



**MASSEY  
KNAKAL**

Realty Services

*A Supplement to  
The Building Sales Journal*

# MANHATTAN BUILDING SALES REPORT

I<sup>ST</sup> QUARTER 2009

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

## 2009 Poised for Steep Decline in Sales Volume

The first quarter of 2009 property sales market in Manhattan is characterized by a dramatic slowdown in sales activity. This is the first period tracked that truly reflects the market mentality created in September 2008 with the collapse of Lehman Brothers, the federal bailouts of AIG, Fannie Mae and Freddie Mac, and the ensuing paralysis of the credit markets throughout the fall. (In contrast, our last market report for the second half of 2008 included numerous sales that were negotiated pre-September).

As illustrated in the table of dollar volume transactions on the facing page, after an astounding \$52.5 billion in 2007 - driven primarily by record-setting office building sales including Macklowe's \$7 billion acquisition of the Equity Office Portfolio - and based on first quarter 2009 total sales volume, this year's volume will be just a fraction of prior years'. Dollar volume declined by 64% from 2007 to 2008, but the number of transactions declined only 30%, suggesting a shift toward smaller properties. Although a bit early to predict this year's final sales volume, the downward trend is likely to continue at a similar rate based on the first quarter activity. The first quarter annualized sales figure suggests that 2009 will see an additional 59% decline in total dollar sales volume and a 68% decline in the number of sales. But, we believe this figure to be deceptive because we anticipate activity to accelerate as the year progresses to compensate for fourth quarter 2008's extraordinarily abysmal number of contract executions.

With the steep decline in sales activity, there are far fewer data points to gauge market pricing. For example, excluding office condos, only two office buildings sold in the first quarter 2009. The office component of 1540 Broadway (without the retail space) was sold out of foreclosure by the mortgagee for \$355 million, after the building (including the retail space) was acquired in 2007 for \$967.5 million. And 1334 York Avenue was reacquired by Sotheby's International for its own use at over

\$900 per square foot. Of the three development sites sold, one site sold to a user and another site was a small parcel that was to be part of an assemblage. For the most part, the market for development sites remains at a standstill.

Meanwhile, it would appear that retail and mixed-use properties have experienced downward pressure due to the retail vacancy rate citywide. Consumer spending - although up slightly in March - is still at extraordinary low levels which is putting tremendous stress on retailers. Cap rates in this sector are up about 150-200 basis points.

There were only 13 multi-family apartment building sales in the first quarter, of which three were elevator buildings. More than half of the sales were under \$5 million, and all but two were under \$10 million. Unlike the larger (over \$50 million) assets, this sector of the market still has financing available, though at more conservative underwriting than in the past. Multi-family investors are concerned about the bills pending in Albany that would significantly impact their ability to realize upside in their below-market rent stabilized units; the Senate is expecting to vote on the bills sometime this summer. The multi-family sales this quarter reflected a cap rate range of 2.8% to 5.7%, with a median of 4.8%. The GRM's ranged from 10.7 to 18.8, with a median of 13.7. There has not been a sale of a \$100+ million class A apartment tower since mid-2008.

The low sales activity is an indication of the uncertainty on the part of both buyers and sellers as to where values are. As the year progresses and more sales take place, the shift to new market pricing levels should become more evident.



John Cicero  
Managing Principal  
Miller Cicero, LLC



Realty Services

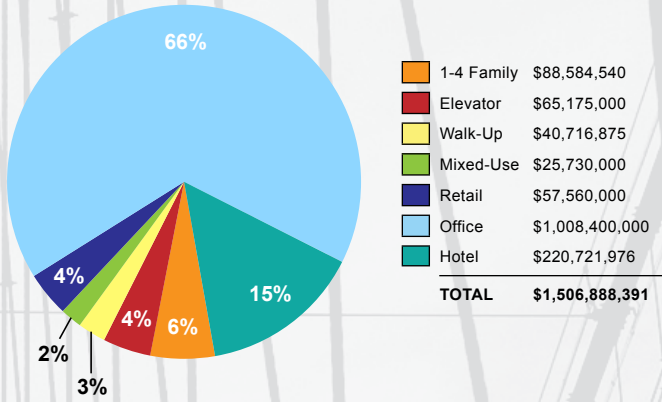
**MILLER CICERO, LLC**  
Real Estate Advisory Services



