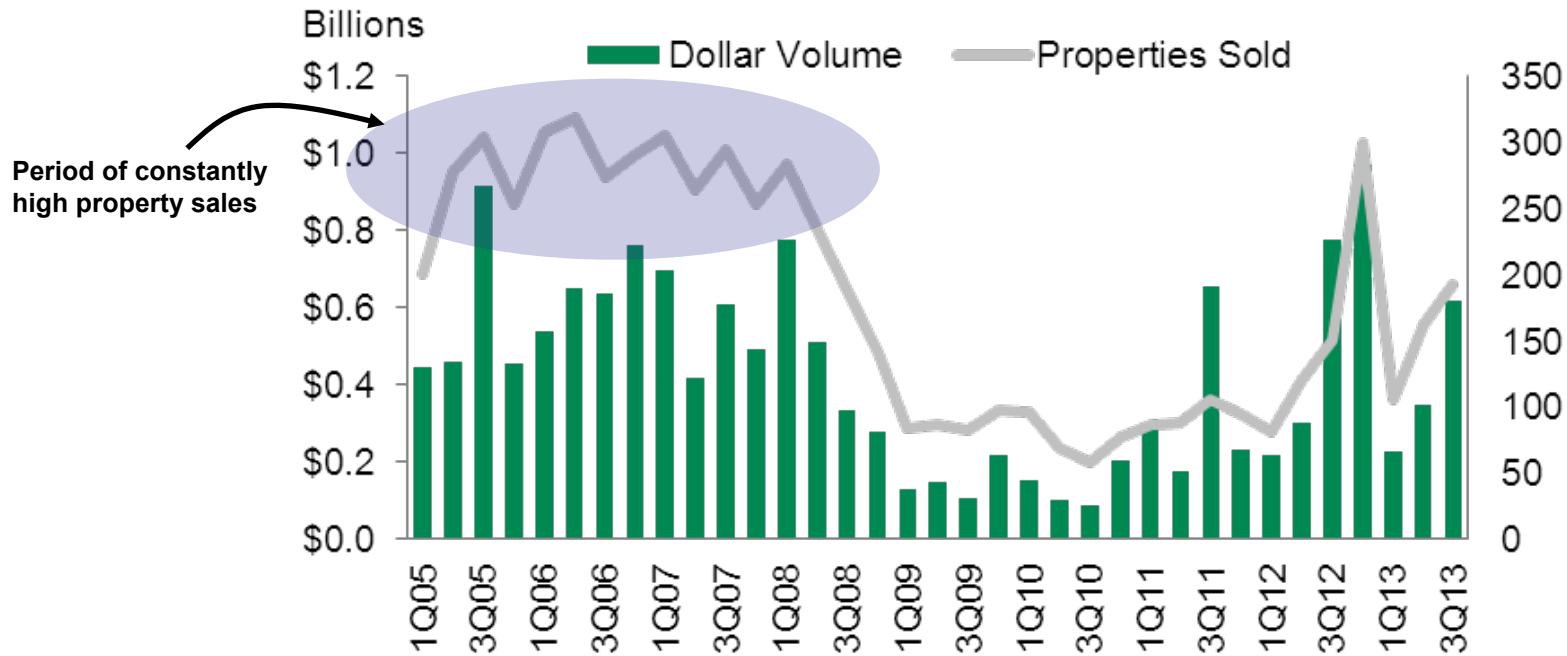
- Average price per SF was up 10% to \$186 from 2012
- Prices for all but mixed-use properties were up over the year – most notably for retail (17%) and office (25%)

- With new major development and rezoning projects on the way, it is set to turn from “the Bronx is burning” to ‘the Bronx is building’.
- Investors are increasing their commitment to the Bronx and both dollar volume and number of properties sold surged over the year.
- As a result pricing increases accelerate and cap rates began to fall sharply in 2013. This indicates that investors become more upbeat on the Bronx’s property performance perspectives.

Queens

Investment activity

Queens - Investments



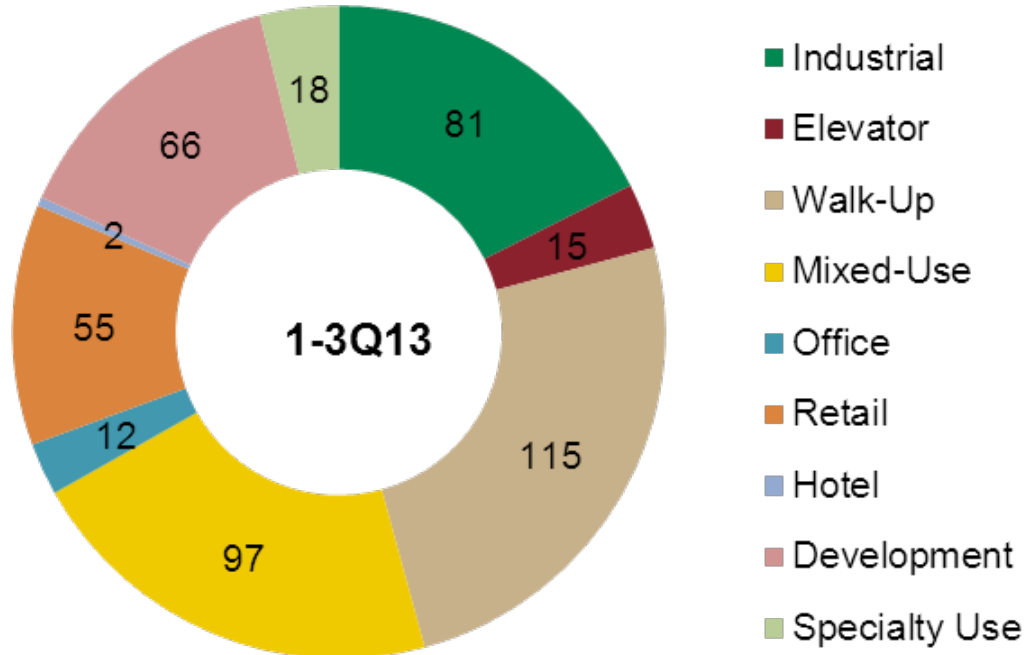
Source: Massey Knakal Research

- 3Q13 was one of the stronger quarters in recent history for Queens (dollar volume and property sales activity)
- Annualized, dollar volume for 2013 is \$1.6B, down 30% from 2012, which had two outstanding quarters
- The number of properties sold 3Q13 was 193, the second highest since the downturn
- Annualized, Queens will see 615 property sales, which is only 6% below 2012 and 64% higher than in 2011
- However, it remains clearly behind the annual average of 1,047 properties sold in 2005 to 2008

