



2022 BUILDING SALES JOURNAL

BOB KNAKAL & JONATHAN HAGEMAN

An overview of select transactions closed by Bob, Jon & their team in 2022.

2022 ACTIVITY

Properties Sold: 32

Dollar Volume: \$1.1B





A message from Bob

Welcome to our 2022 Building Sales Journal which is an overview of selected transactions closed by my team last year at JLL.

2022 was a mixed year for the New York City investment sales market after the pandemic created havoc on our market in 2020 and impacted the start of 2021. In April of 2021, the market was turning and this impacted the 12 month period from July of 2021 through June of 2022.

From a cyclical perspective, clearly the peak of the market was observed in 2014 and 2015. In 2014, there were more buildings sold in New York City than ever before and 2015 followed with a higher dollar volume of sales than ever recorded. In October of 2015, the bull market turned as a switch was flipped and tangible changes were seen in the land market and the hotel market, both of which are the markets which are most highly correlated to changes in the direction of the market. These changes occurred within a matter of a few weeks and a downward trajectory within the volume of sales metrics had begun. From October of 2015 through February of 2020, both the dollar volume of sales and the number of properties sold both consistently slid such that sales volumes were down by about 56 percent from the peak. When the pandemic began in March of 2020, the correction in the NYC investment sales market was converted from a mostly volume correction into a value correction. Downward pressure was exerted on all property types with the sectors of land, hotel and retail being the most adversely impacted. As historically has happened at the beginning of any change in values in a downward direction, real value drops and most sellers are unable to get the prices they are looking for which causes significant downward pressure on the volume of sales. Therefore, it was not a surprise that the sales volume numbers in 2020 were horrible. During the second and third quarters of 2020, the dollar volume within the over \$10 million market in Manhattan hit \$1.9 and \$1.2 billion respectively, which most market watchers believed would be the low point in volume in this cycle. For perspective, in 2015, average volume

in this sector was \$14.37 billion per quarter. 2020 finished with a total volume of just \$11.1 billion, down from the \$57.5 billion in 2015.

After a \$2.98 billion 4Q20, we thought we were pulling out of this volume malaise but 1Q21 established a new low of \$1.17 billion, establishing the bottom of the volume trough for the cycle. Through the first three quarters of 2021, the market was on pace for an annualized \$9.5 billion. Fortunately, the 4Q21 activity bailed out the year with \$6.8 billion of sales. This resulted in a \$14 billion annual total which was an increase of 26% over 2020. The number of properties sold performed even better with 167 trades over \$10 million in Manhattan in 2021, a 61% increase over 2020's cyclically low 104 sales. So with the market improving, it was not surprising to see our activity getting back to a better pace. In 2021, our team sold 46 properties having an aggregate market value of \$1.2 billion.

The start of 2022 was on a roll and we felt like we were pulling out of the longest correction since at least 1984. However, interest rate increases, which began in March of 2022, started to tangibly impact the market in September of that year. This led to slowdown in volume in the second half of the year (see the article on the facing page).

Notwithstanding the volatile year 2022 was, we were fortunate enough to have sold 32 properties with a total value of about \$1.1 billion.

This Journal presents information on a selection of those sales to provide an overview of our activity and capability. Should you have any questions about any of these transactions, the market or a specific property, please feel free to reach out to us at any time. I can always be reached at 917-509-9501 or you can call Hags at 518-469-2521.

We look forward to hearing from you and wish you the best of luck in 2023!

Best regards,

Bob Knakal

LIFETIME STATISTICS



Over *\$20.6 billion*
aggregate dollar volume



Over *2,246*
properties sold



Over *76 million*
square feet sold



Over *40,000*
residential units sold

2022 Limpes Out, With Concerns About 2023

Reprinted from **COMMERCIAL OBSERVER**

After the first three quarters of 2022, the dollar volume of sales was on pace to be up 38 percent and the number of properties sold was on pace to be up 12 percent. Given what was going on in the capital markets on the lending side since September, we expected those numbers to be lower at the end of the year. The dollar volume was as expected and the number of properties sold was slightly more positive.

When we look at activity in the Manhattan investment sales market (for transactions over \$10 million south of 96th Street on the eastside and south of 110th Street on the westside), we carefully study the two most prominent value metrics, dollar volume and number of properties sold.

As we all know, the Fed begin raising interest rates in March of 2022, however, the impact on the commercial real estate market was really not felt until September

of last year. It was at this time that many lenders increased their lending rates and downward pressure started to be exerted on property values. When this dynamic occurs, it normally leads to a reduction in sales volume, which was the case here.

“
The dollar volume was as expected and the number of properties sold was slightly more positive.

