

*A Supplement to
The Building Sales Journal*



Realty Services



QUEENS BUILDING SALES REPORT

IST HALF 2009

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Transaction Volume and Turnover

During the first half of 2009 (1H09), the Queens building sales market had 143 closed transactions consisting of 152 properties. The number of transactions was down 67.2% from 1H08, and 74.7% from 1H06, the most active half year. Volume is running at 0.69% of the total stock of properties in the Queens marketplace 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 2Q09 was down 57% from 1Q09.

Dollar Volume

The aggregate sales consideration in 1H09 was \$253,879,227. This figure was down 80.4% from 1H08 and down 81.8% from the peak half year of 2H06 during which consideration was \$1.4 billion. While the volume figures above reflect activity across all property types, below we examine pricing trends based on product type. Please note that cap rates and Gross Income Multiples (GIM) can vary widely between geographic locations and conditions of the properties across the borough.

Walk-Up Apartment Buildings

The average capitalization rate for walk-up apartment buildings was 5.57% in 1H09. This figure is surprisingly down 63 basis points from 2H08 and up just 7 basis points from its low of 5.50% in 1H06. The average gross income multiple (GIM) dropped to 10.4 in 1H09 from 11.8 in 2H08 which was also its peak in this sector. The unexpected direction of cap rates and seemingly high GIM may be attributable to the lack of a sufficient sample size. The median price per square foot (\$/SF) was \$176, down 12% from 2H08 and down 22.9% from its 2H06 peak.

Elevated Apartment Buildings

There were no elevator building sales during 1H09. However, several transactions are under contract and expected to close in 2H09.

Mixed-Use Properties

Mixed use properties produced average cap rates during 1H09 of 6.67%, down 3 basis points from 2H08, but up 97 basis points from the low in 1H06. Again, this may be attributable to the lack of a sufficient sample size. Median \$/SF was \$261, down 13% from 2H08 and down 15.8% from its 2H07 peak.

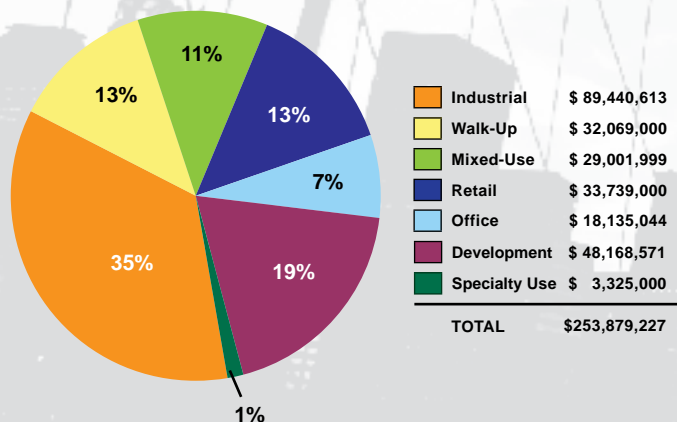
Other Property Types

In other property types, the median \$/SF for industrial properties was \$253 per square foot in 1H09 while office buildings averaged \$210 per square foot.

In general, the Queens building sales market has seen a reduction in activity accompanied by stable values. 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, old-line families and neighborhood owners who had been overpowered by operators backed by institutional capital for the past several years. 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 caused by increasing unemployment.