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

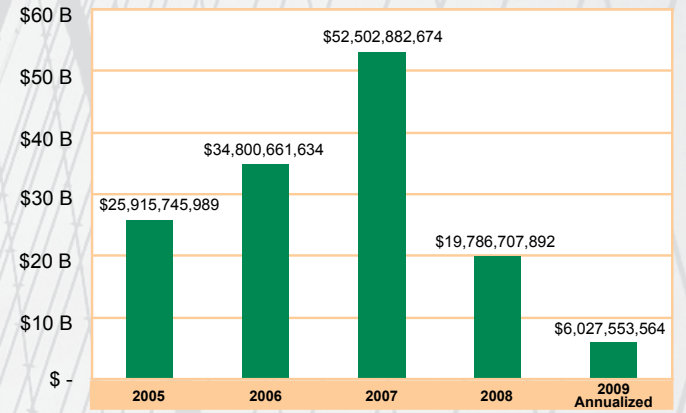
## DOLLAR VOLUME

1<sup>ST</sup> QUARTER 2009



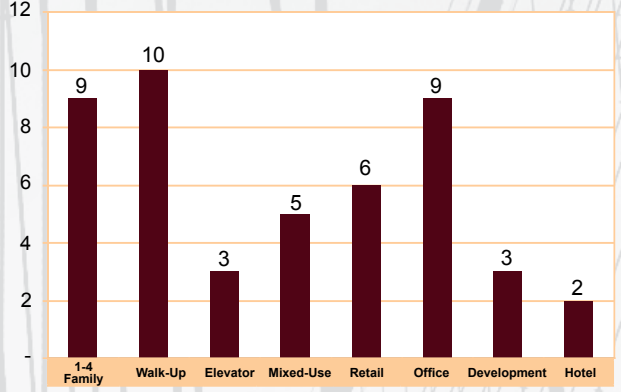
## DOLLAR VOLUME

2005 - 2009



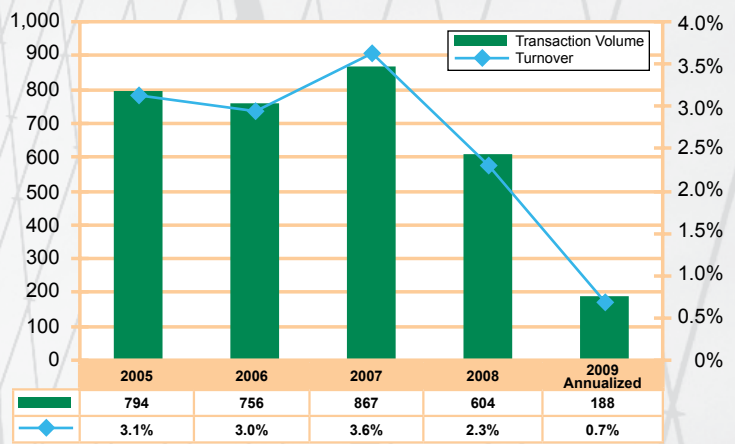
## TRANSACTION VOLUME BY PROPERTY TYPE

1<sup>ST</sup> QUARTER 2009



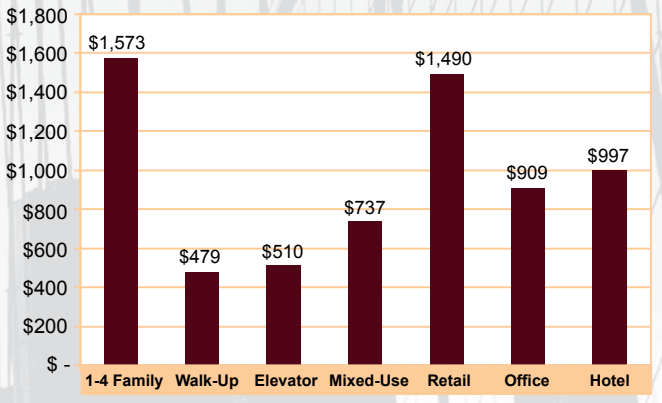
## TOTAL TRANSACTION VOLUME & TURNOVER RATE