”
In 4Q22, there was \$4.1 billion of sales volume, down about 34 percent from the \$6.2 billion that occurred in 3Q22. This quarterly total was also down by more than 50 percent from the \$8.6 billion of sales volume that occurred in 4Q21. That 4Q22 total, resulted in a total for the year of \$20.3 billion of sales volume, up 29 percent from the \$15.75 billion that we saw in 2021. This is indeed lower than

the 38 percent increase that was anticipated after annualizing the first three quarter total.

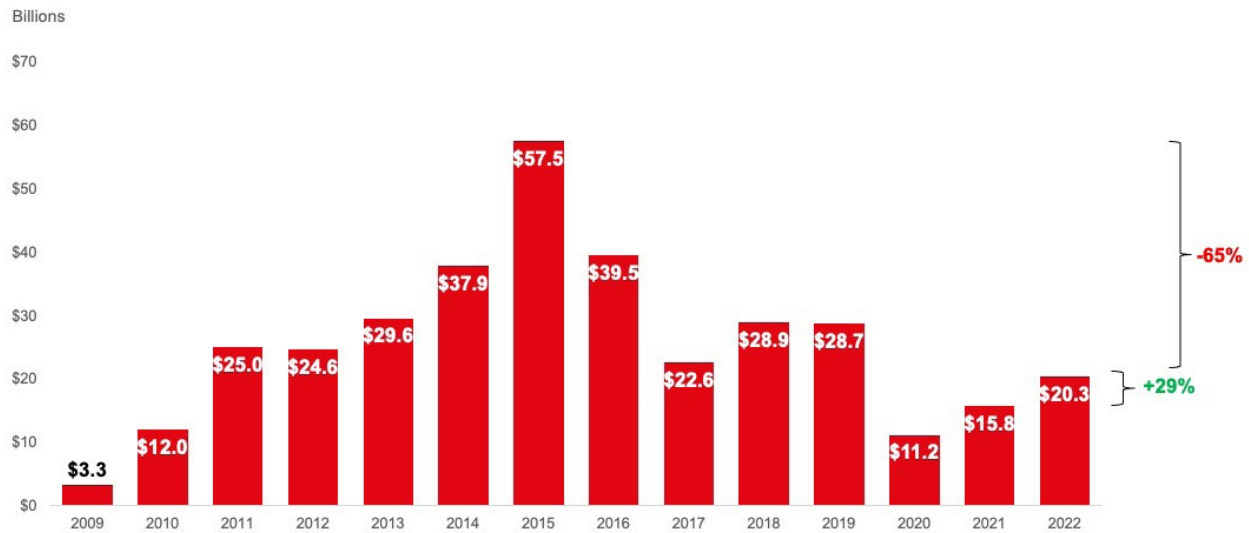
The number of properties sold in 4Q22 was 64. This total was 12 percent below the 3Q22 number and 28 percent below the 4Q21 total which was 89. For the year, there were 225 properties sold, up 18 percent

from the 191 sales that occurred in 2021. This was the highest annual total going back to 2018 when there were 240 properties sold in Manhattan.

For perspective, the 2022 total of \$4.1 billion was 65 percent below the cyclical peak of \$57.5 billion in 2015. The number of properties sold in 2022 of 225

