



**MASSEY  
KNAKAL**

Realty Services

*A Supplement to  
The Building Sales Journal*

# MANHATTAN BUILDING SALES REPORT

1<sup>ST</sup> HALF 2009

[www.masseynakal.com](http://www.masseynakal.com)

# MANHATTAN BUILDING SALES | 1<sup>ST</sup> HALF 2009

## Transaction Volume and Turnover

During the first half of 2009 (1H09), the Manhattan building sales market (south of 96th St. east of Central Park and south of 110th St. west of Central Park) had 95 closed transactions consisting of 122 properties. The number of transactions was down 74.06% from 1H08, and 84.08% from the 1H07, the most active half year. Volume is running at 0.73% of the total stock of properties on an annualized basis. To put this number in perspective, the lowest turnover we have seen in the last 25 years was 1.6% in 1992 and 2003, both of which were years at the end of recessionary periods and cyclical highs in unemployment. Transaction volume for the second quarter of 2009 has remained flat when compared to the first quarter.

## Dollar Volume

The aggregate sales consideration in 1H09 was \$1,900,689,724. This figure was down 82.8% from 1H08 and down 93.8% from the peak half year of 1H07. The trend has certainly been toward smaller transactions, with 84 of the 95 transactions being less than \$25m. While the volume figures above reflect activity across all property types, below we examine pricing trends based on product type.

## Walk-Up Apartment Buildings

The average capitalization rate for walk-up apartment buildings was 4.58% in 1H09, showing an upward shift of 38 basis points from 2H08 and 58 basis points from its low of 4.00% in 1H07. The average gross income multiple (GIM) dropped to 14.6 in 1H09 from 15.2 in 2H08 and its peak 15.9 in 1H07. Correspondingly, the median price per square foot (\$/SF) was \$494, down 22.7% from its 2H08 peak of \$606 per square foot.

## Elevated Apartment Buildings

Elevated apartment building cap rates in 1H09 averaged 4.08%, up 58 basis points from 2H08 and up 128 basis points from its low of 2.80% in 1H06. The average GIM dropped to 14.5 in 1H09

from 17.4 in 2H08 and its peak 18.4 in 1H06. Moreover, the median \$/SF was \$468, down 13.7% from its 1H08 peak of \$532 per square foot.

## Mixed-Use Apartment Buildings

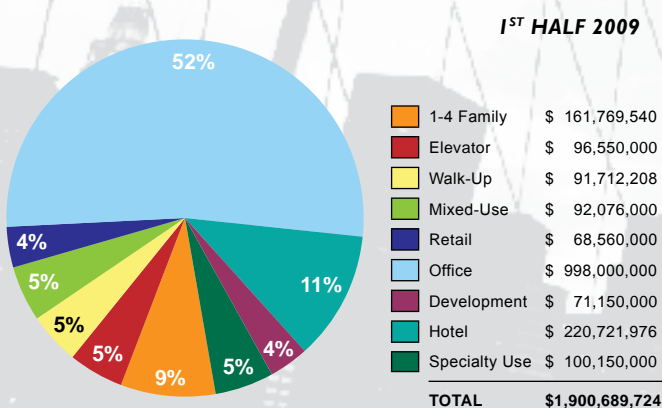
Mixed-use properties produced average cap rates during 1H09 of 6.64% up 194 basis points from 2H08 which tied the low point of 4.70% from 1H06. Median \$/SF was \$535, down 52.9% from its 1H08 peak of \$1,135 per square foot. This drop is due to the stresses in the retail markets as the recession has hit consumer spending quite hard, delivering a body blow to retail value.

## Other Property Types

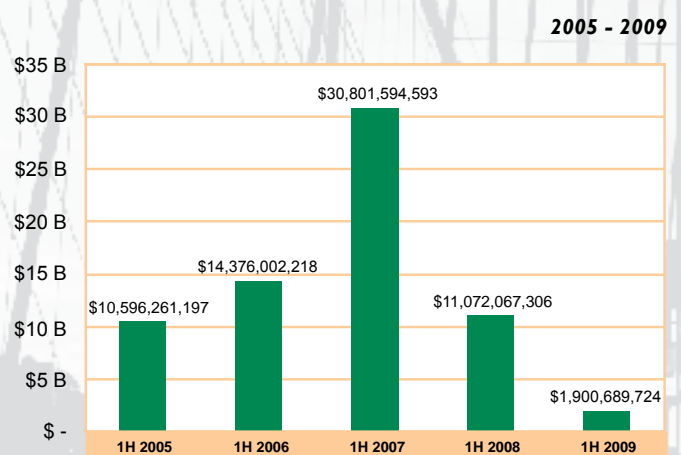
In other property types, median \$/SF for 1-4 family homes was \$1,484 per square foot in 1H09. Office buildings came in at \$392 per square foot, hotels at \$997 per square foot and retail at \$1,071 per square foot. It should be noted that there were only 2 hotel sales in 1H09, so this is statistically insignificant.