Queens

Properties sold

Queens - Properties Sold



Source: Massey Knakal Research

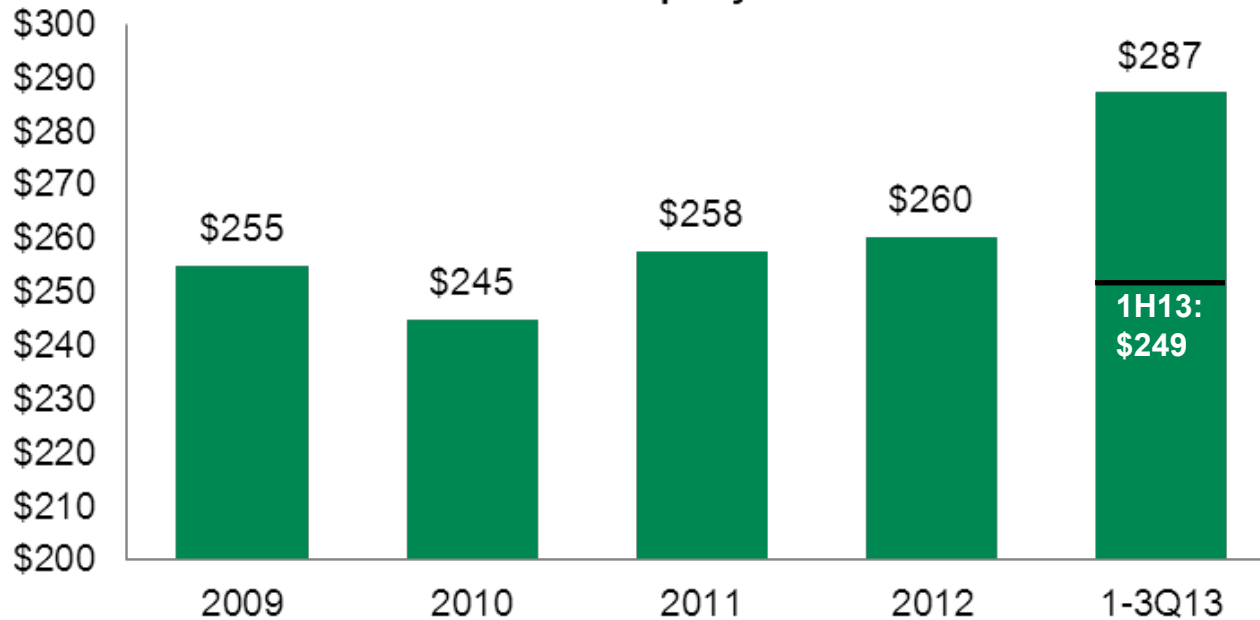
- In 1-3Q13, Walk-Up was the dominant property type in Queens. Combined with Mixed-Use and Elevator, the multifamily sector is responsible for half of all properties sold.
 - Annualized, the number of Walk-Ups sold in 2013 (153) is on track to outnumber those of 2012 (132) by 16%
- Being New York's logistics hub, the industrial sector is playing an important role for Queens.

Queens

Pricing – Price per SF turned in 3Q13



Queens - Average Price per SF*
All Property



1-3Q13:

Avg. PPSF

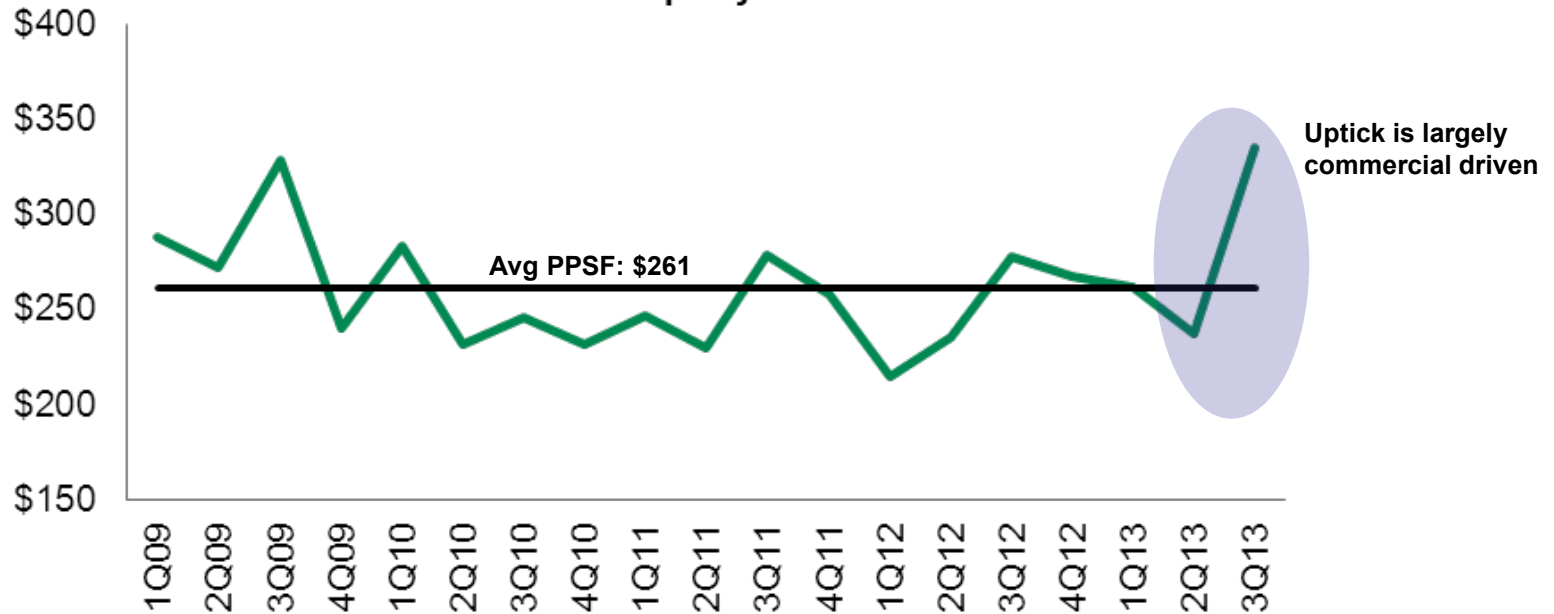
Elevator	\$202	↑
Walk-Up	\$207	↑
Mixed-Use	\$277	↔
Office	\$296	↑
Retail	\$455	↑

*Average of Elevator, Walk-Up, Mixed-Use, Office and Retail Averages

Source: Massey Knakal Research

- In 1H13, the average price per SF was down from 2012...
- ... but the story changed over the last three months.
- Through 3Q13, average price per SF is up 10% from 2012 with all property sectors but mixed-use showing increases over the year.

Queens - Average Price per SF*
All Property



*Average of Property Type Averages

Source: Massey Knakal Research

- In 3Q13, price per SF experienced a strong bounce back to \$335, 28% above the 2012 average.
- This was mostly driven by price increases in the commercial property sectors as both office (\$392) and retail (\$548) had the highest values on record and were up significantly from the last couple of quarters.

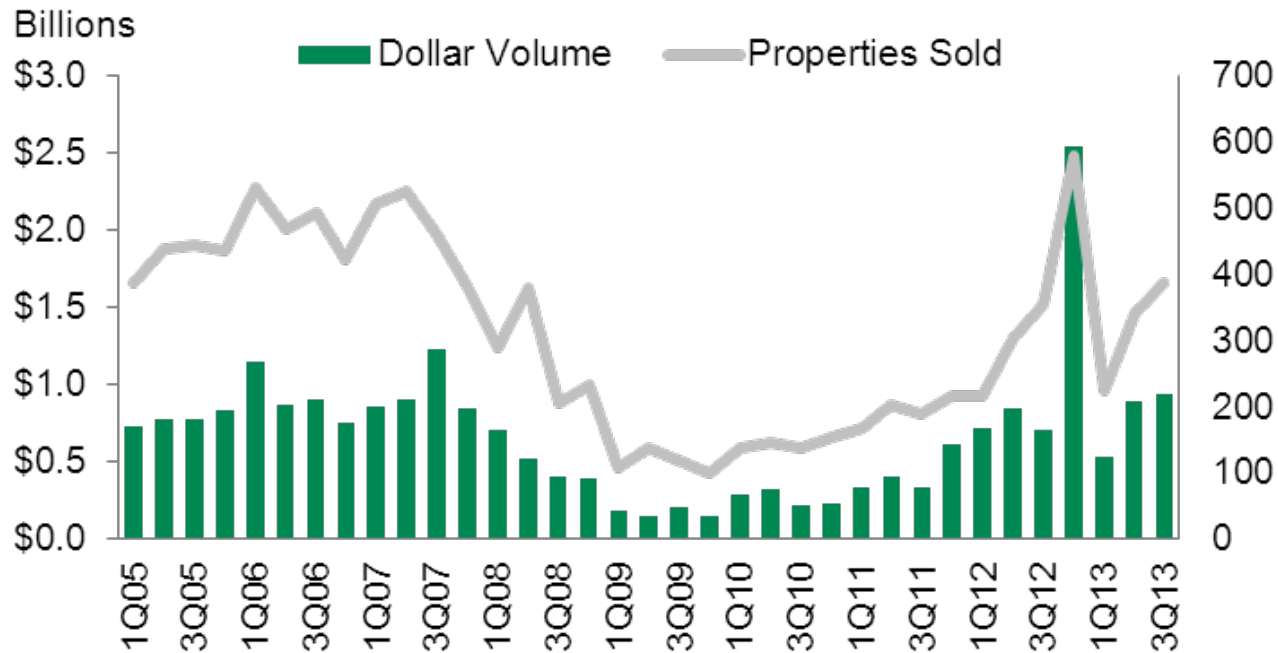
Queens

Trends



- As investor demand recovered, price per SF turned positive in Queens.
- Demand in 3Q13 was focused on prime retail boulevards in Bayside or Flushing.
- Four out of the five deals with the highest price per SF were retail properties and office the remaining.
- Commercial properties types were the driving force behind 3Q13's surge in price per SF.