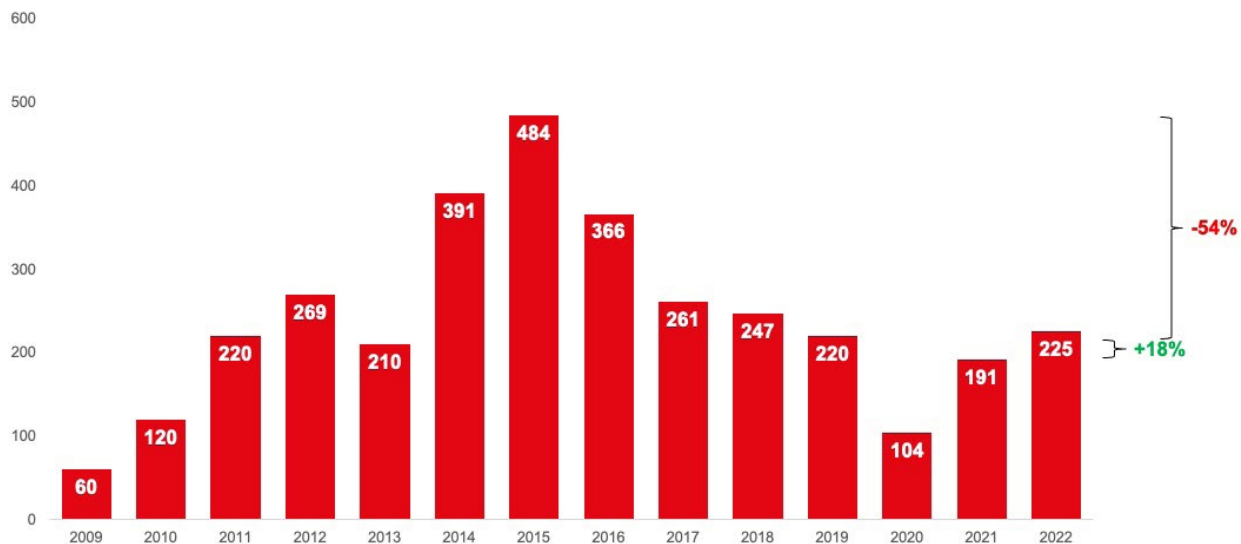
Dollar Volume

All Property Types



Number of Transactions

All Property Types

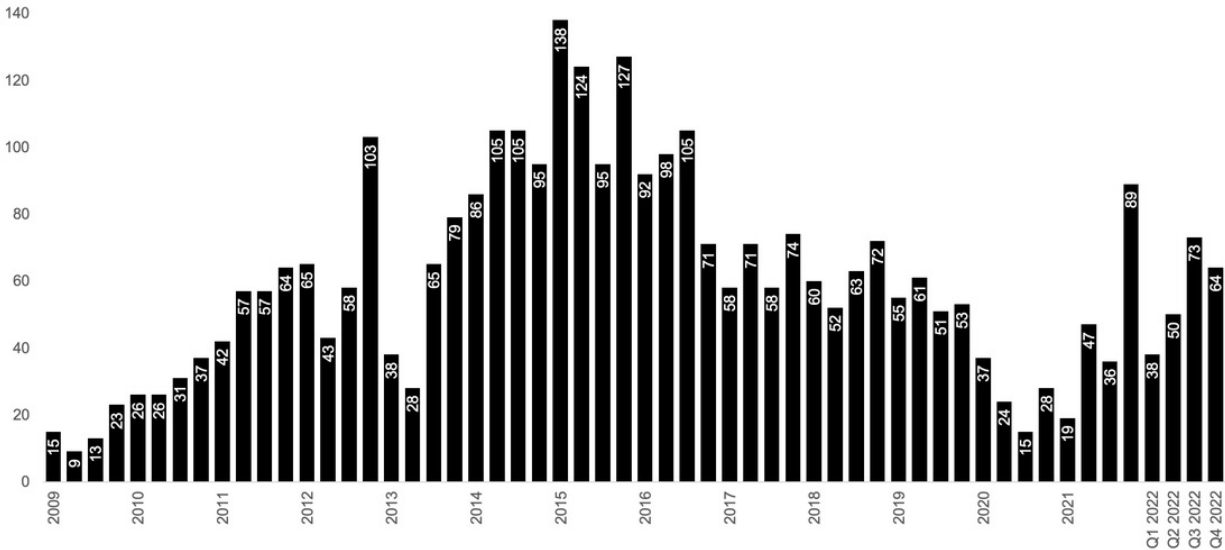


was 54 percent below the 484 properties that traded hands in 2015, also a cyclical peak.

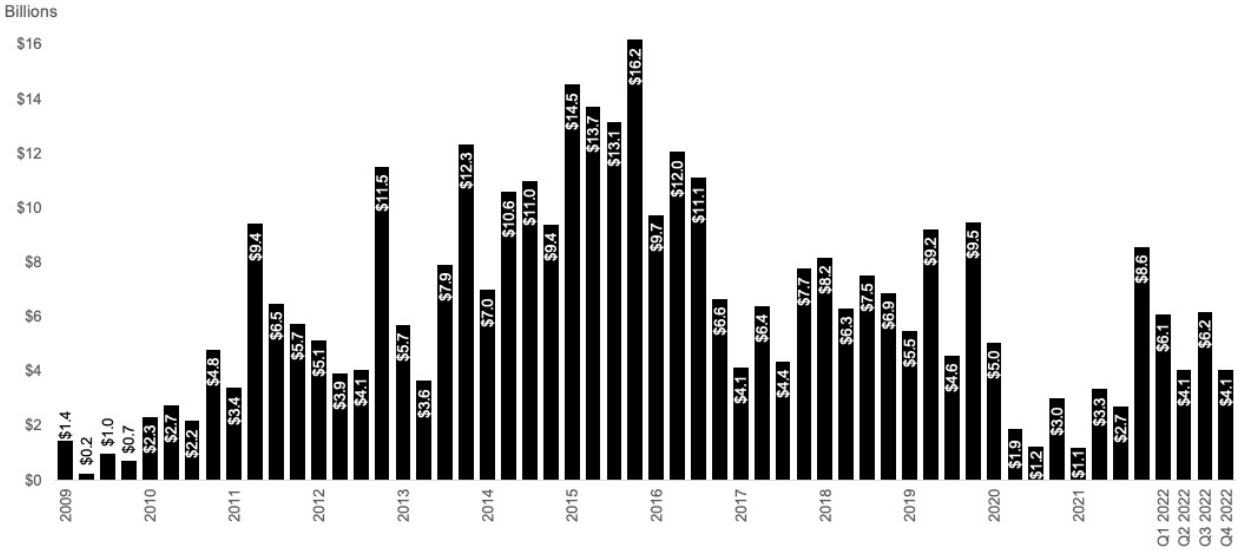
The most productive product type was the multifamily sector which closed out the year with approximately \$7.9 billion in sales volume, a 101 percent increase from the \$3.9 billion that occurred in 2021. Disaggregating