In general, the Manhattan building sales market has seen a reduction in activity and value. The trend has certainly been toward smaller transactions, for which there is plentiful debt available from community and regional banks. We have also seen a resurgence of high net worth individuals and old-line families who had been overpowered by operators backed by institutional capital for the past several years. We have also seen a noticeable impact on the market by high net worth, private individuals from overseas. We have not seen foreign investors in these numbers since the mid-1980s. We anticipate the volume of sales increasing slightly as we move past the paralysis in the market which we witnessed after the failure of Lehman Brothers on September 15, 2008 and the dismantling of Wall Street as we knew it. Based on current market activity, we expect volume to increase as prices drop in 2H09 due to eroding fundamentals and increasing unemployment.

## DOLLAR VOLUME



## FIRST HALF DOLLAR VOLUME

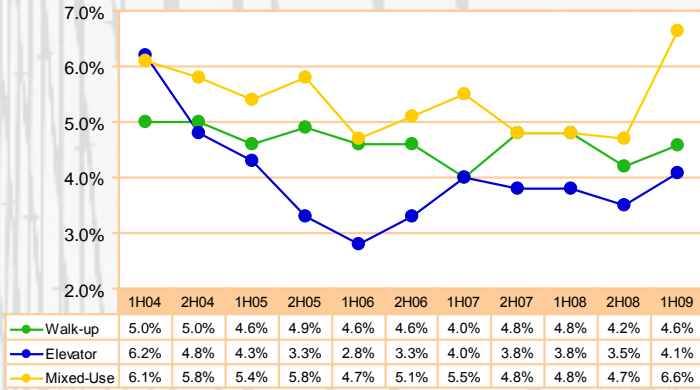


# MANHATTAN BUILDING SALES DATA | 1<sup>ST</sup> HALF 2009

Data is based on all sales from the first half of 2009.