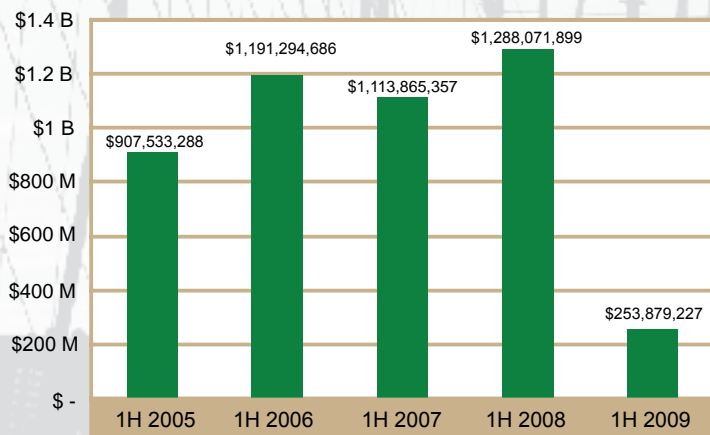
DOLLAR VOLUME

1ST HALF 2009



DOLLAR VOLUME

2005 - 2009



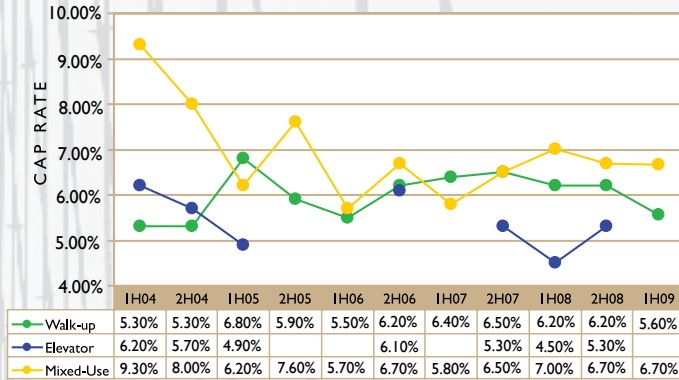
QUEENS BUILDING SALES DATA

1ST HALF 2009

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

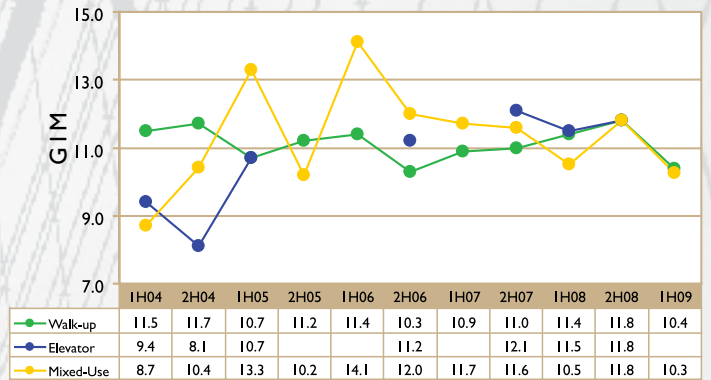
CAP RATE

1ST HALF 2009



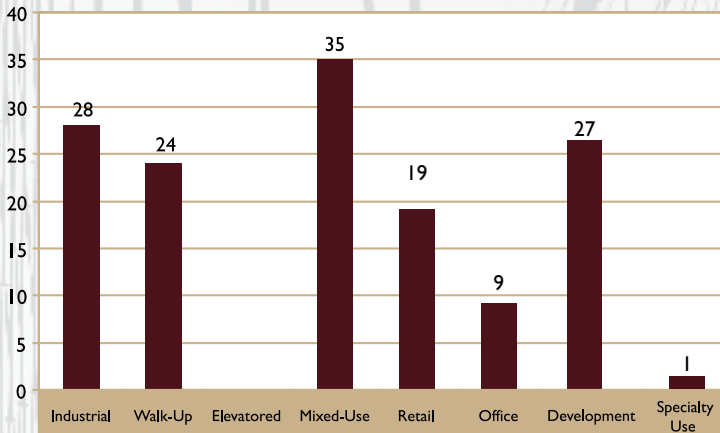
GROSS INCOME MULTIPLE

1ST HALF 2009



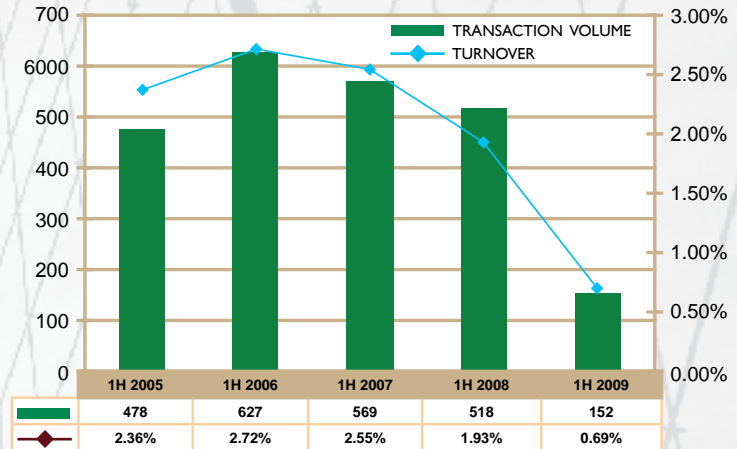
TRANSACTION VOLUME BY PROPERTY TYPE