multifamily into its two component parts, elevated properties and walk-up buildings, elevated buildings showed an 84 percent increase going from \$3.0 billion in 2021 to \$5.6 billion in 2022 while walk-up buildings increased by 156 percent, going from \$913 million in 2021 to \$2.3 billion in 2022. Also, surprisingly, there was a 40 percent increase in the dollar volume of

Number of Transactions (Quarterly)
All Property Types



Dollar Volume (Quarterly)
All Property Types



2022 Limpes Out, With Concerns About 2023

office buildings which went from \$6.2 billion in 2021 to \$8.7 billion in 2022.

With regard to the number of properties sold, the multifamily sector was again the star performer. Here, there was a 68 percent increase in the number of trades going from 63 in 2021 to 106 last year. Looking at the component parts, we see elevated building sales increasing by 64 percent from 28 in 2021 to 46 last year. Walk-ups saw a 71 percent increase from 35 in 2021 to 60 last year.



This was the highest annual total going back to 2018 when there were 240 properties sold in Manhattan.



Where the market goes from here will be dependent mainly upon what happens with the 800 pound gorilla in the room for the market this year, which is refinance risk. Many of the mortgages that will be maturing this year will require fresh capital to effectuate those refinancings as the proceeds lenders will be willing to

advance will likely be lower than the present mortgage balance. The questions will be, does the owner have the capital to put into the property to allow the refinance to happen? If they don't, the writing is on the wall. If they do, will they choose to put new capital into the asset to hold onto it?



Where the market goes from here will be dependent mainly upon what happens with the 800 pound gorilla in the room for the market this year, which is refinance risk.



Given the uncertainty in the market today, many owners have indicated an unwillingness to put fresh capital into existing properties. If this happens, the amount of available properties for sale will increase substantially and lead to increases in sales volumes – not the worst thing for those of us who rely on transaction volume, but not necessarily a good thing for property values as the number of options will increase for those looking to deploy capital into the market.

During Bob's 37-year career, he has sold over 2,246 buildings having an aggregate market value of over \$19.5 billion. He is a graduate of The Wharton School at The University of Pennsylvania and formed Massey Knakal with Paul Massey in 1988. In 1999, he was named to Crain's New York Business' Forty Under Forty/ New York Rising Stars list for his outstanding achievement in the New York City business community. He is a two-time winner of the Real Estate Board of New York's Robert T. Lawrence Award in the Most Ingenious Deal of the Year contest. In 2009, he won REBNY's Louis Smadbeck Broker Recognition Award for Lifetime Achievement in Commercial Brokerage. In 2014, Cushman & Wakefield acquired Massey Knakal. He was ranked the top originating investment sales broker at Cushman & Wakefield globally in 2014, 2015 and 2016. In 2018, Bob joined JLL to co-lead the investment sales division in New York City.



\$134,000,000

**22 Chapel Street
Brooklyn**

Multifamily

This 180-unit, new construction residential apartment building, ideally located between Brooklyn’s Downtown and DUMBO neighborhoods, spans approximately 170,743 square feet.

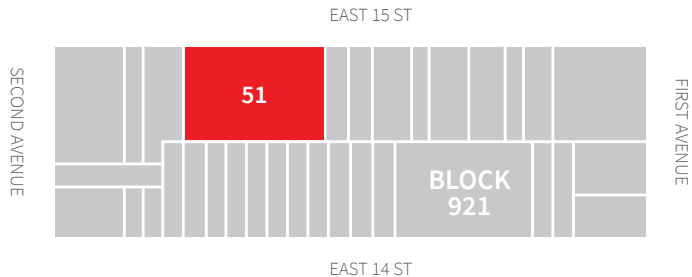


\$124,500,000

**318 East 15th Street
Manhattan**

Redevelopment

This redevelopment opportunity was for a Stuyvesant Park residence facility. The proposed redevelopment features a new entrance, roof and windows, in addition to upgrades to the courtyards.