Brooklyn - Investment Activity



Source: Massey Knakal Research

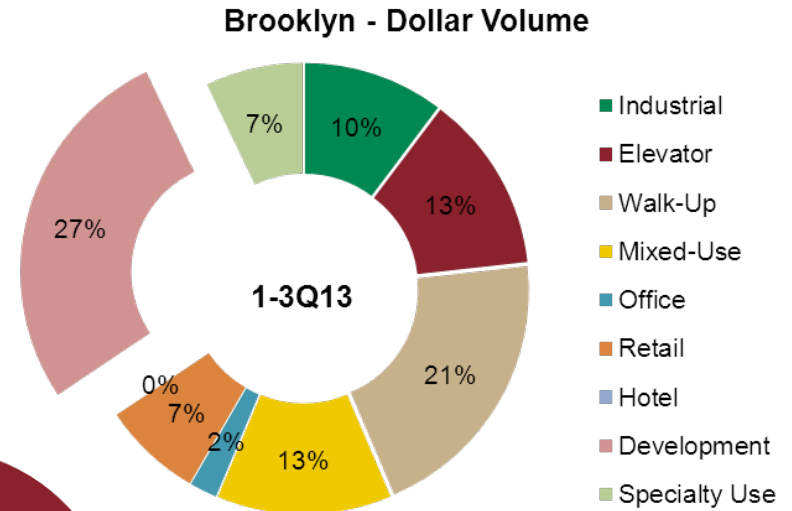
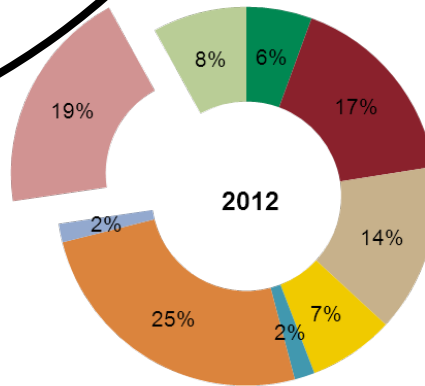
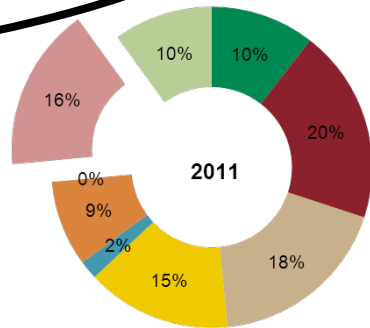
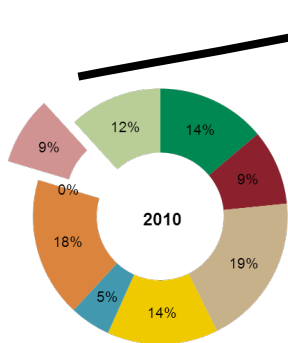
- Transactional activity recovered over the course of the year:
- Number of properties sold in 3Q13 was 389 – aside from 4Q12, the highest since 3Q07
- On an annual basis, number of property sales is down 13% from 2012 but up 64% from 2011
- Annualized dollar volume is down by 35% from 2012
 - The sale of the Kings Plaza Mall for \$750M pushed 2012 dollar volume
 - Excluding Kings Plaza, dollar volume is down by 23%

Brooklyn

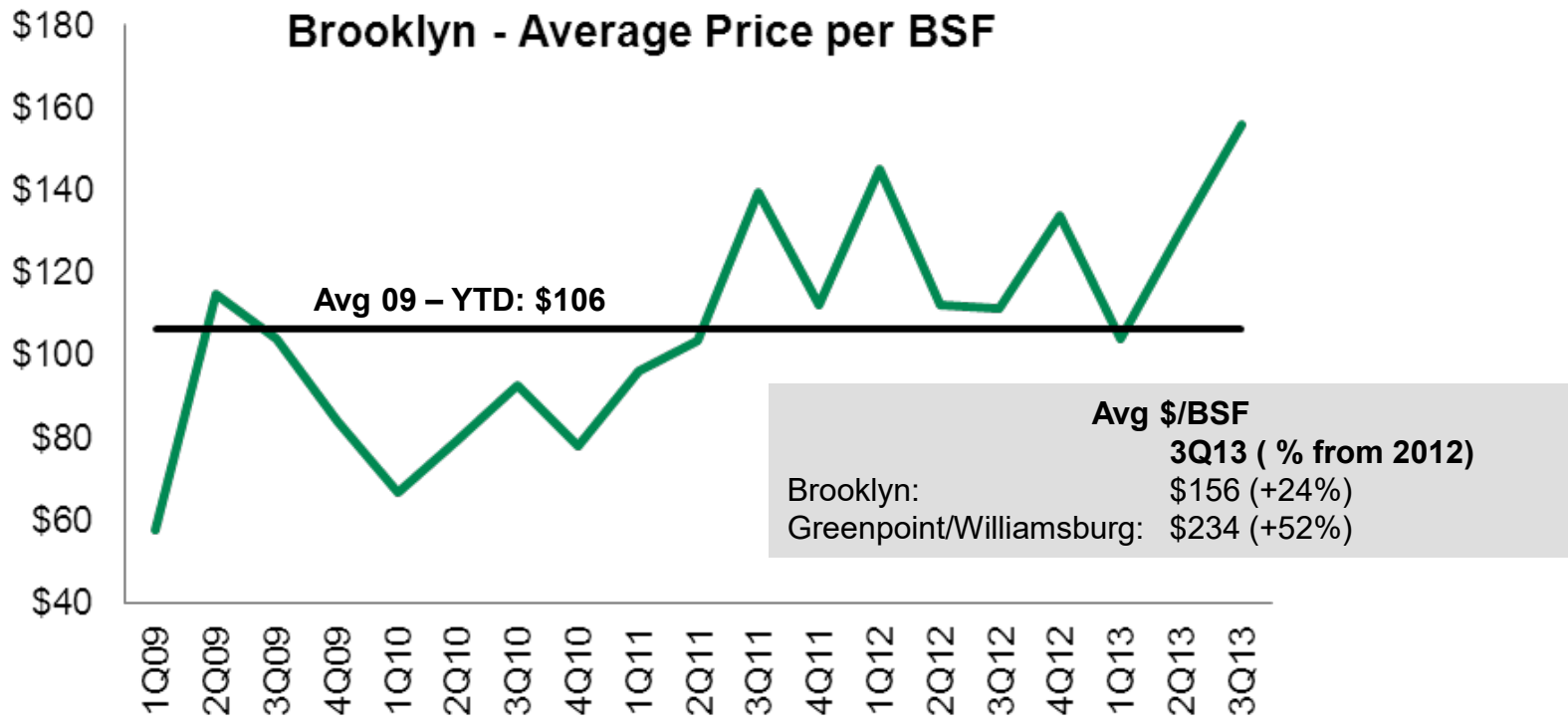
Dollar volume – Development driven

- In 2013, development sites were responsible for a quarter of the total dollar volume
- Annualized development sites are projected to be \$860M
- That is more than ten times the average annual dollar volume in 2009 and 2010 (\$76M)
- Clear indication of 'bullishness' on Brooklyn's future property perspectives