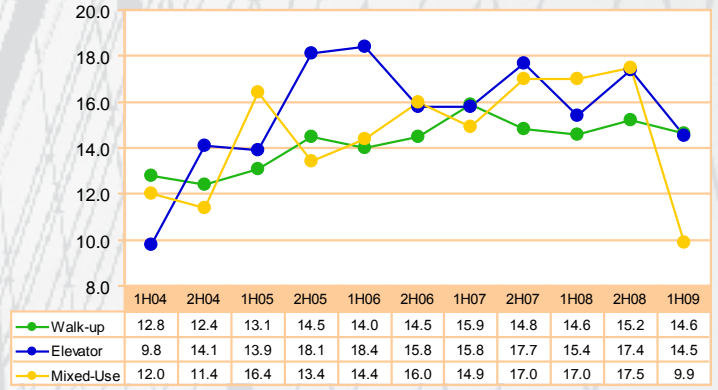
## CAP RATE

1<sup>ST</sup> HALF 2009



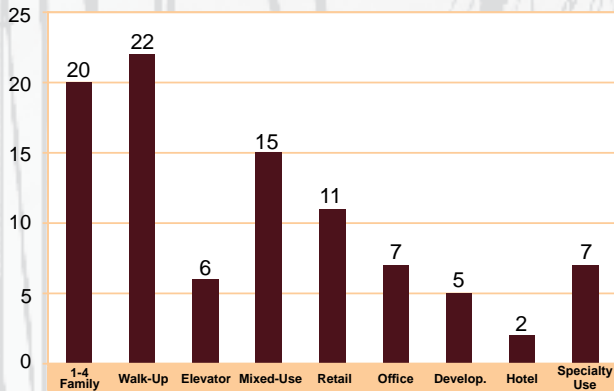
## GROSS RENT MULTIPLE

1<sup>ST</sup> HALF 2009



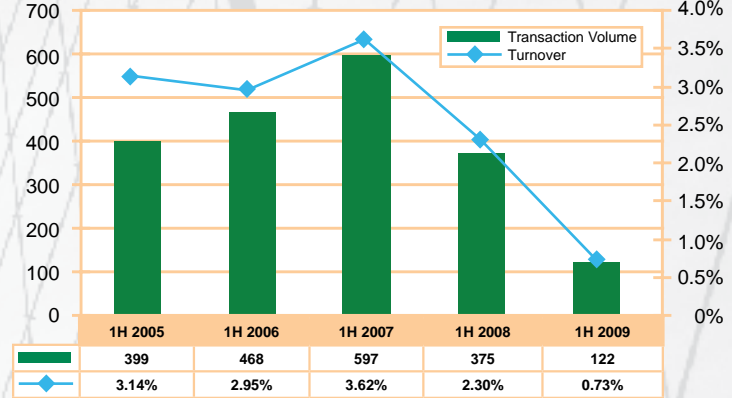
## TRANSACTION VOLUME BY PROPERTY TYPE

1<sup>ST</sup> HALF 2009



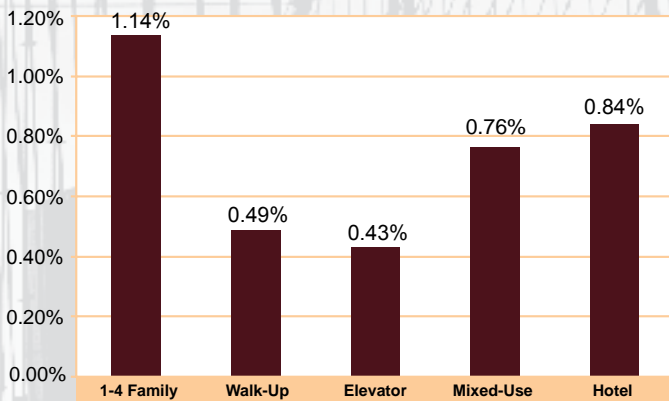
## FIRST HALF BUILDING SALES VOLUME & ANNUALIZED TURNOVER RATE

2005 - 2009



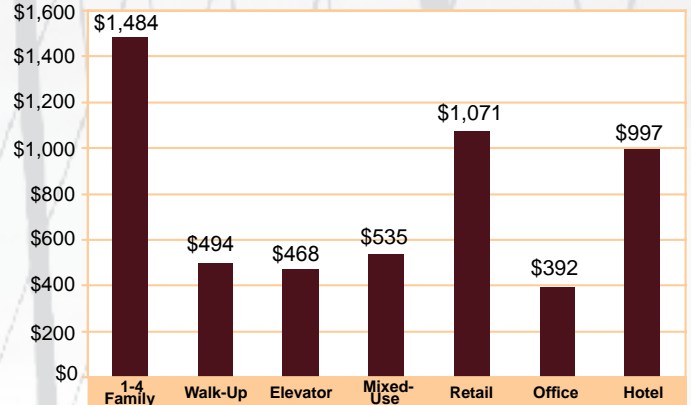
## ANNUALIZED TURNOVER RATE BY PROPERTY TYPE

1<sup>ST</sup> HALF 2009



## MEDIAN PRICE PER SQUARE FOOT BY PROPERTY TYPE

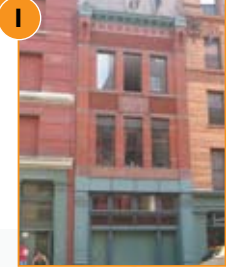
1<sup>ST</sup> HALF 2009



# MANHATTAN BUILDING SALES | 2<sup>ND</sup> QUARTER 2009

## I-4 FAMILY

AVG. PRICE: \$6,653,182    AVG. PRICE / SF: \$1,506  
GROSS SF: 48,585    Q2 TOTAL SALES: 11



1

**185 LAFAYETTE STREET**

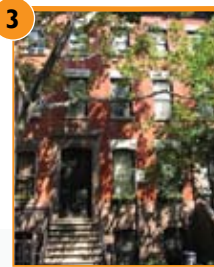
PRICE: \$3,335,000  
DATE: 04-08-09  
GROSS SF: 3,675  
PRICE / SF: \$907



2

**97 BARROW STREET**

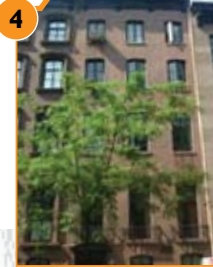
PRICE: \$4,025,000  
DATE: 05-19-09  
GROSS SF: 2,592  
PRICE / SF: \$1,553