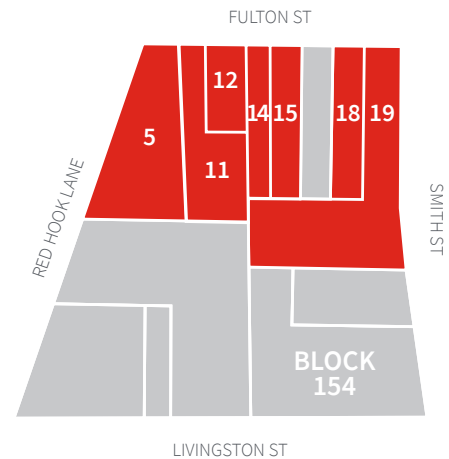
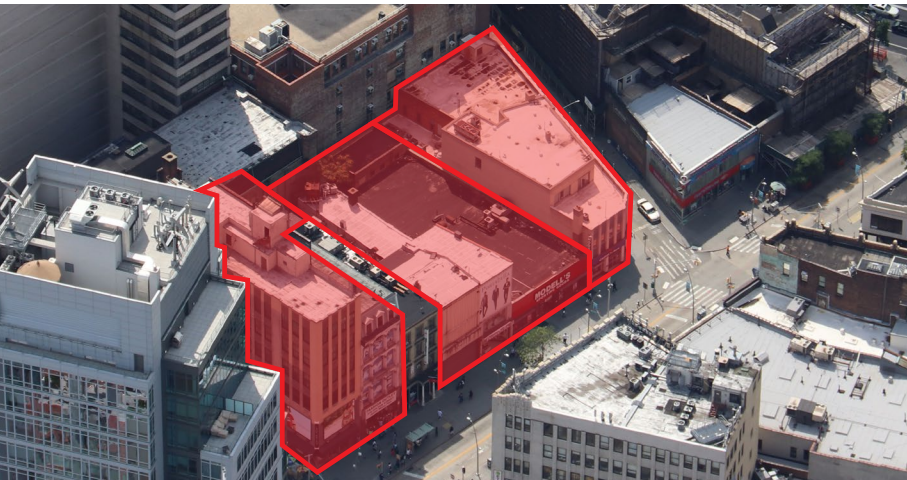


\$103,750,000

**131-01 39th Avenue
Queens**

Development

This exceptional mixed-use development opportunity is located in Flushing, Queens. The lot footprint measures approximately 3.2 acres and is situated with over 359 feet along the waterfront. The site contained approximately 663,878 buildable square feet.



\$85,900,000

**360 Fulton Street
Ground Lease | Brooklyn**

Development

This development site located in Downtown Brooklyn consists of 7 lots totaling 14,265 square feet with over 450,000 buildable square feet.

\$81,000,000

Rego Z | Queens
(Consulting)

Development

This 3.2 acre development site is located in Rego Park, Queens directly across from Rego Center. This site is conveniently located in close proximity to several transit, dining and shopping options. This site contained approximately 139,559 buildable square feet.



\$76,775,000

150 Union Avenue
Brooklyn

Multifamily

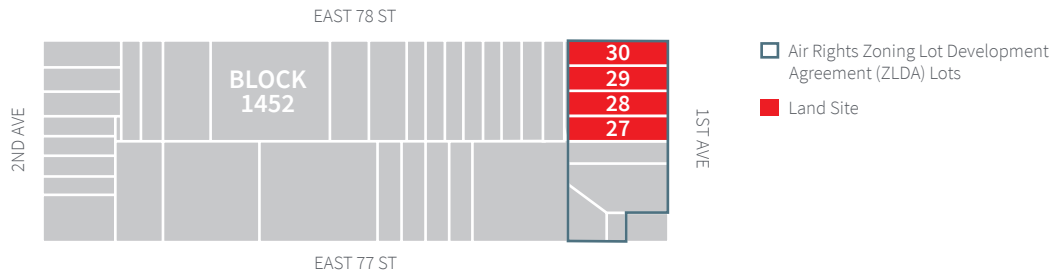
This opportunity currently consists of a multifamily property with 130 units over 85,226 rentable square feet.

\$73,500,000

**1487 First Avenue
Manhattan**

Development

Located on the Upper East Side of Manhattan, this development site contains 153,265 buildable square feet.

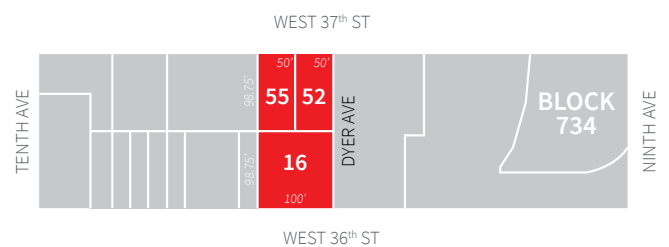


\$51,740,000

**430 West 37th Street
Manhattan**

Development

This block-through development site features 100 feet of frontage along both West 36th and West 37th Streets and a total buildable square footage of approximately 128,000.





\$50,750,000

**740 West End Avenue
Manhattan**

Multifamily

This historic Upper West Side elevator building is currently configured as 101 units with layouts averaging approximately 1,000 square feet. The building totals approximately 134,460 gross square feet.