Share of 'Development' of total dollar volume



Source: Massey Knakal Research



Source: Massey Knakal Research

- Average price per buildable for Brooklyn though volatile has remained its LTA since 2H11
 - Only exception is 1Q13 when it fell to \$104
- Since the first quarter, average price per buildable recovered and reached a high of \$156 in 3Q13 – 24% above 2012
- Market dynamics in Brooklyn are diversified and some areas see faster appreciation than others
- Most notably in the Greenpoint and Williamsburg neighborhoods: The average price per buildable was \$234 in 3Q13, 50% higher than Brooklyn's average in 3Q13 and 221% higher than in 2010, which was the trough of the market

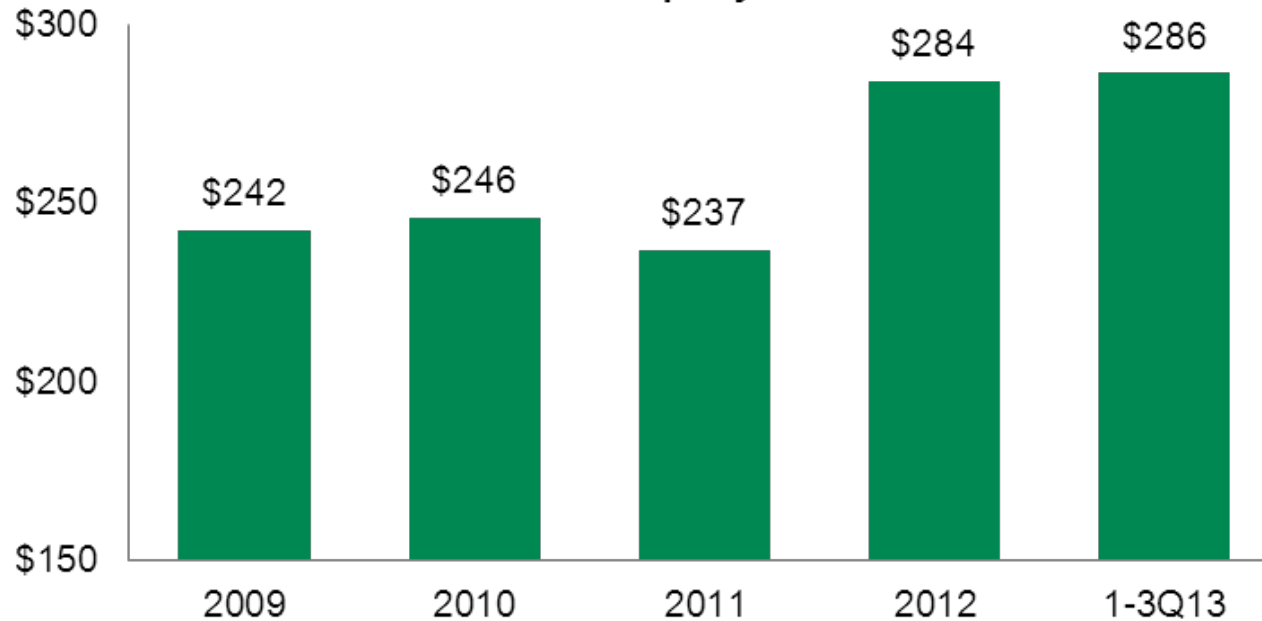
Brooklyn

Price per SF remains high



Realty Services

Brooklyn - Average Price per SF* All Property



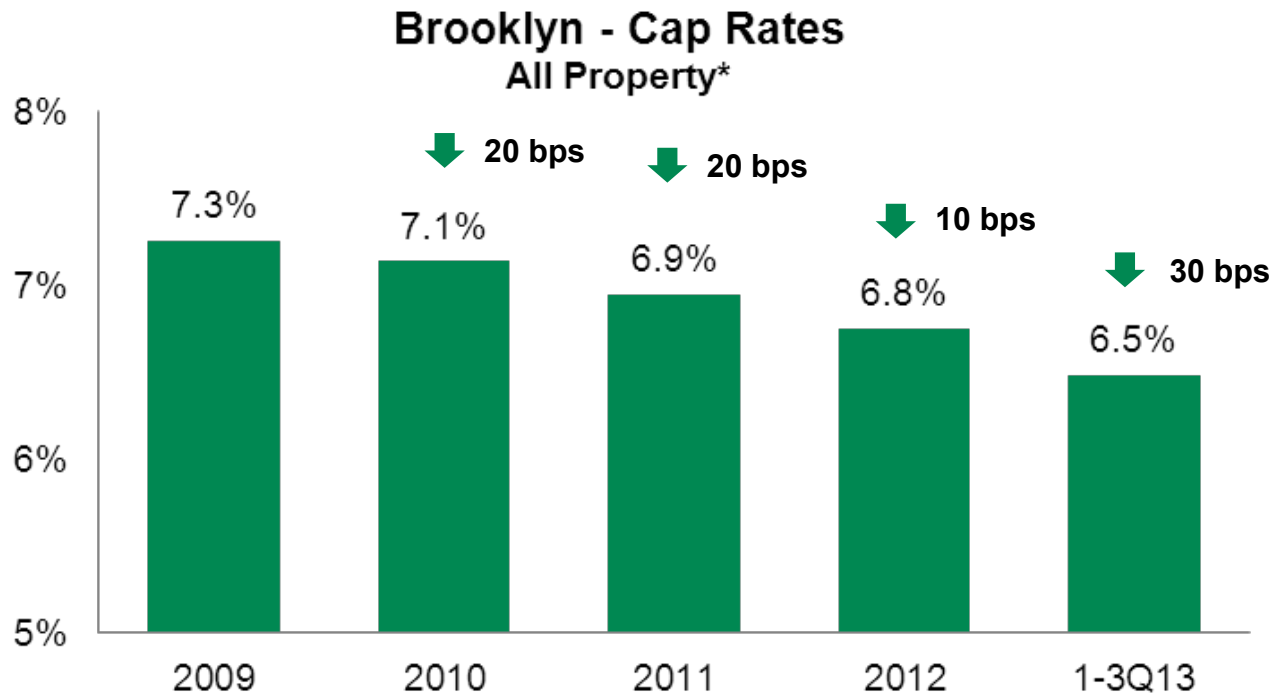
Avg. PPSF

Elevator	\$237	↑
Walk-Up	\$218	↑
Mixed-Use	\$288	↑
Office	\$283	↓
Retail	\$406	↑

*Average of Elevator, Walk-Up, Mixed-Use, Office and Retail Averages

Source: Massey Knakal Research

- Through 3Q13, average price per SF was \$286, up 1% from 2012
 - New elevator residential construction pushed 2012 prices higher than expected
- The walk-up sector saw the strongest annual growth – up 11% from 2012
- Office was the only sector to decline, by 17% from 2012



* Average of Elevator, Walk-Up, Mixed-Use, Office and Retail

Source: Massey Knakal Research

- Increased demand for Brooklyn property resulted in stronger cap rate compression
- The average cap rate 1-3Q13 was 6.5%, 30 bps lower than in 2012
- In 3Q13, the average cap rate was even lower, at 6.2%

- Over the year, investors' interest in Brooklyn property strengthened and the number of properties sold in 3Q13 was in line with 2007/2008 quarterly averages.
- On the back of the increased activity, cap rate compression accelerated and average cap rates are now at all time low levels.
- Developments have emerged to be the dominant property type in dollar volume terms, responsible for more than a quarter of the total.
- The increased demand increasingly impacts average price per buildable. Particular in development hot spots like Williamsburg and Greenpoint.