2005 - 2009



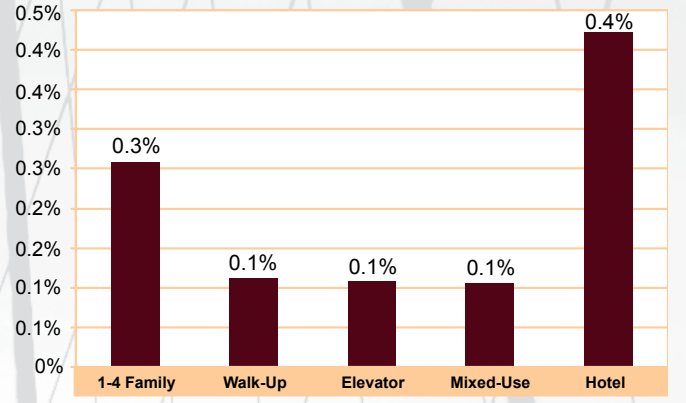
## MEDIAN PRICE / SF BY PROPERTY TYPE

1<sup>ST</sup> QUARTER 2009



## TURNOVER RATE BY PROPERTY TYPE

1<sup>ST</sup> QUARTER 2009



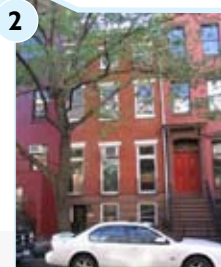
**I-4 FAMILY**

AVG. PRICE: \$9,842,727  
GROSS SF: 53,986  
AVG. PRICE / SF: \$1,641  
TOTAL SALES: 9



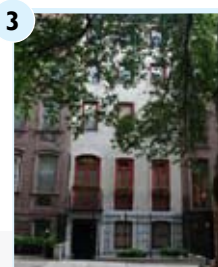
**1**  
**7 MACDOUGAL ALLEY**

PRICE: \$5,500,000  
DATE: 03-11-09  
GROSS SF: 1,708  
PRICE / SF: \$3,220



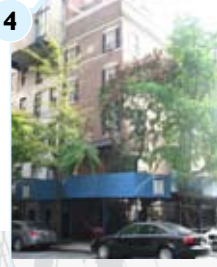
**2**  
**150 WEST 13<sup>TH</sup> STREET**

PRICE: \$9,000,000  
DATE: 01-21-09  
GROSS SF: 3,760  
PRICE / SF: \$2,393



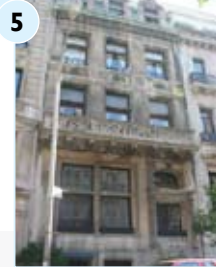
**3**  
**129 EAST 36<sup>TH</sup> STREET**

PRICE: \$7,282,040  
DATE: 03-13-09  
GROSS SF: 5,400  
PRICE / SF: \$1,349



**4**  
**19 BEEKMAN PLACE**

PRICE: \$10,600,000  
DATE: 02-24-09  
GROSS SF: 6,740  
PRICE / SF: \$1,573



**5**  
**9 EAST 67<sup>TH</sup> STREET**

PRICE: \$24,925,000  
DATE: 01-12-09  
GROSS SF: 13,137  
PRICE / SF: \$1,897



**6**  
**11 EAST 67<sup>TH</sup> STREET**

PRICE: \$12,000,000  
DATE: 03-09-09  
GROSS SF: 9,837  
PRICE / SF: \$1,220



**7**  
**226 WEST 71<sup>ST</sup> STREET**

PRICE: \$4,067,500  
DATE: 03-02-09  
GROSS SF: 4,792  
PRICE / SF: \$849



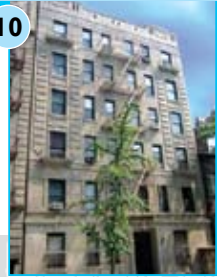
**8**  
**113 EAST 78<sup>TH</sup> STREET**