67 St Marks Pl



106 East 7th St



239 West 15th St



638-640 East 14th St

\$44,000,000

**Kokot Portfolio
Manhattan**

Portfolio

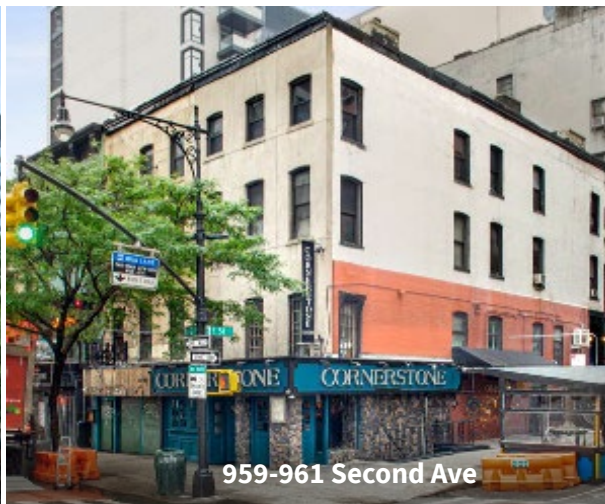
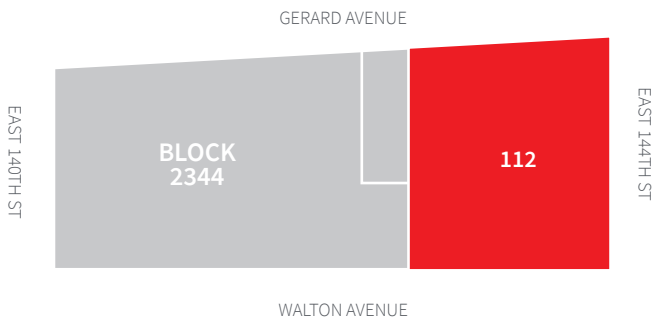
This portfolio consists of 7 multifamily, walk-up, elevator, and mixed-use buildings throughout Manhattan. Combined, the properties total 76,236 gross square feet over 134 units.

\$41,500,000

**120 East 144th Street
Bronx**

Development

This 44,541 square foot, blockfront site is located on the south side of 144th Street between Gerard Avenue and Walton Avenue, allowing as-of-right development of a 320,000 buildable square foot, high-rise project.



\$41,500,000

**246 East 46th Street,
959-961 Second Avenue | Manhattan**

Portfolio

These properties consist of an 81 unit elevatored apartment and a potential future development site in the heart of Midtown Manhattan. Both buildings are mixed-use, one totaling 72,66 square feet and the other totaling 9,540 square feet with 32,336 buildable square feet of development rights.

\$34,750,000

Lower East Side Portfolio Manhattan

Portfolio

These three Lower East Side mixed-use properties have a total of 32 residential units, 3 stores and 34,640 square feet.



99 Allen St



102 Norfolk St



177 Ludlow St



\$19,000,000

East 89th Street Portfolio (Acquisition)

Portfolio

This portfolio consists of four, 25-foot-wide brownstones. Combined, the buildings contain 40 units over approximately 35,000 square feet.

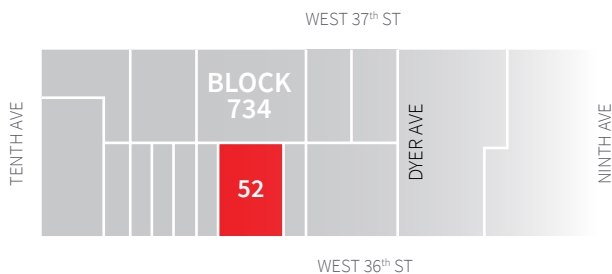


\$18,052,875

**439 West 36th Street
Manhattan**

Development

This development opportunity is located on the north side of West 36th Street, between 9th and 10th Avenues in Hudson Yards, Manhattan. What is currently a 2 story, 75 feet wide building, has the potential to become a variety of mixed-use projects with a total of 48,141 buildable square feet.

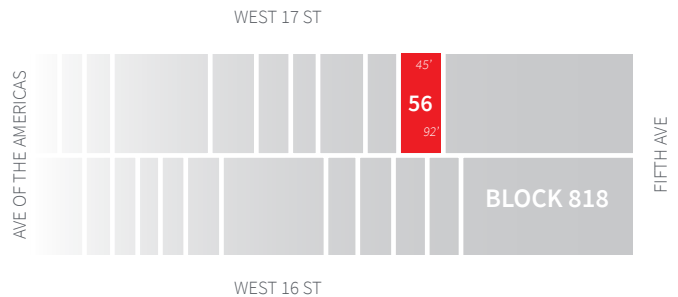


\$15,500,000

**10 West 17th Street
Manhattan**

Development

This 41,140 zoning square foot luxury residential development opportunity is situated at the nexus of several iconic neighborhoods, on the south side of West 17th Street between 5th and 6th Avenues.