Market Overview

Retail leasing

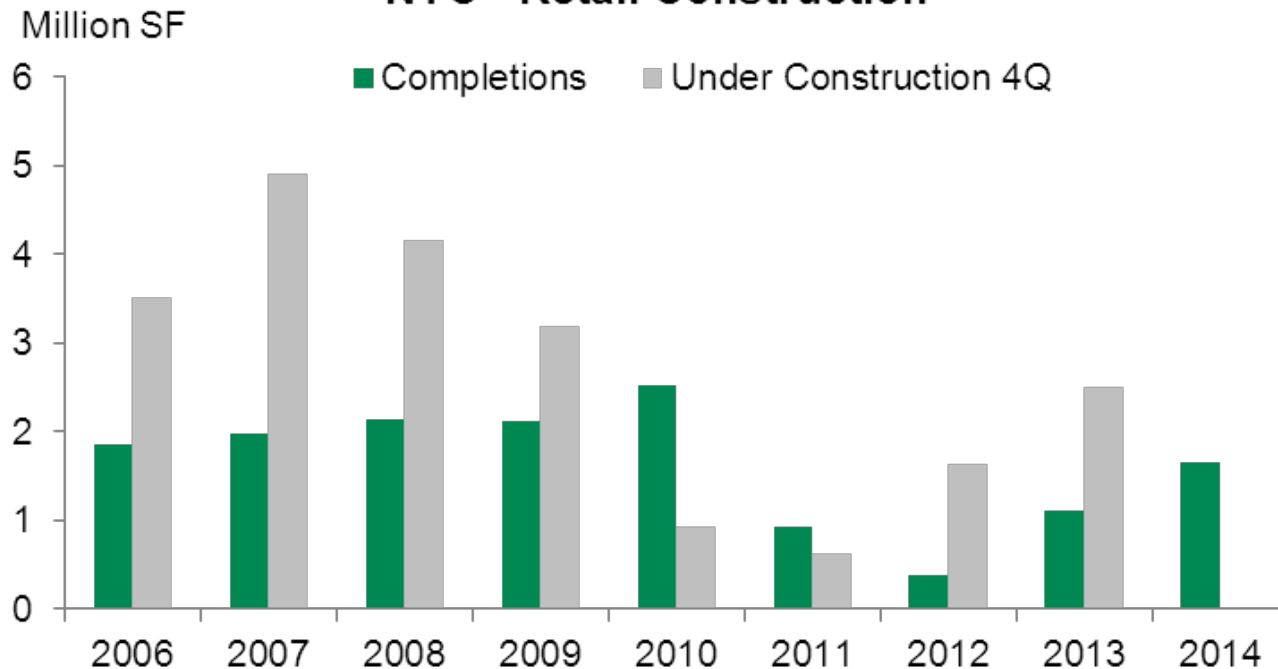


Realty Services

Retail Leasing

Retail developments on the rise

NYC - Retail Construction



Source: CoStar, Massey Knakal Research

- As developments take two or three years to be completed, they lag economic and property cycles by one or two years
- That's why completions in 2009 and 2010 were still substantial
- Following that, developments largely came to a standstill and are just now picking up again
- In the fourth quarter of this year, 2.5M SF of retail space is under construction and a total of 1.1M will have been completed by the end of the year – the highest since 2010
- Next year, the amount of completed SF will be up by 50% to 1.7M SF

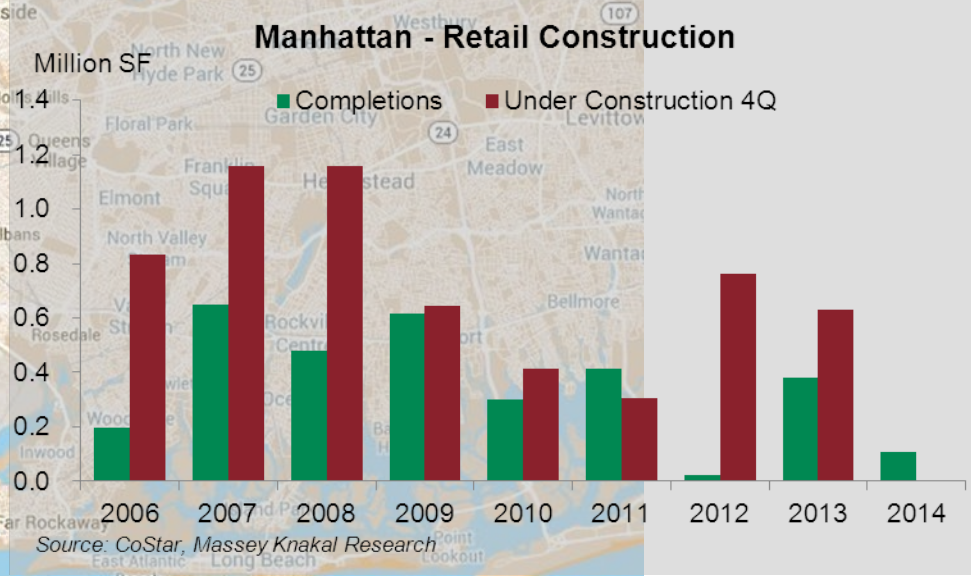
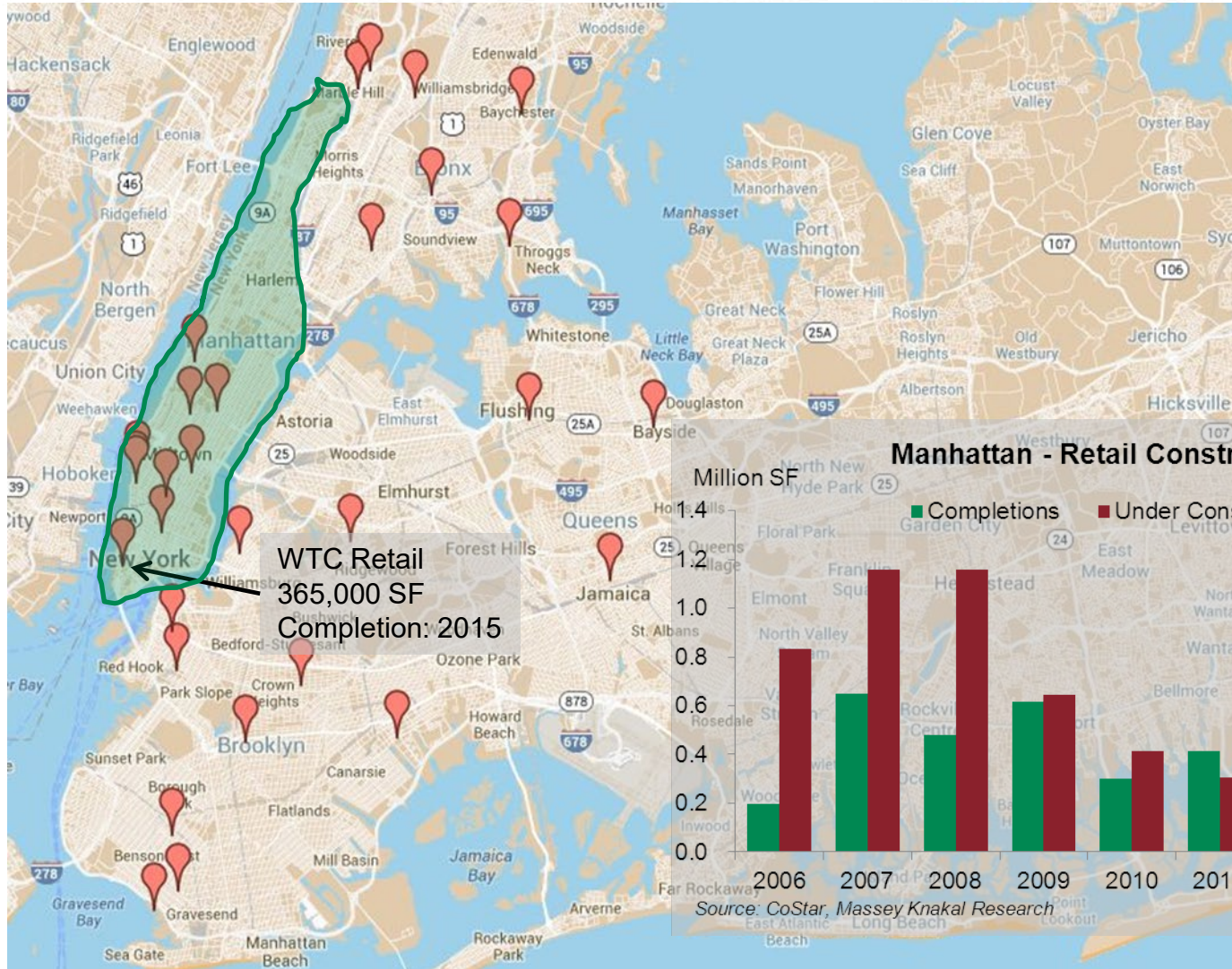
Retail Leasing