3

**67 CHARLES STREET**

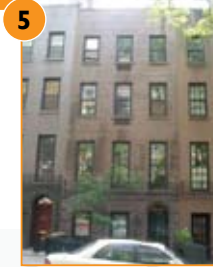
PRICE: \$8,250,000  
DATE: 06-17-09  
GROSS SF: 3,660  
PRICE / SF: \$2,254



4

**42 WEST 12<sup>TH</sup> STREET**

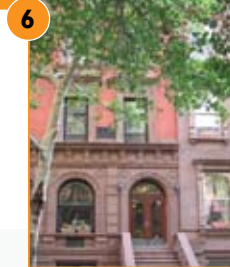
PRICE: \$15,075,000  
DATE: 04-07-09  
GROSS SF: 8,300  
PRICE / SF: \$1,816



5

**156 EAST 66<sup>TH</sup> STREET**

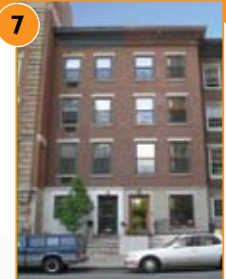
PRICE: \$5,800,000  
DATE: 06-03-09  
GROSS SF: 4,590  
PRICE / SF: \$1,264



6

**129 WEST 69<sup>TH</sup> STREET**

PRICE: \$5,300,000  
DATE: 04-27-09  
GROSS SF: 5,621  
PRICE / SF: \$943



7

**337 WEST 70<sup>TH</sup> STREET**

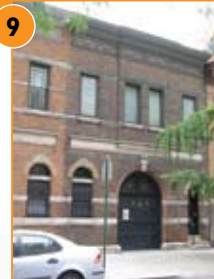
PRICE: \$4,550,000  
DATE: 05-15-09  
GROSS SF: 4,307  
PRICE / SF: \$1,056



8

**39 WEST 70<sup>TH</sup> STREET**

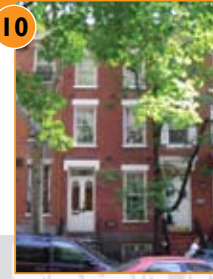
PRICE: \$15,000,000  
DATE: 05-13-09  
GROSS SF: 6,580  
PRICE / SF: \$2,280



9

**163 EAST 73<sup>RD</sup> STREET**

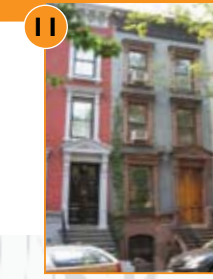
PRICE: \$5,800,000  
DATE: 05-27-09  
GROSS SF: 4,100  
PRICE / SF: \$1,415



10

**259 EAST 78<sup>TH</sup> STREET**

PRICE: \$2,050,000  
DATE: 04-17-09  
GROSS SF: 2,600  
PRICE / SF: \$788



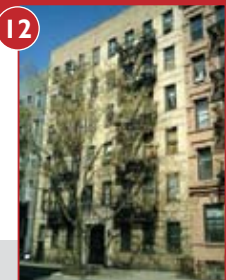
11

**134 EAST 92<sup>ND</sup> STREET**

PRICE: \$4,000,000  
DATE: 05-08-09  
GROSS SF: 2,560  
PRICE / SF: \$1,563

## 5+ FAMILY ELEVATORED

AVG. PRICE: \$10,458,333    AVG. PRICE / SF: \$569  
GROSS SF: 55,150    Q2 TOTAL SALES: 3



12

**313 WEST 21<sup>ST</sup> STREET**

PRICE: \$6,450,000  
DATE: 05-22-09  
GROSS SF: 22,600  
PRICE / SF: \$285  
UNITS: 36  
CAP RATE: 3.07%  
GRM: 17.54  
PR. / UNIT: \$179,167



13

**11 EAST 74<sup>TH</sup> STREET**

PRICE: \$18,125,000  
DATE: 05-26-09  
GROSS SF: 8,150  
PRICE / SF: \$2,224  
UNITS: 5  
PR. / UNIT: \$3,625,000



14

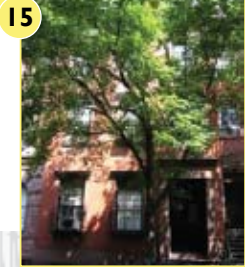
**294 WEST 92<sup>ND</sup> STREET**

PRICE: \$6,800,000  
DATE: 05-22-09  
GROSS SF: 24,400  
PRICE / SF: \$279  
UNITS: 24  
CAP RATE: 3.90%  
GRM: 13.78  
PR. / UNIT: \$283,333