1ST HALF 2009



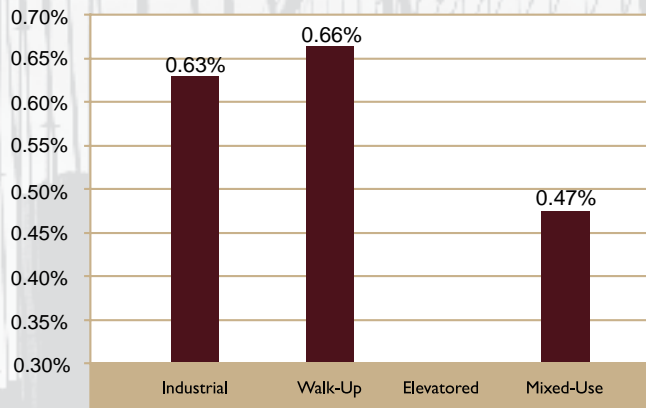
FIRST HALF TOTAL TRANSACTION VOLUME & ANNUALIZED TURNOVER RATE

2005 - 2009



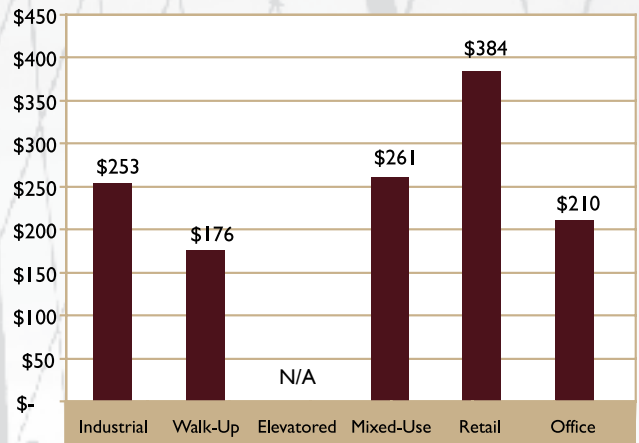
ANNUALIZED TURNOVER RATE BY PROPERTY TYPE

1ST HALF 2009



MEDIAN PRICE PER SQUARE FOOT BY PROPERTY TYPE

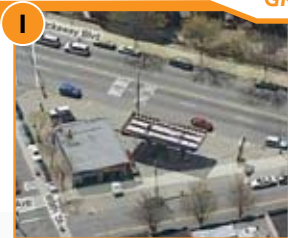
1ST HALF 2009



INDUSTRIAL

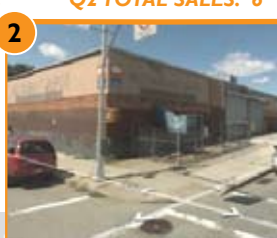
AVG. PRICE: \$6,100,000
GROSS SF: 114,302