Major developments – Manhattan



Realty Services

Retail SF Under Construction	
Manhattan:	629,000 SF
Brooklyn:	455,000 SF
Queens:	92,000 SF
Bronx:	1,329,000 SF



Retail Leasing

Major developments – Brooklyn



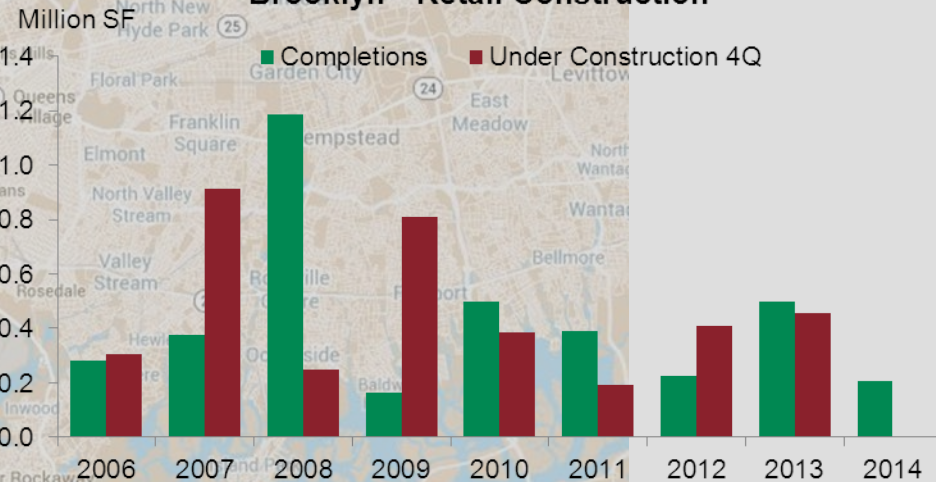
Realty Services

Retail SF Under Construction

Manhattan: 629,000 SF
Brooklyn: 455,000 SF
 Queens: 92,000 SF
 Bronx: 1,329,000 SF

242 Bedford Ave
 150,000 SF
 Completion: 2014

Brooklyn - Retail Construction



Source: CoStar, Massey Knakal Research

Retail Leasing

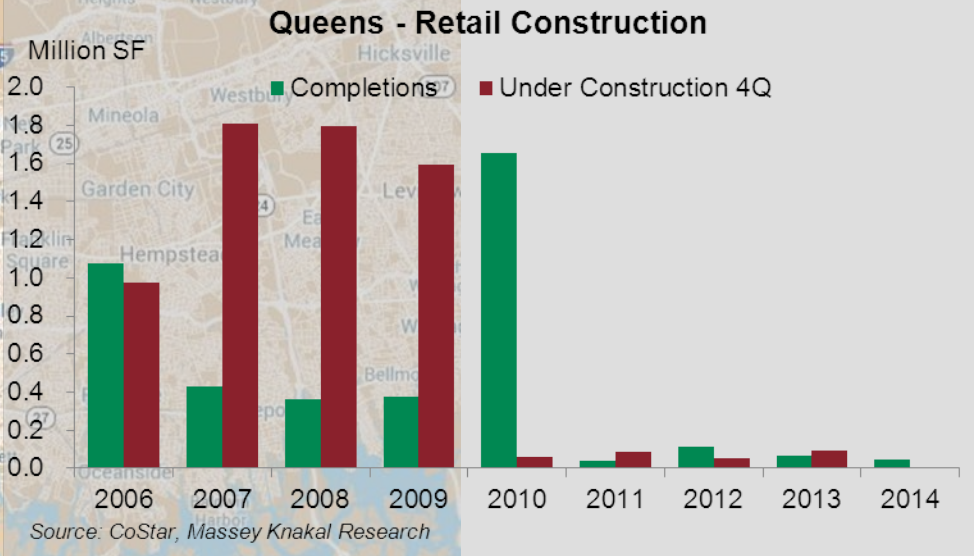
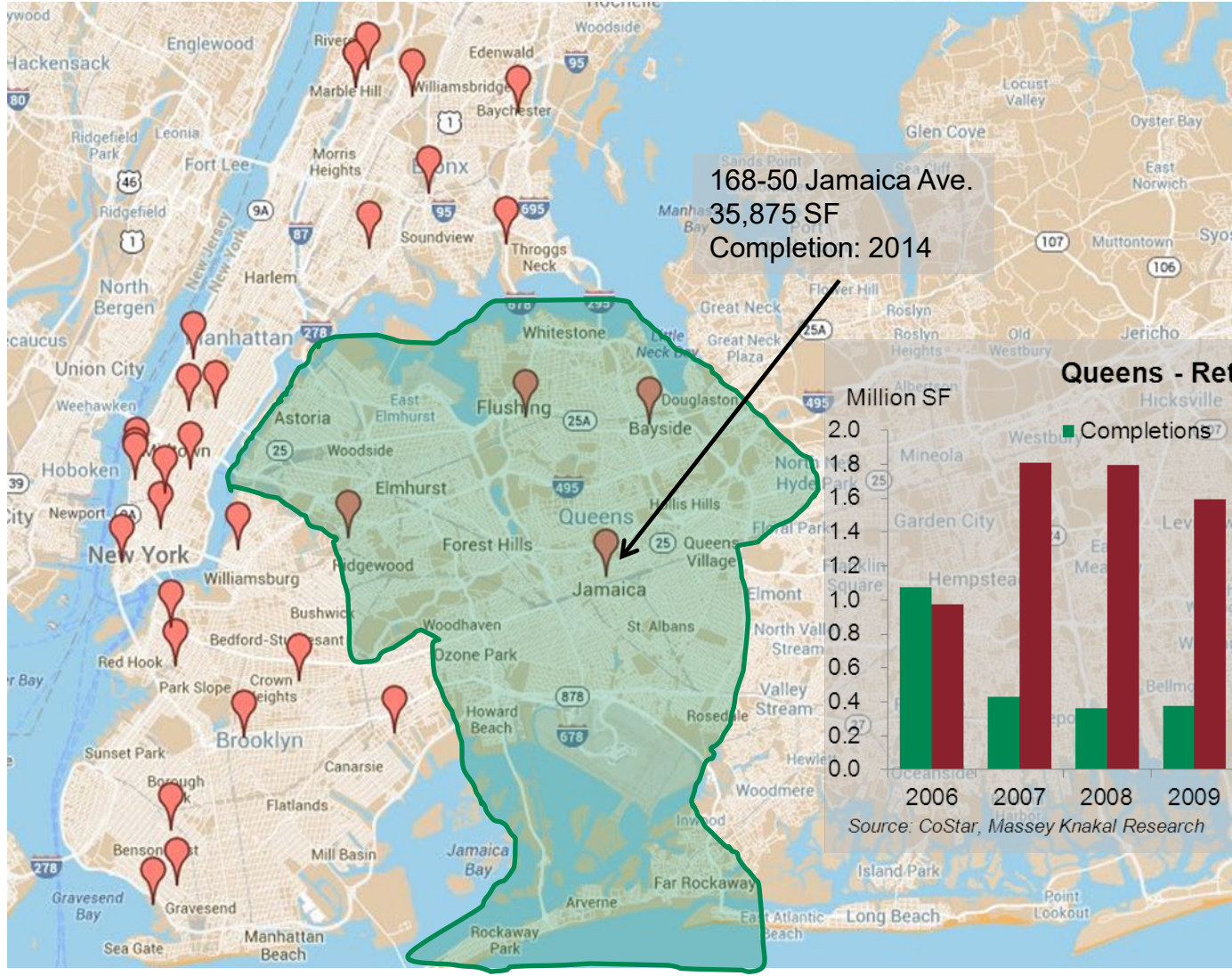
Major developments – Queens