PRICE: \$12,460,000  
DATE: 01-09-09  
GROSS SF: 5,400  
PRICE / SF: \$2,307



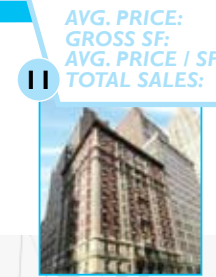
**9**  
**522 EAST 82<sup>ND</sup> STREET**

PRICE: \$2,750,000  
DATE: 02-12-09  
GROSS SF: 3,212  
PRICE / SF: \$856



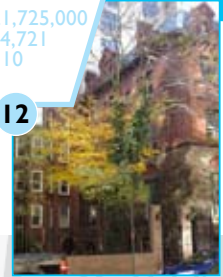
**10**  
**125 WASHINGTON PLACE**

PRICE: \$9,250,000  
DATE: 01-16-09  
GROSS SF: 21,714  
PRICE / SF: \$426  
UNITS: 30  
CAP RATE: 4.8%  
GRM: 13  
PR. / UNIT: \$308,334



**11**  
**488 SEVENTH AVENUE**

PRICE: \$45,300,000  
DATE: 02-05-09  
GROSS SF: 88,872  
PRICE / SF: \$510  
UNITS: 104  
PR. / UNIT: \$435,577



**12**  
**12-14 WEST 68<sup>TH</sup> STREET**

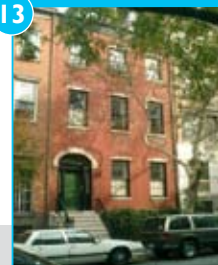
PRICE: \$10,625,000  
DATE: 03-11-09  
GROSS SF: 14,135  
PRICE / SF: \$752  
UNITS: 19  
CAP RATE: 4.7%  
GRM: 13.8  
PR. / UNIT: \$559,211

**5+ FAMILY ELEVATOR**

AVG. PRICE: \$21,725,000  
GROSS SF: 124,721  
AVG. PRICE / SF: \$510  
TOTAL SALES: 3

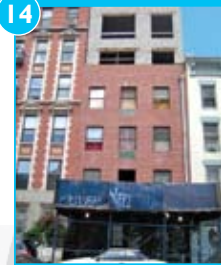
**5+ FAMILY WALK-UP**

AVG. PRICE: \$4,066,068  
GROSS SF: 86,260  
AVG. PRICE / SF: \$479  
TOTAL SALES: 10



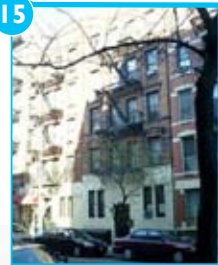
**13**  
**59 MORTON STREET**

PRICE: \$3,700,000  
DATE: 03-27-09  
GROSS SF: 6,680  
PRICE / SF: \$554  
UNITS: 5  
PR. / UNIT: \$740,000



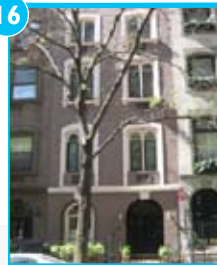
**14**  
**215 EAST 3<sup>RD</sup> STREET**

PRICE: \$3,500,000  
DATE: 02-02-09  
GROSS SF: 9,600  
PRICE / SF: \$365  
UNITS: 12  
PR. / UNIT: \$291,667



**15**  
**217-219 WEST 16<sup>TH</sup> STREET**

PRICE: \$7,260,000  
DATE: 03-18-09  
GROSS SF: 16,220  
PRICE / SF: \$448  
UNITS: 40  
CAP RATE: 5.1%  
GRM: 12.7  
PR. / UNIT: \$181,500