# MANHATTAN BUILDING SALES 2<sup>ND</sup> QUARTER 2009

## 5+ FAMILY WALK-UP

AVG. PRICE: \$4,904,533  
GROSS SF: 114,442  
AVG. PRICE / SF: \$429  
Q2 TOTAL SALES: 10



15

**29 BANK STREET**

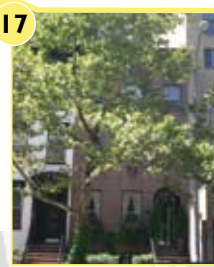
PRICE: \$7,110,000  
DATE: 05-07-09  
GROSS SF: 4,044  
PRICE / SF: \$1,758  
UNITS: 6  
PR. / UNIT: \$1,185,000



16

**224 EAST 12<sup>TH</sup> STREET**

PRICE: \$4,300,000  
DATE: 06-17-09  
GROSS SF: 8,050  
PRICE / SF: \$534  
UNITS: 5  
PR. / UNIT: \$860,000



17

**318 EAST 30<sup>TH</sup> STREET**

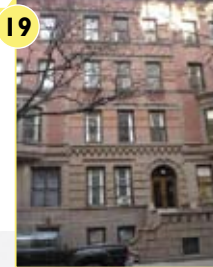
PRICE: \$2,000,000  
DATE: 05-12-09  
GROSS SF: 3,850  
PRICE / SF: \$519  
UNITS: 5  
PR. / UNIT: \$400,000



18

**527 WEST 46<sup>TH</sup> STREET**

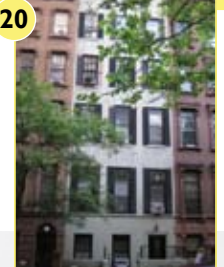
PRICE: \$4,747,000  
DATE: 05-11-09  
GROSS SF: 9,075  
PRICE / SF: \$523  
UNITS: 20  
PR. / UNIT: \$237,350



19

**115 WEST 69<sup>TH</sup> STREET**

PRICE: \$4,500,000  
DATE: 04-30-09  
GROSS SF: 6,514  
PRICE / SF: \$691  
UNITS: 10  
PR. / UNIT: \$450,000



20

**159 WEST 73<sup>RD</sup> STREET**

PRICE: \$3,703,333  
DATE: 05-29-09  
GROSS SF: 5,817  
PRICE / SF: \$637  
UNITS: 10  
CAP RATE: 4.80%  
GRM: 14.05  
PR. / UNIT: \$370,333



21

**526-49 EAST 82<sup>ND</sup> STREET**

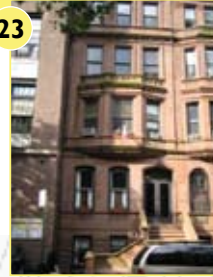
PRICE: \$15,500,000  
DATE: 04-03-09  
GROSS SF: 58,723  
PRICE / SF: \$264  
UNITS: 106  
CAP RATE: 6.79%  
GRM: 9.51  
PR. / UNIT: \$146,226



22

**218 EAST 84<sup>TH</sup> STREET**

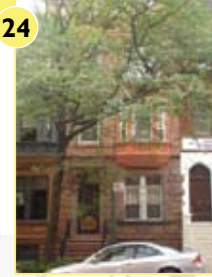
PRICE: \$2,960,000  
DATE: 04-14-09  
GROSS SF: 8,535  
PRICE / SF: \$347  
UNITS: 20  
PR. / UNIT: \$148,000