AVG. PRICE / SF: \$320
Q2 TOTAL SALES: 6



1
88-14 101ST
AVENUE

PRICE: \$800,000
DATE: 4/1/09



2
53-44 74TH
STREET

PRICE: \$16,250,000
DATE: 4/2/09



3
55-80 56TH
STREET

PRICE: \$1,300,000
DATE: 4/10/09



4
50-02 49TH
STREET

PRICE: \$3,150,000
DATE: 4/29/09



5
26-01 4TH
STREET

PRICE: \$4,300,000
DATE: 6/4/09



6
18-31 131ST
STREET

PRICE: \$10,800,000
DATE: 6/15/09

5+ FAMILY WALK-UP

AVG. PRICE: \$1,189,000
GROSS SF: 37,795

AVG. PRICE / SF: \$157
Q2 TOTAL SALES: 5



7
41-31 52ND
STREET

PRICE: \$835,000
DATE: 4/3/09



8
31-37 34TH
STREET

PRICE: \$1,100,000
DATE: 4/6/09



9
4115 WARREN
STREET

PRICE: \$1,275,000
DATE: 4/9/09



10
102-20 STRONG
AVENUE

PRICE: \$910,000
DATE: 4/28/09



11
143-28 CHERRY
AVENUE

PRICE: \$1,825,000
DATE: 5/14/09

MIXED-USE

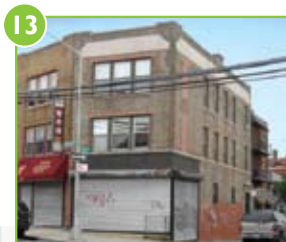
AVG. PRICE: \$1,098,571
GROSS SF: 26,252

AVG. PRICE / SF: \$293
Q2 TOTAL SALES: 7



31-45 STEINWAY STREET

PRICE: \$1,650,000
DATE: 4/2/09



41-48 68TH STREET

PRICE: \$780,000
DATE: 4/14/09



89-20 NORTHERN BOULEVARD

PRICE: \$1,190,000
DATE: 4/22/09



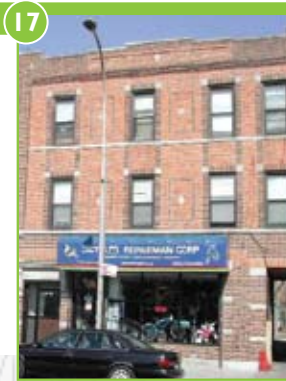
133-02 41ST ROAD

PRICE: \$1,450,000
DATE: 4/24/09



37-18 77TH STREET

PRICE: \$800,000
DATE: 4/27/09



42-11 35TH AVENUE

PRICE: \$890,000
DATE: 5/6/09



21-11 COLLEGE POINT BOULEVARD

PRICE: \$930,000
DATE: 6/15/09

RETAIL

AVG. PRICE: \$973,000
GROSS SF: 18,627

AVG. PRICE / SF: \$261
Q2 TOTAL SALES: 5

19



**200-13 32ND
AVENUE**

PRICE: \$800,000
DATE: 4/1/09

20



**75-34 METROPOLITAN
AVENUE**

PRICE: \$790,000
DATE: 4/7/09

21



**83-13 NORTHERN
BOULEVARD**

PRICE: \$875,000
DATE: 4/22/09

22



**234-16 LINDEN
BOULEVARD**

PRICE: \$1,050,000
DATE: 4/23/09

23



**253-02 NORTHERN
BOULEVARD**

PRICE: \$1,350,000
DATE: 6/2/09

DEVELOPMENT

AVG. PRICE: \$871,250
GROSS SF: 26,668

AVG. PRICE / SF: \$130
Q2 TOTAL SALES: 4

24



**240-40 38TH
DRIVE**

PRICE: \$825,000
DATE: 4/21/09

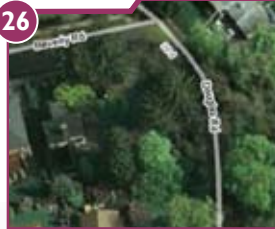
25



**145-04 97TH
AVENUE**

PRICE: \$790,000
DATE: 4/24/09

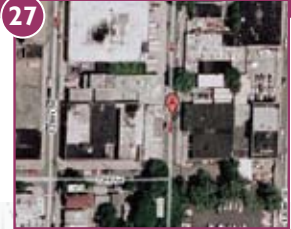
26



**380 BEVERLY
ROAD**

PRICE: \$1,050,000
DATE: 4/27/09

27



**20-41 129TH
STREET**

PRICE: \$820,000
DATE: 5/12/09

THE MASSEY KNAKAL TERRITORY SYSTEM™ | QUEENS

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:

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 Astoria

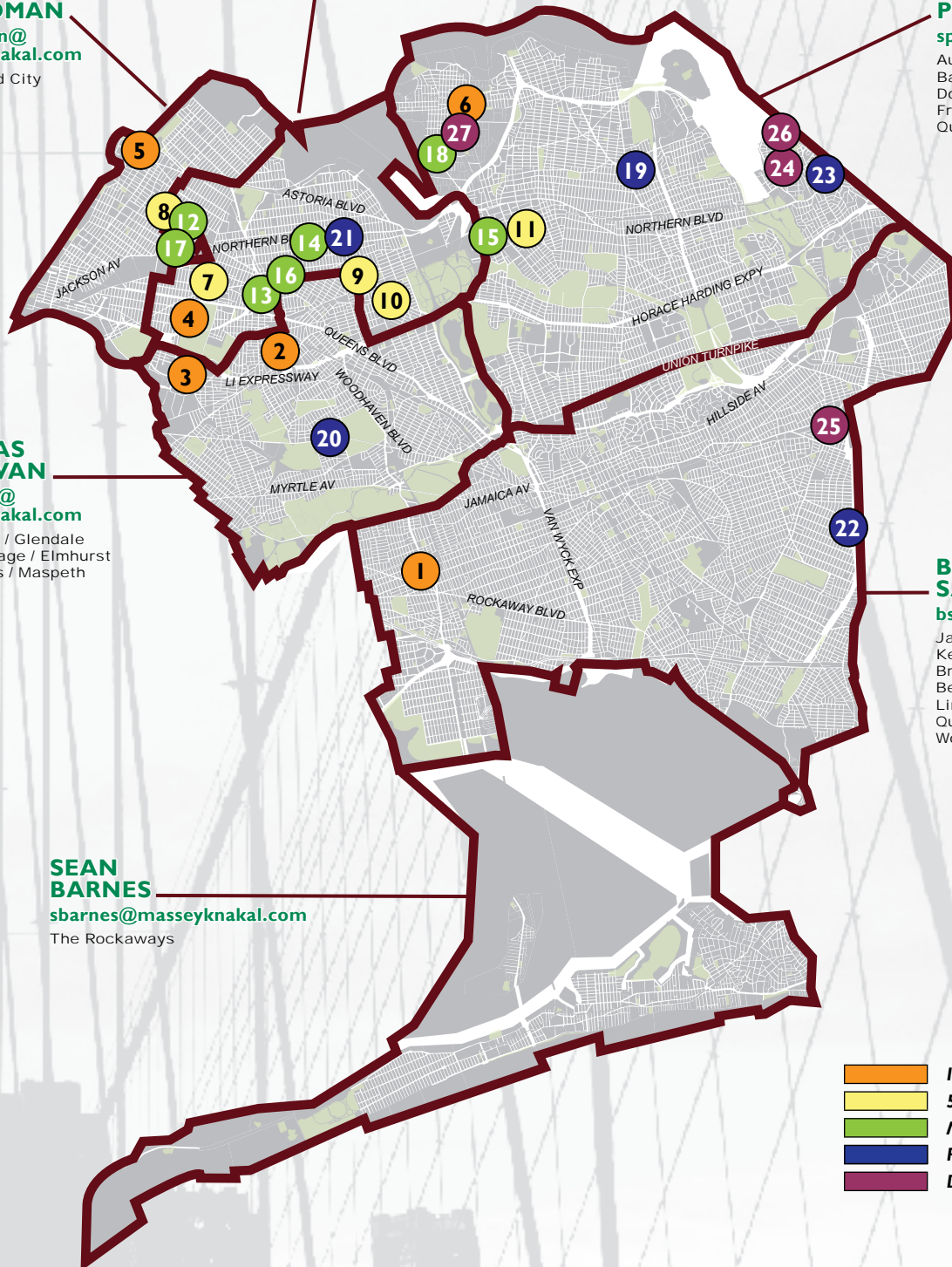
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 Ditmars / Steinway
 Sunnyside / Woodside

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 Kew Gardens / Jamaica
 Briarwood / Jamaica Estates
 Bellerose / Howard Beach
 Lindenwood / Ozone Park
 Queens Village / Richmond Hill
 Woodhaven



- Industrial
- 5+ Family Walk-Up
- Mixed-Use
- Retail
- Development



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 Queens. 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 of New York classifications:

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

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

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