Realty Services

Retail SF Under Construction

Manhattan:	629,000 SF
Brooklyn:	455,000 SF
Queens:	92,000 SF
Bronx:	1,329,000 SF

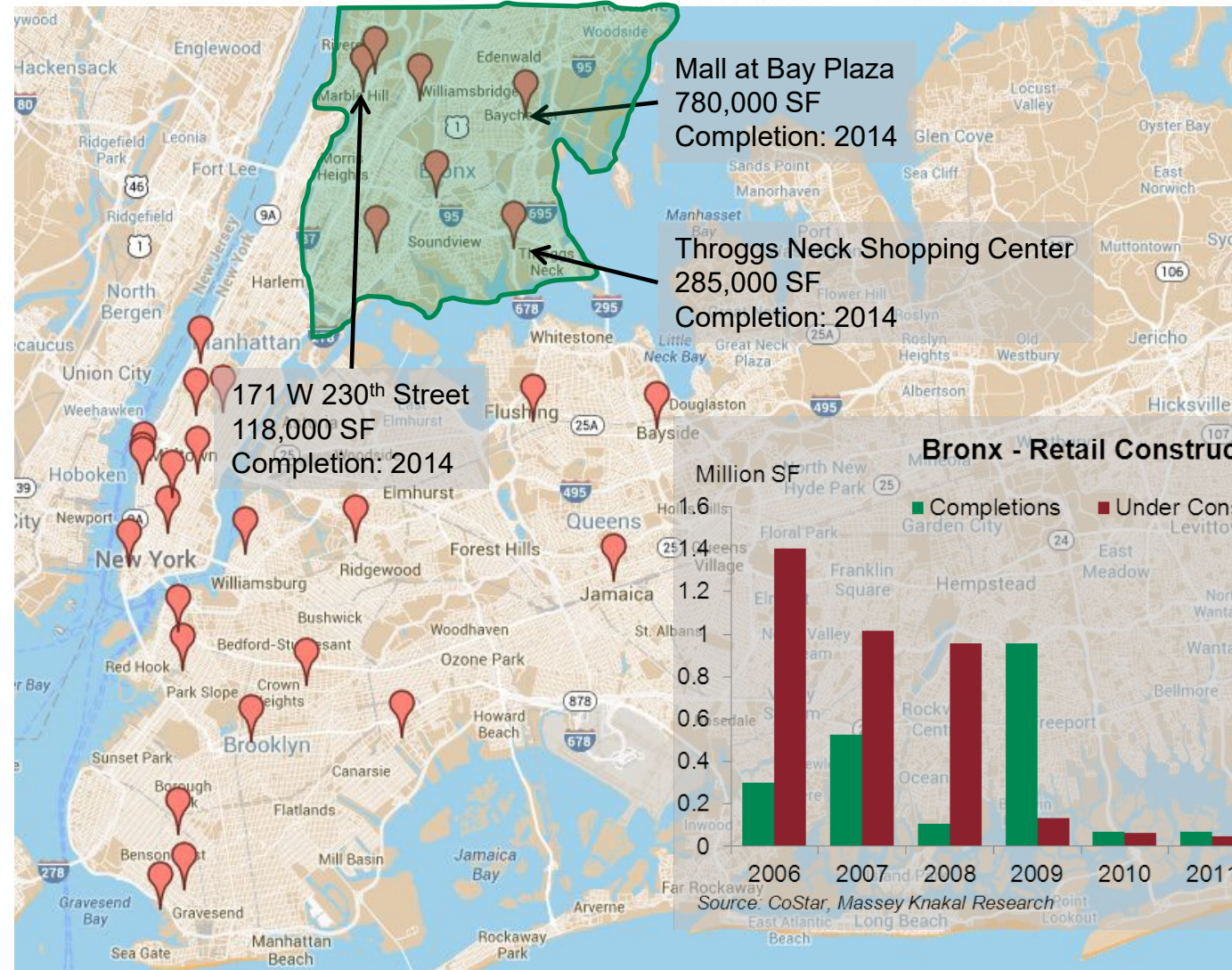


Retail Leasing

Major developments – Bronx



Realty Services



Mall at Bay Plaza
780,000 SF
Completion: 2014

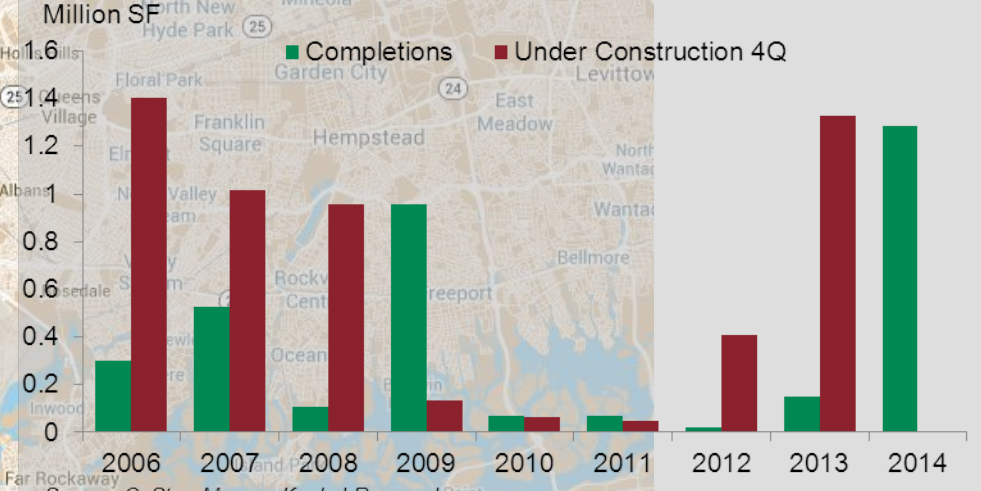
Throggs Neck Shopping Center
285,000 SF
Completion: 2014

