

New York City

Q2-2024 Market Report

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Q2 2024 Quarterly Recap

NYC INVESTMENT SALES

OVERVIEW

The New York City investment sales market has shown strong momentum through the first half of 2024. According to our data, transaction volume increased quarter-over-quarter (up 6%) in the second quarter. The total transaction volume for 2024 Q2 was \$5.82 billion, up from \$5.5 billion in 2024 Q1. Total transactions also increased to 572, up from 529 in Q1. The increase in transactions was driven by heightened sales in Manhattan and Brooklyn, while sales in Northern Manhattan and Queens saw slight decreases. Price per square foot (PPSF) decreased sharply from \$677/SF in Q1 to \$486/SF. The average deal size across all asset classes in NYC has decreased slightly.

dropped to \$300 million from \$1.4 billion. Notable transactions included the bankruptcy sale of the William Valle Hotel in Williamsburg and the note sale of 1740 Broadway.

MARKET DYNAMICS

The market is not entirely out of its multi-year slump. Optimism has been returning due to the Federal Reserve's expected rate cut in September. The delayed rate cuts have, in turn, postponed the recovery of real estate capital markets and property values.

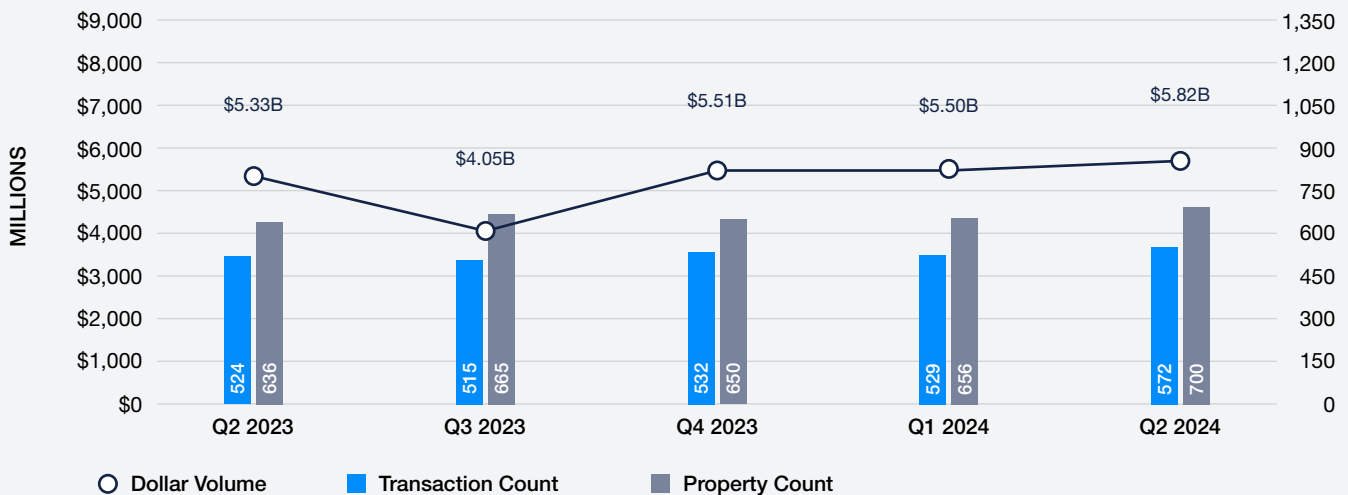
SECTOR PERFORMANCE

Transaction volume rose across most asset classes, with Office leading all asset classes with \$1.6 billion in transactions compared to \$650 million in Q1 2024. Retail transactions

OUTLOOK

The Federal Reserve's optimism, along with distressed properties entering the market, has led to an increase in transaction volume. The expected rate cuts will present well capitalized buyers with new opportunities.

NYC INVESTMENT SALES

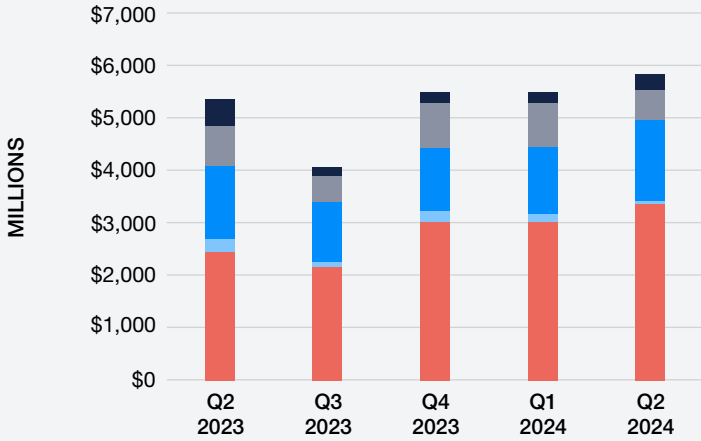


Dollar Volume	Transaction Count	Property Count	Average Price/SF
\$5.82B	572	700	\$486
+6% vs. Q1 24 ↑↑ +9% vs. Q2 23	+8% vs. Q1 24 ↑↑ +9% vs. Q2 23	+7% vs. Q1 24 ↑↑ +10% vs. Q2 23	-28% vs. Q1 24 ↓↓ -14% vs. Q2 23