23

**22 WEST 88<sup>TH</sup> STREET**

PRICE: \$3,125,000  
DATE: 05-28-09  
GROSS SF: 6,570  
PRICE / SF: \$476  
UNITS: 10  
PR. / UNIT: \$312,500



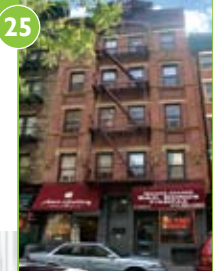
24

**136 MANHATTAN AVENUE**

PRICE: \$1,100,000  
DATE: 06-12-09  
GROSS SF: 3,264  
PRICE / SF: \$337  
UNITS: 8  
PR. / UNIT: \$137,500

## MIXED-USE

AVG. PRICE: \$7,116,222  
GROSS SF: 115,422  
AVG. PRICE / SF: \$555  
Q2 TOTAL SALES: 9



25

**81 BAXTER STREET**

PRICE: \$3,570,000  
DATE: 05-28-09  
GROSS SF: 10,300  
PRICE / SF: \$347



26

**110-112 MULBERRY STREET**

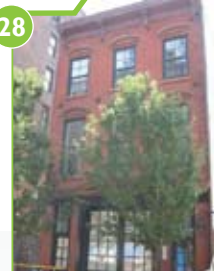
PRICE: \$6,500,000  
DATE: 06-01-09  
GROSS SF: 18,575  
PRICE / SF: \$350



27

**145 SPRING STREET**

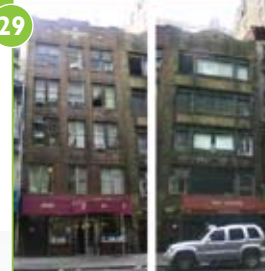
PRICE: \$18,000,000  
DATE: 05-14-09  
GROSS SF: 13,625  
PRICE / SF: \$1,321



28

**102 CHARLES STREET**

PRICE: \$6,500,000  
DATE: 05-07-09  
GROSS SF: 5,760  
PRICE / SF: \$1,128



29

**51 & 53 WEST 19<sup>TH</sup> STREET**

PRICE: \$5,000,000  
DATE: 04-06-09  
GROSS SF: 13,590  
PRICE / SF: \$368

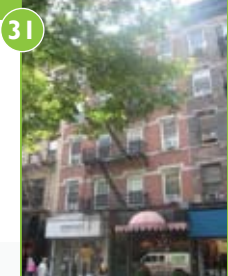


30

**329 & 331 LEXINGTON AVE**

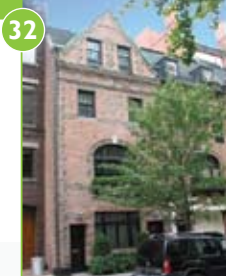
PRICE: \$5,126,000  
DATE: 04-30-09  
GROSS SF: 18,388  
PRICE / SF: \$279  
CAP RATE: 5.39%  
GRM: 9.72

**MIXED-USE**



**31**  
**226 EAST 59<sup>TH</sup> STREET**

**PRICE:** \$4,450,000  
**DATE:** 04-23-09  
**GROSS SF:** 11,827  
**PRICE / SF:** \$376



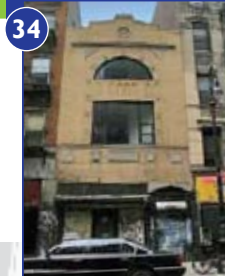
**32**  
**176 EAST 75<sup>TH</sup> STREET**

**PRICE:** \$8,600,000  
**DATE:** 05-20-09  
**GROSS SF:** 4,610  
**PRICE / SF:** \$1,866



**33**  
**967 & 971 COLUMBUS AVENUE**

**PRICE:** \$6,300,000  
**DATE:** 05-26-09  
**GROSS SF:** 18,747  
**PRICE / SF:** \$336  
**CAP RATE:** 7.52%  
**GRM:** 9.52



**34**  
**121 LUDLOW STREET**

**PRICE:** \$3,450,000  
**DATE:** 05-14-09  
**GROSS SF:** 4,560  
**PRICE / SF:** \$757  
**CAP RATE:** 4.40%  
**GRM:** 17.25



**35**  
**214 EAST 45<sup>TH</sup> STREET**

**PRICE:** \$2,700,000  
**DATE:** 04-01-09  
**GROSS SF:** 1,674  
**PRICE / SF:** \$1,613

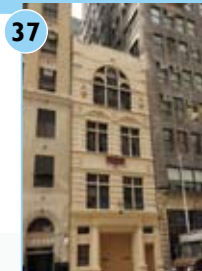


**36**  
**167 ORCHARD STREET**

**PRICE:** \$4,000,000  
**DATE:** 04-06-09  
**LOT AREA:** 1,988  
**ZONING:** C4-4A  
**FAR:** 4.00  
**BSF:** 7,952  
**PRICE / BSF:** \$503

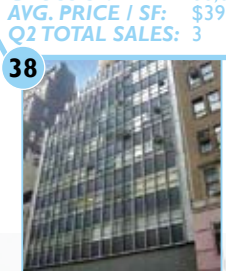
**AVG. PRICE:** \$3,383,333  
**GROSS SF:** 14,186  
**AVG. PRICE / SF:** \$715  
**Q2 TOTAL SALES:** 3