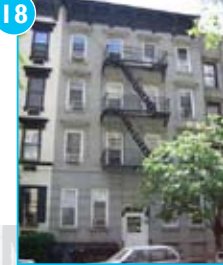
**16**  
**106 EAST 30<sup>TH</sup> STREET**

PRICE: \$2,425,000  
DATE: 03-04-09  
GROSS SF: 4,742  
PRICE / SF: \$511  
UNITS: 7  
CAP RATE: 4.2%  
GRM: 14.8  
PR. / UNIT: \$346,429



**17**  
**246 EAST 32<sup>ND</sup> STREET**

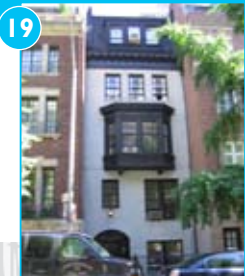
PRICE: \$2,881,875  
DATE: 03-24-09  
GROSS SF: 4,500  
PRICE / SF: \$640  
UNITS: 5  
PR. / UNIT: \$576,375



**18**  
**418 EAST 78<sup>TH</sup> STREET**

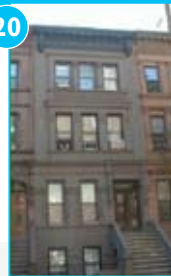
PRICE: \$3,150,000  
DATE: 01-14-09  
GROSS SF: 7,356  
PRICE / SF: \$428  
UNITS: 16  
CAP RATE: 2.8%  
GRM: 18.8  
PR. / UNIT: \$196,875





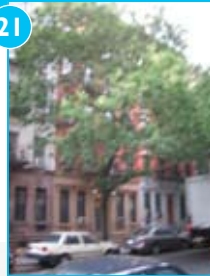
**19**  
**125 EAST 80<sup>TH</sup> STREET**

**PRICE:** \$5,100,000  
**DATE:** 02-11-09  
**GROSS SF:** 4,400  
**PRICE / SF:** \$1,159  
**UNITS:** 7  
**PR. / UNIT:** \$728,572



**20**  
**314 WEST 83<sup>RD</sup> STREET**

**PRICE:** \$4,950,000  
**DATE:** 01-16-09  
**GROSS SF:** 4,160  
**PRICE / SF:** \$1,190  
**UNITS:** 7  
**PR. / UNIT:** \$707,143



**21**  
**350 EAST 89<sup>TH</sup> STREET**

**PRICE:** \$2,900,000  
**DATE:** 01-05-09  
**GROSS SF:** 8,190  
**PRICE / SF:** \$354  
**UNITS:** 12  
**CAP RATE:** 5.1%  
**GRM:** 13.7  
**PR. / UNIT:** \$241,667



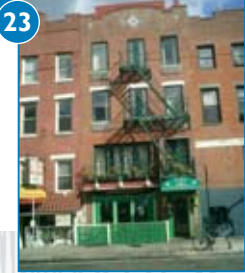
**22**  
**354 CATHEDRAL PARKWAY**

**PRICE:** \$4,800,000  
**DATE:** 03-05-09  
**GROSS SF:** 20,412  
**PRICE / SF:** \$235  
**UNITS:** 29  
**CAP RATE:** 5.6%  
**GRM:** 10.7  
**PR. / UNIT:** \$165,518