171 W 230th Street
118,000 SF
Completion: 2014

Retail SF Under Construction

Manhattan:	629,000 SF
Brooklyn:	455,000 SF
Queens:	92,000 SF
Bronx:	1,329,000 SF

Bronx - Retail Construction





Market Overview

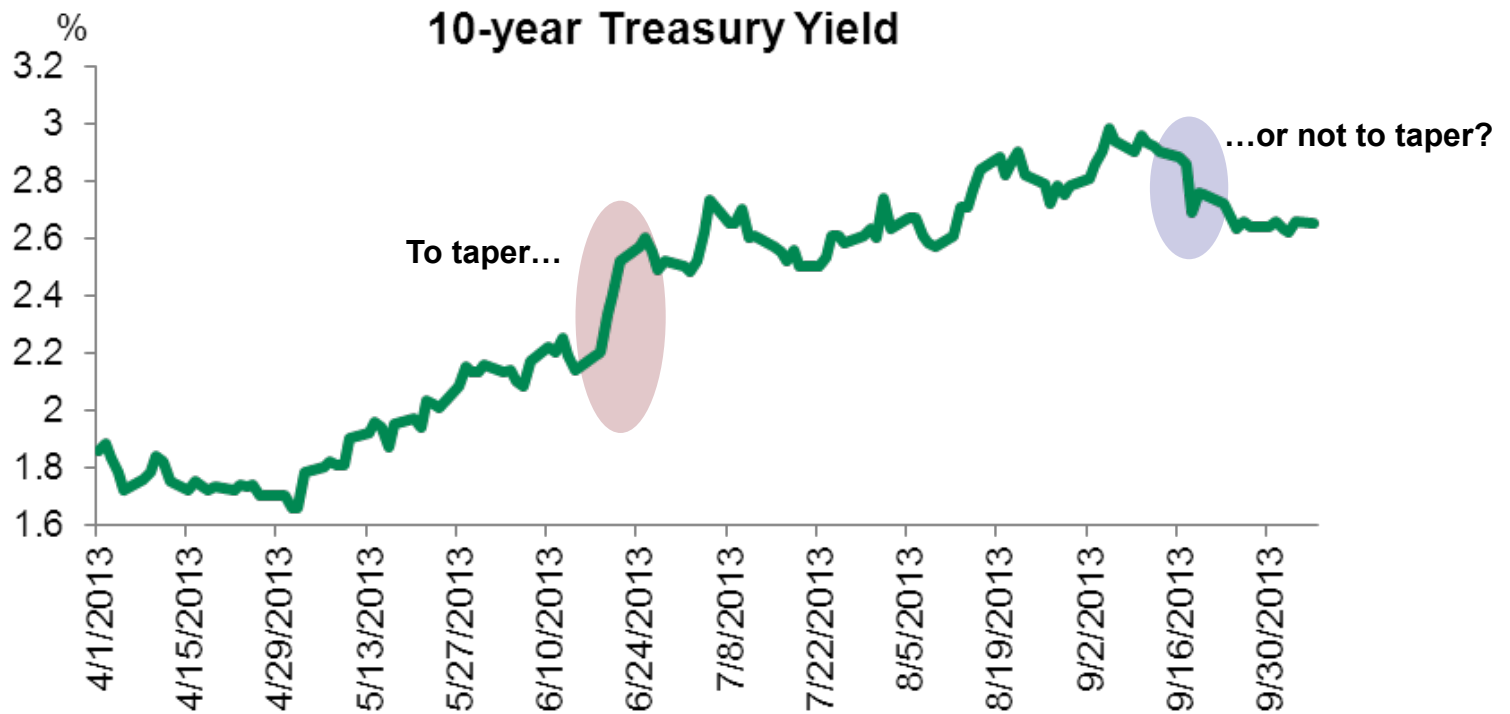
Capital Markets



Realty Services

Capital Markets

Treasury rate drivers



Source: Fed, Massey Knakal Research

- Treasury yield increases since mid-2013 are based on both signs of an improving economy and Fed actions/comments
- After the Fed announced to consider tapering, the ten year treasury experienced its largest weekly jump.
- With the announcement not to taper yet at the Fed's last meeting, the treasury came down 20 bps in one day and has been hovering around 2.65% since.

Capital Markets

Current mortgage rates



Multifamily Assets*

LTV	5 Year Rate			10 Year Rate		
	Mar-13	Jul-13	Oct-13	Mar-13	Jul-13	Oct-13
50%	2.50	3.00	3.00	3.25	4.00	4.00
75%	2.75	3.25	3.25	3.50	4.25	4.25

Retail & Commercial Assets*

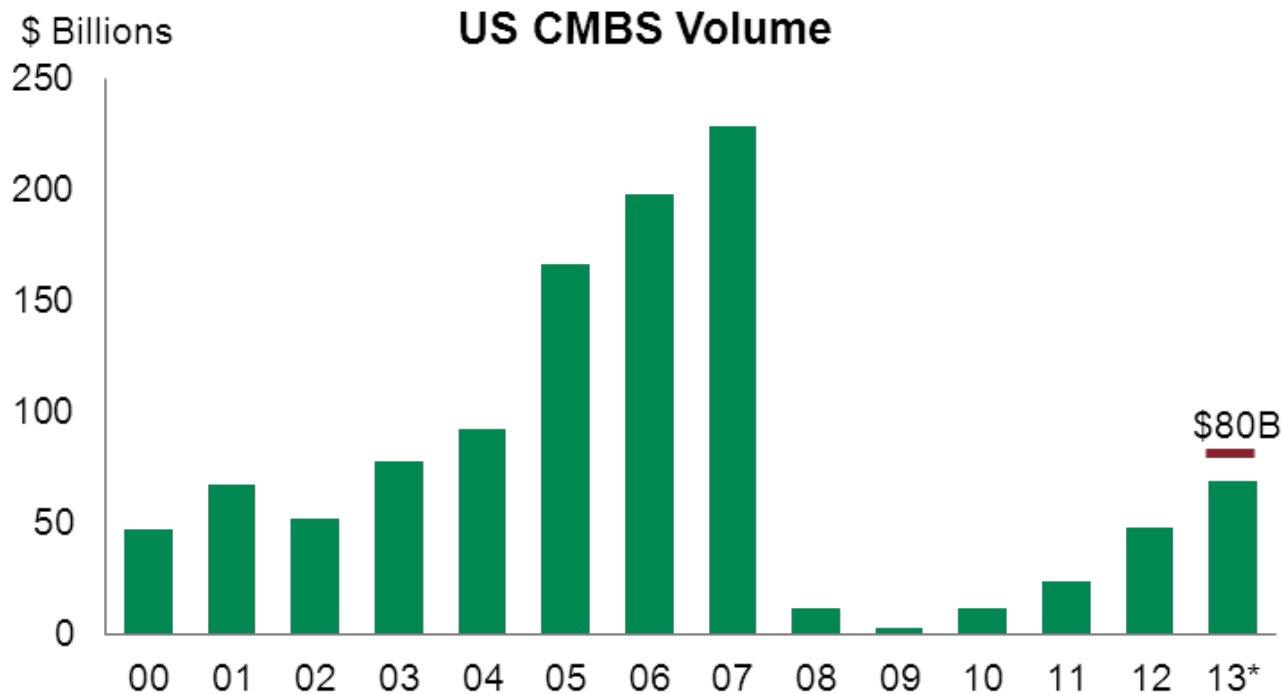
LTV	5 Year Rate			10 Year Rate		
	Mar-13	Jul-13	Oct-13	Mar-13	Jul-13	Oct-13
50%	2.75	3.25	3.25	3.50	4.30	4.30
75%	3.00	3.50	3.50	3.75	4.50	4.50

* These rates are purely indicative. Actual rates may vary depending on bank underwriting.

- As a reaction to Bernanke's taper statements and the subsequent interest rate hikes, mortgage rates have increased by 50 to 75 bps for both multifamily and commercial assets since mid-2013
- Recently, markets have calmed down and the treasury rate has stabilized
- Similarly, mortgage rates have not changed significantly since the end of the last quarter either

Capital Markets

CMBS issuance over the course of the year



* As of October 2013

Source: CMAAlert, Massey Knakal Research

- At the beginning of 2013, this year's CMBS volume was forecasted to be \$65B
- Thus far through October, there has been \$69B in issuance
- Since the summer, CMBS issuance have slowed. With \$4.1B, September has been the slowest month so far in 2013 (monthly average in 2013 is \$6.7B).
- This is based on treasury hikes, which made borrowing more expensive
- We expect the year to end around \$80B, 65% above 2012 levels, and well above the beginning of the year forecasts



Property Sales Report

Take-aways



Realty Services

Summary Slide

Trends



- As anticipated, NYC property sales activity surged in 3Q13, recovering strongly from the slump in 1Q13.
- Gain in activity throughout the year was largely driven by the boroughs, growth in property sales in Manhattan was slower.
- Price per SF in 2013 was up in all NYC submarkets – in all markets but Manhattan and Brooklyn the growth rate accelerated in 2013.
 - The boroughs are catching up.
- In Manhattan, the development sector is on fire as the average price per buildable achieved a record high in 3Q13.
 - Indicates investors' and developers' optimism over Manhattan's future property performance.