**OFFICE**



**37**  
**240 WEST 30<sup>TH</sup> STREET**

**PRICE:** \$1,525,000  
**DATE:** 05-11-09  
**GROSS SF:** 8,500  
**PRICE / SF:** \$179



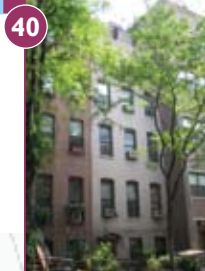
**38**  
**30 WEST 47<sup>TH</sup> STREET**

**PRICE:** \$42,500,000  
**DATE:** 05-14-09  
**GROSS SF:** 55,138  
**PRICE / SF:** \$771



**39**  
**4 EAST 43<sup>RD</sup> STREET**

**PRICE:** \$6,300,000  
**DATE:** 06-01-09  
**LOT AREA:** 1,636  
**ZONING:** C5-3/C5-2.5  
**FAR:** 15/12  
**BSF:** 22,976  
**PRICE / BSF:** \$274



**40**  
**447 WEST 47<sup>TH</sup> STREET**

**PRICE:** \$2,500,000  
**DATE:** 05-29-09  
**LOT AREA:** 1,883  
**ZONING:** R8  
**FAR:** 4.20  
**BSF:** 7,909  
**PRICE / BSF:** \$316



**41**  
**400-404 WEST 57<sup>TH</sup> STREET (869 NINTH AVENUE)**

**PRICE:** \$13,000,000  
**DATE:** 05-26-09  
**LOT AREA:** 12,500  
**ZONING:** C1-8  
**FAR:** 5.00  
**BSF:** 62,500  
**PRICE / BSF:** \$208

**AVG. PRICE:** \$16,775,000  
**GROSS SF:** 86,614  
**AVG. PRICE / SF:** \$392  
**Q2 TOTAL SALES:** 3

**DEVELOPMENT**

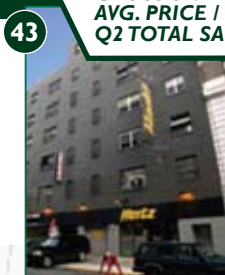
**AVG. PRICE:** \$7,750,000  
**GROSS BSF:** 70,409  
**AVG. PRICE / BSF:** \$220  
**Q2 TOTAL SALES:** 2

**SPECIALTY USE**



**42**  
**58 WASHINGTON SQUARE (238 THOMPSON STREET)**

**PRICE:** \$25,000,000  
**DATE:** 05-26-09  
**LOT AREA:** 12,622  
**ZONING:** R7-2  
**FAR:** 3.44  
**BSF:** 43,420  
**PRICE / BSF:** \$576



**43**  
**206-210 WEST 77<sup>TH</sup> STREET**

**PRICE:** \$45,000,000  
**DATE:** 05-28-09  
**GROSS SF:** 42,058  
**PRICE / SF:** \$1,070



**44**  
**165 WEST END AVENUE #1M**

**PRICE:** \$725,000  
**DATE:** 06-10-09  
**GROSS SF:** 1,302  
**PRICE / SF:** \$557

**AVG. PRICE:** \$23,575,000  
**GROSS SF:** 86,780  
**AVG. PRICE / SF:** \$815  
**Q2 TOTAL SALES:** 3

Massey Knakal is uniquely able to produce this comprehensive sales report because of our exclusive Territory System. Each sales agent continuously tracks all property sales that occur in his or her territory. For more information about particular transactions, contact a neighborhood sales agent below:

**HALL OSTER**

hoster@masseyknakal.com  
Upper West Side

**PAUL SMADBECK**

psmadbeck@masseyknakal.com  
Upper West Side

**CHRISTOFFER BRODHEAD**

cbrodhead@masseyknakal.com  
Midtown West

**ROBERT KNAKAL**

rknakal@masseyknakal.com  
Hudson Yards  
Penn Station  
Midtown West

**BROCK EMMETSBERGER**

brock@masseyknakal.com  
Chelsea

**JAMES NELSON**

jnelson@masseyknakal.com  
Greenwich Village  
NoHo

**ROBERT BURTON**

rburton@masseyknakal.com  
SoHo  
NoLiTa  
Chinatown

**NICK PETKOFF**

npetkoff@masseyknakal.com  
TriBeCa  
Financial District

**CORY ROSENTHAL**

crosenthal@masseyknakal.com  
Yorkville  
Carnegie Hill

**THOMAS GAMMINO JR.**

tgammino@masseyknakal.com  
Upper East Side

**GUTHRIE GARVIN**

ggarvin@masseyknakal.com  
Upper East Side

**CLINT OLSEN**

colsen@masseyknakal.com  
Midtown East

**JOHN CIRAULO**

jciraulo@masseyknakal.com  
Flatiron  
Murray Hill  
Union Square  
Gramercy Park