## MIXED-USE

**AVG. PRICE:** \$5,146,000  
**GROSS SF:** 33,532

**AVG. PRICE / SF:** \$767  
**TOTAL SALES:** 5



**23**  
**132 W. HOUSTON STREET**

**PRICE:** \$4,200,000  
**DATE:** 02-12-09  
**GROSS SF:** 5,699  
**PRICE / SF:** \$737



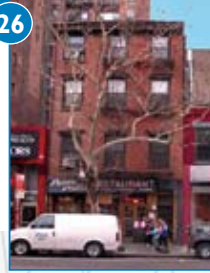
**24**  
**6 ST. MARK'S PLACE**

**PRICE:** \$11,730,000  
**DATE:** 01-07-09  
**GROSS SF:** 14,976  
**PRICE / SF:** \$783



**25**  
**229 FIRST AVENUE**

**PRICE:** \$2,000,000  
**DATE:** 01-29-09  
**GROSS SF:** 3,740  
**PRICE / SF:** \$535



**26**  
**256 THIRD AVENUE**

**PRICE:** \$5,000,000  
**DATE:** 01-22-09  
**GROSS SF:** 4,729  
**PRICE / SF:** \$1,057



**27**  
**126 LEXINGTON AVENUE**

**PRICE:** \$2,800,000  
**DATE:** 01-28-09  
**GROSS SF:** 4,388  
**PRICE / SF:** \$638  
**CAP RATE:** 7.0%

## RETAIL / RETAIL CONDO

**AVG. PRICE:** \$9,593,333  
**GROSS SF:** 59,166

**AVG. PRICE / SF:** \$973  
**TOTAL SALES:** 6



**28**  
**110 HUDSON STREET - RETAIL**

**PRICE:** \$7,760,000  
**DATE:** 01-22-09  
**GROSS SF:** 5,948  
**PRICE / SF:** \$1,305  
**CAP RATE:** 6.0%



**29**  
**134-136 WOOSTER STREET**

**PRICE:** \$10,870,000  
**DATE:** 02-19-09  
**GROSS SF:** 3,750  
**PRICE / SF:** \$2,899  
**CAP RATE:** 7.0%



**30**  
**534 WEST 28<sup>TH</sup> STREET**

**PRICE:** \$9,580,000  
**DATE:** 03-02-09  
**GROSS SF:** 31,106  
**PRICE / SF:** \$308



**31**  
**249 WEST 49<sup>TH</sup> STREET**

**PRICE:** \$5,650,000  
**DATE:** 03-30-09  
**GROSS SF:** 4,800  
**PRICE / SF:** \$1,177  
**CAP RATE:** 6.0%



**32**  
**234 EAST 54<sup>TH</sup> ST. / 245 EAST 53<sup>RD</sup> ST.**

**PRICE:** \$22,000,000  
**DATE:** 02-27-09  
**LOT AREA:** 12,547  
**ZONING:** R8B / C1-9  
**GROSS SF:** 27,726  
**PRICE / SF:** \$793

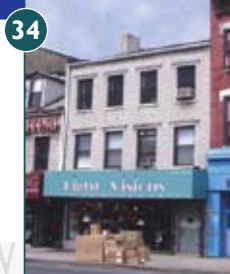
**OFFICE / COMMERCIAL CONDO**

AVG. PRICE: \$112,044,444  
 GROSS SF: 2,123,453  
 AVG. PRICE / SF: \$818  
 TOTAL SALES: 9



**33**  
**1474 THIRD AVENUE - RETAIL**

PRICE: \$1,700,000  
 DATE: 01-15-09  
 GROSS SF: 1,015  
 PRICE / SF: \$1,675



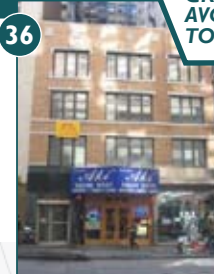
**34**  
**140-142 BOWERY**

PRICE: \$13,500,000  
 DATE: 03-25-09  
 GROSS SF: 10,915  
 PRICE / SF: \$1,237



**35**  
**23-25 EAST 21<sup>ST</sup> STREET - 7<sup>TH</sup> FLOOR**

PRICE: \$3,700,000  
 DATE: 02-04-09  
 GROSS SF: 3,230  
 PRICE / SF: \$1,146



**36**  
**128 WEST 36<sup>TH</sup> STREET**

PRICE: \$5,500,000  
 DATE: 02-03-09  
 GROSS SF: 12,127  
 PRICE / SF: \$453



**37**  
**633 THIRD AVENUE - 27B**

PRICE: \$3,200,000  
 DATE: 02-10-09  
 GROSS SF: 3,966  
 PRICE / SF: \$807



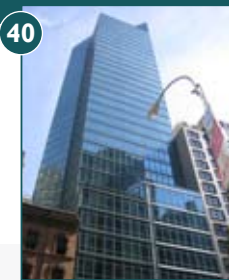
**38**  
**620 EIGHTH AVENUE - 21 FLOORS**