\$14,000,000

**106 Norfolk
Manhattan**

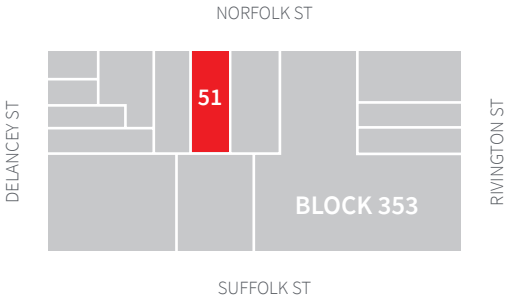
Mixed-Use

\$9,240,000

(Debt)

JLL arranged the debt also.

Located on Manhattan’s Lower East Side, this property consists of 28 residential units and 2 retail stores.



\$12,500,000

**325-327 East 101st Street
Manhattan**

Multifamily

Located on the north side of East 101st Street between First and Second Avenue, this multifamily property contains approximately 36,849 square feet and 34 units.





\$11,000,000

**258 West 97th Street
Manhattan**

SRO

This 50-foot-wide, 26,334 square foot, seven-story single room occupancy (SRO) building is located on Manhattan's Upper West Side. The property has historically operated as a hotel and is presently configured as 94 rooms and two residential floor-through apartments above.

\$6,725,000

**1672 Third Avenue
Manhattan**

Mixed-Use

Located in Carnegie Hill on the Upper East Side in Manhattan, this five-story property features 16 apartments and one ground floor commercial unit. This building has a total of approximately 10,845 square feet, with 25 feet of frontage.



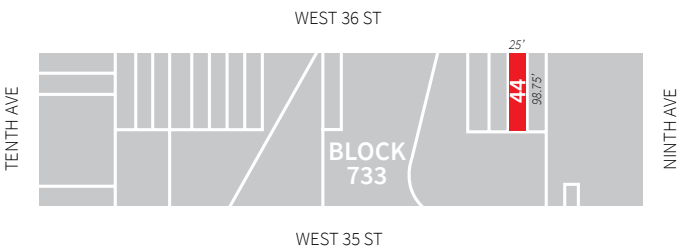


\$6,700,000

**410 West 36th Street
Manhattan**

Mixed-Use

This property is a 25' wide, six-story, mixed-use building located on the south side of West 36th Street between Ninth and Dyer Avenues. Configured as 20 one-bedroom apartments and 3 commercial units, the property is comprised of approx. 11,093 gross square feet.



69-14-69-18 49th Ave



69-21 50th Ave



69-24 49th Ave



69-32 49th Ave,
49-02, 49-04 70th St

\$6,300,000

**Ahern Portfolio
Queens**

Development

This portfolio in Woodside, Queens is an assemblage of 7 tax lots totaling approximately 36,000 square feet. The portfolio is made up of vacant land, office and industrial buildings.



\$4,950,000

138 East 74th Street | Manhattan

Mixed-Use

This four-story mixed-use walk up building in the heart of the Upper East Side features nearly 20 feet of frontage and 3,933 square feet, with commercial spaces on the ground and second floors.

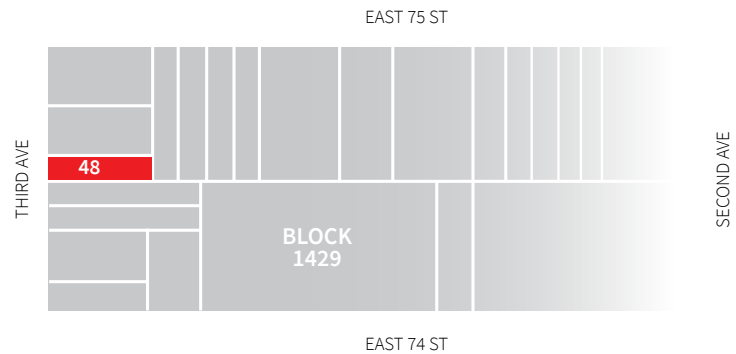


\$4,900,000

1301 Third Avenue | Manhattan

Mixed-Use

This five-story mixed-use building is located on the Upper East Side between East 74th and East 75th Streets. The building is 20 feet wide, 5,800 square feet, and contains 8 residential units and 1 commercial unit.





\$4,075,000

10-17 Jackson Avenue
Long Island

Retail

Located in the heart of Long Island City, this retail condo boasts 141 feet of frontage and totals 7,384 square feet across 2 retail units.

\$1,850,000

28 West 38th Street
Manhattan

Retail Co-op

Situated two blocks from Bryant Park at the base of the Wheeler building, this retail co-op contains 3,900 square feet.