**JOSEPH SITT**

jsitt@masseyknakal.com  
Alphabet City  
East Village

**MICHAEL DECHESER**

mdechaser@masseyknakal.com  
Lower East Side  
Chinatown



- 1-4 Family
- 5+ Family Elevator
- 5+ Family Walk-Up
- Mixed-Use
- Retail / Retail Condo
- Office
- Development
- Specialty Use



## Realty Services

### METHODOLOGY

The Cap Rates, Gross Income Multipliers, Median Price per Square Foot and Total Volume presented in this report pertain to closed sales researched by or sold by Massey Knakal Realty Services during the period 1/1/09 - 6/30/09. These transactions occurred at a minimum sales price of \$500,000 and were located in Manhattan south of 96th Street east of Central Park, and south of 110th Street west of Central Park. These sales may be found in the public record and were reported by ACRIS and other sources deemed reliable. This information has been compiled for informational purposes only and Massey Knakal Realty Services shall not be liable for any reliance thereon.

We use the following City of New York classifications:

- 1-4 Family buildings: A, B, CO and C3.
- 5+ Family Walk-Up buildings: C1, C2, C4, C5, C7, C8 and C9 (excluding C6 which represent Co-Ops).
- 5+ Family Elevatored buildings: D1, D2, D3, D5, D6, D8 and D9 (excluding D0, D4 which represent Co-Ops).
- Mixed-Use buildings: K and S classes.
- Retail buildings: L1, L8, L9, O, R5, R7 and R8.
- Office buildings and commercial condos: O, R5, R7 and R8.
- Hotel buildings: H classes.
- Development: VO, V1, V2 and other buildings that were purchased for development.
- Specialty Use: Buildings that, because of their intended uses (such as religious, medical, government, educational, non-profit uses), do not fall into any of the above building classes.

Each sale was analyzed and categorized on a case by case basis.

**Cap Rate:** net operating income divided by the sales price.

**Gross Rent Multiplier:** sales price divided by the gross income.

**Median Price Per Square Foot:** sales price divided by gross building area above grade, as reported in the public record.

**Average Price Per Square Foot:** sales price divided by the building's gross square feet.

**Average Price Per Buildable Square Foot:** sales price divided by the building's maximum buildable square feet as allowed by the zoning of New York City.

**Turnover Rate:** number of sales divided by total inventory.

When expenses were not available for calculating the cap rate and gross rent multiplier for multi-family buildings, we used the following guidelines:

	6-20 Units	21-50 Units	51+ Units
<b>Real Estate Tax:</b>	Actual	Actual	Actual
<b>Vacancy &amp; Credit Loss:</b>	1.5%	1.5%	1.5%
<b>Water &amp; Sewer:</b>	\$.50 / sf	\$.50 / sf	\$.50 / sf
<b>Insurance:</b>	\$500 / unit	\$400 / unit	\$375 / unit
<b>Fuel:</b>	\$1.60 / sf	\$1.60 / sf	\$1.60 / sf
<b>Electric:</b>	\$.25 / sf	\$.25 / sf	\$.25 / sf
<b>Payroll:</b>	\$4,800 / year	\$20,000 / year	\$20,000 / year
<b>Cleaning &amp; Maintenance:</b>	\$300 / month	\$400-\$600 / month	\$1,000 / month
<b>Elevator Maintenance:</b>	\$4,000 elev / yr	\$5,000 elev / yr	\$5,000 elev / yr
<b>Repairs:</b>	\$550 unit / yr	\$550 unit / yr	\$550 unit / yr
<b>Management:</b>	5%	4%	3%

For more information or a complimentary property evaluation in today's market, please contact:

**KYLE MAST**

Managing Director

212.696.2500 x7739

[kmast@masseyknakal.com](mailto:kmast@masseyknakal.com)



MASSEY KNAKAL  
275 Madison Avenue, Third Floor  
New York, NY 10016