PRICE: \$225,000,000  
 DATE: 03-09-09  
 GROSS SF: 750,000  
 PRICE / SF: \$300



**39**  
**1540 BROADWAY**

PRICE: \$355,000,000  
 DATE: 03-05-09  
 GROSS SF: 905,000  
 PRICE / SF: \$392



**40**  
**207 EAST 57<sup>TH</sup> STREET - COMM.**

PRICE: \$4,000,000  
 DATE: 02-10-09  
 GROSS SF: 3,735  
 PRICE / SF: \$1,071



**41**  
**122 EAST 58<sup>TH</sup> STREET**

PRICE: \$28,500,000  
 DATE: 03-17-09  
 GROSS SF: 27,220  
 PRICE / SF: \$1,047



**42**  
**1334 YORK AVENUE**

PRICE: \$370,000,000  
 DATE: 02-09-09  
 GROSS SF: 407,260  
 PRICE / SF: \$909

**DEVELOPMENT**

AVG. PRICE: \$8,116,667  
 GROSS BSF: 70,023  
 AVG. PRICE / BSF: \$348  
 TOTAL SALES: 3



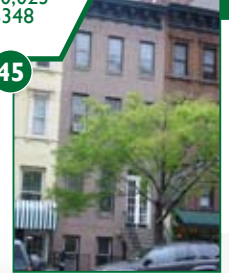
**43**  
**791 BROADWAY**

PRICE: \$5,800,000  
 DATE: 02-03-09  
 LOT AREA: 2,400  
 ZONING: C6-1  
 FAR: 6.0  
 BSF: 14,400  
 PRICE / BSF: \$403



**44**  
**122-126 EAST 32<sup>ND</sup> STREET**

PRICE: \$15,800,000  
 DATE: 03-03-09  
 LOT AREA: 6,419  
 ZONING: C6-2A  
 FAR: 6.02  
 BSF: 43,123  
 PRICE / BSF: \$366



**45**  
**1624 YORK AVENUE**

PRICE: \$2,750,000  
 DATE: 03-17-09  
 LOT AREA: 1,250  
 ZONING: R10A-C1-5 Overlay  
 FAR: 10.0  
 BSF: 12,500  
 PRICE / BSF: \$220

**HOTEL**

AVG. PRICE: \$110,360,988  
 GROSS BSF: 221,597  
 AVG. PRICE / BSF: \$995  
 TOTAL SALES: 2



**46**  
**63-67 WEST 35<sup>TH</sup> STREET**

PRICE: \$121,221,976  
 DATE: 02-24-09  
 GROSS SF: 122,859  
 PRICE / SF: \$986  
 PRICE / RM: \$406,785



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

PRICE: \$99,500,000  
 DATE: 02-12-09  
 GROSS SF: 98,738  
 PRICE / SF: \$1,007  
 PRICE / RM: \$407,787



**MEYRICK FERGUSON**  
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 Penn Station  
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 Murray Hill  
 Union Square

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 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 / Commercial Condo
- Development
- Hotel

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



Realty Services

## METHODOLOGY

Cap Rates, Gross Income Multipliers, Median Price per Square Foot and Total Volume are based on closed sales researched or sold by Massey Knakal Realty Services that have the following parameters: occurred during the period 1/1/09 - 3/31/09 for over \$500,000; can be found in the public record; were located in Manhattan - south of 96th Street east of Central Park and south of 110th Street west of Central Park; and were reported by ACRIS, Property Shark and/or Real Capital Analytics.

We use the following City of New York classifications:

- 1-4 Family building are designated by A, B, CO and C3.
- 5 + Family buildings are designated by C1, C2, C4, C5, C7, C8 and C9 (excluding C6 which represent Co-Ops).
- 5+ 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.
- 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 use 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:

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