BOB KNAKAL

+1 917 509 9501

bob.knakal@jll.com

Bob is Head of the NY Private Capital Group within JLL Capital Markets in New York City.

Bob is a graduate of The Wharton School at the University of Pennsylvania where he majored in entrepreneurial management and real estate finance. He earned a BS in Economics in 1984.

During his summers in college, Bob was a summer intern for Coldwell Banker (predecessor company to CBRE) in Hackensack, NJ working in their market research department.

He started his full time real estate career in 1984 at CB Richard Ellis where he met Paul J. Massey Jr. They both left CB in 1988 to form Massey Knakal. Bob was Chairman and Founding Partner of Massey Knakal Realty Services, formerly New York's #1 building sales firm.

From 1988 through 2014, Massey Knakal closed over 6,000 transactions with an aggregate value in excess of \$23 billion. According to CoStar, Massey Knakal sold more buildings in New York City than any other firm for 17 years consecutively and, in aggregate, by more than three times more than the number 2 firm.

To date, Bob has been personally responsible for the sale of over 2,246 buildings (generally considered to be the highest total ever for a single broker in New York) and over \$20.6 billion in sales.

In 2014, Cushman & Wakefield acquired Massey Knakal. At Cushman & Wakefield, Bob served as Chairman of New York Investment Sales. He was ranked the top originating investment sales broker at Cushman & Wakefield, globally, in 2014, 2015 and 2016. Bob joined JLL in September of 2018 as the Chairman of NY Investment Sales. As of January 2023, he now serves as Head - NY Private Capital Group.

Since 2009, Bob has written a weekly column on the New York City Real Estate Market called Concrete Thoughts for the Commercial Observer.

During his storied career, Bob has been nominated for the Real Estate Board of New York's Most Ingenious Deal of the Year award six times and has won the award twice. The award is given out annually for the brokerage deal where the brokers have exhibited ingenuity, cunning and negotiating prowess.

Bob is a frequent guest speaker at colleges around the tri-state area including New York University, Baruch College, Columbia University and The Wharton School. He is also a frequent guest on Fox Business News, MSNBC and Squawk Box.

Bob is also a very active member of the Real Estate Board of New York, serving on the Board of Governors since 2000 and the prestigious executive committee since 2007. He is also a past chairman of REBNY's sales brokers committee and past chairman of the National Realty Club. He now serves as the Co-Chairman of REBNY's newly formed Development Committee, which examines all aspects of land development in New York City.



JONATHAN HAGEMAN

+1 212 812 5700

jonathan.hageman@jll.com

Jonathan Hageman comes to JLL with over 16 years of experience in the NYC investment sales market. At JLL, Jon serves as Managing Director alongside Bob Knakal, Head of the NY Private Capital Group. Throughout his career he has been involved in the aggregate sale of over \$12 billion in real estate sales in the New York area.

Prior to his current role at JLL, Jon was Executive Managing Director in the Capital Markets Group of Cushman & Wakefield, where he oversaw the day-to-day operations of the transaction business for Bob Knakal, Chairman, New York

Investment Sales. Previously, he was the Sales Team Manager at Massey Knakal Realty Services which Cushman & Wakefield acquired on December 31, 2014

Jon's career at Massey Knakal began in 2002 as an Information, Technology and Office Administrator, when he directly worked for Vice President Christy Moyle and CEO and Founding Partner Paul J. Massey Jr. He was later promoted to Associate for Bob Knakal. In 2005, he was promoted to Sales Team Manager for Bob Knakal and his sales team and has run the sales team since then.







330 Madison Avenue
New York, NY 10017

Give us a call!

Bob Knakal

bob.knakal@jll.com
+1 917 509 9501

Jonathan Hageman

jonathan.hageman@jll.com
+1 212 812 5995

Jacob Russell

jacob.russell@jll.com
+1 212 812 6442

Kevin Campfield

kevin.campfield@jll.com
+1 212 812 6502

Ryan Candel

ryan.candel@jll.com
+1 212 377 2820

Taylor Bilecky

taylor.bilecky@jll.com
+1 212 377 2134

www.us.jll.com/capitalmarkets

Jones Lang LaSalle Americas, Inc. ("JLL"), a licensed real estate broker.

Jones Lang LaSalle Americas, Inc. or its state-licensed affiliate ("JLL") has been engaged by the owner of the property to market it for sale. Information concerning the property described herein has been obtained from sources other than JLL, and neither Owner nor JLL, nor their respective equity holders, officers, directors, employees and agents makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all reference to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a purchaser. JLL and owner disclaim any liability that may be based upon or related to the information contained herein. Prospective purchasers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change. The Property may be withdrawn without notice. If the recipient of this information has signed a confidentiality agreement regarding this matter, this information is subject to the terms of that agreement. ©2022. Jones Lang LaSalle IP, Inc. All rights reserved.