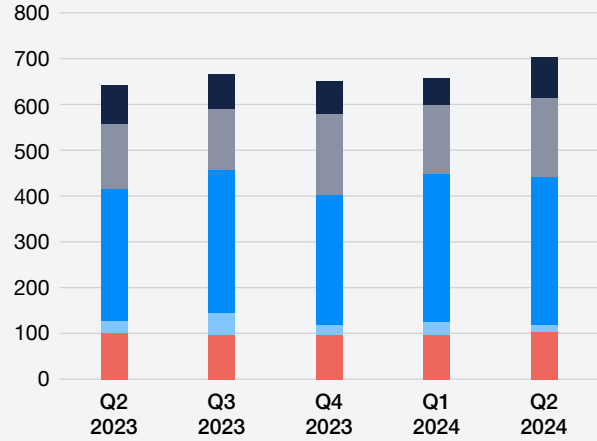


Analysis By Borough

DOLLAR VOLUME



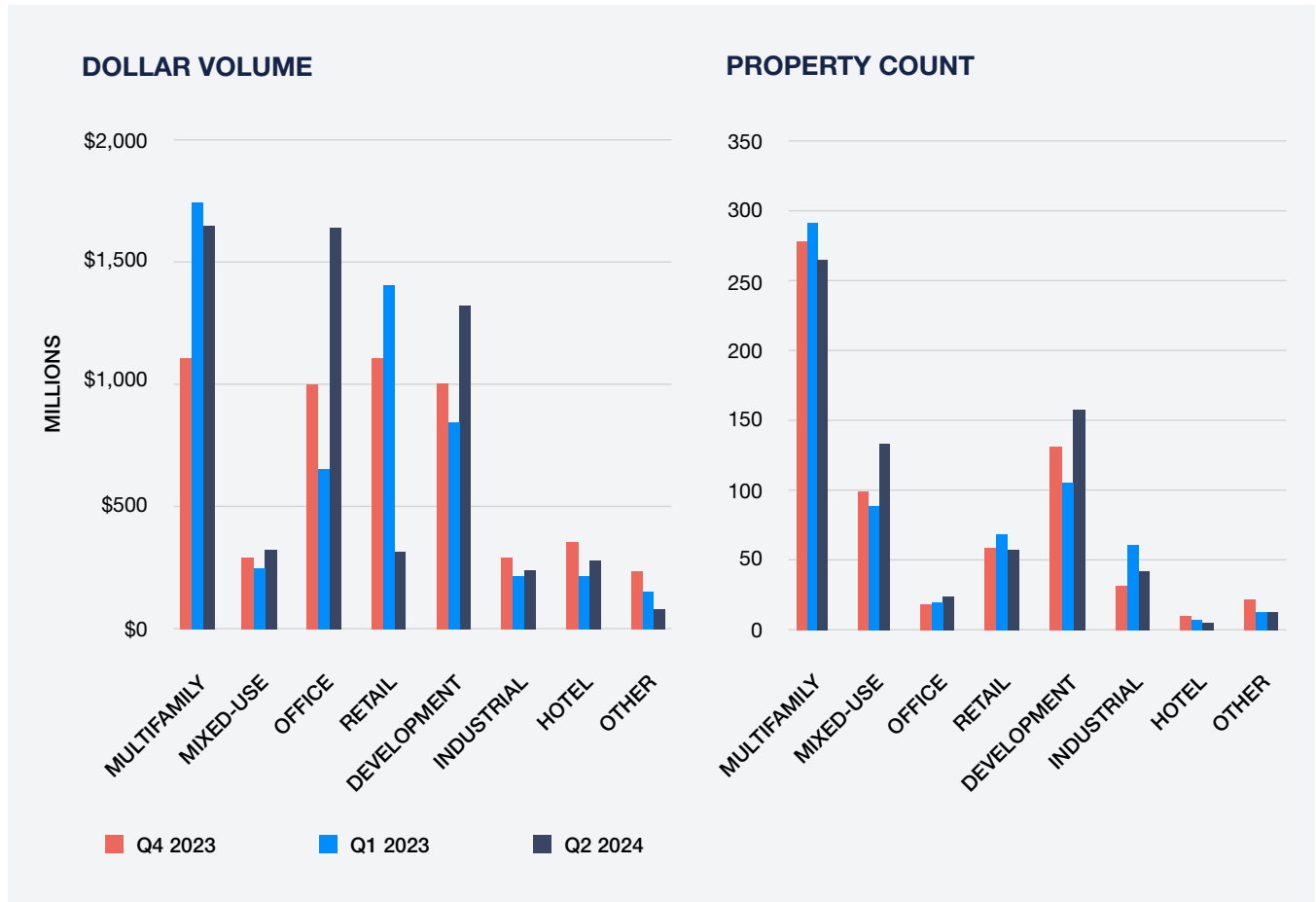
PROPERTY COUNT



	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	QoQ	YoY
MANHATTAN							
Dollar Volume	\$2,443,592,841	\$2,083,683,831	\$3,026,494,505	\$3,027,653,282	\$3,355,225,129	11%	37%
Transaction Count	83	78	86	80	96	20%	16%
Property Count	102	97	99	97	105	8%	3%
N. MANHATTAN							
Dollar Volume	\$244,694,994	\$159,230,664	\$190,585,690	\$126,674,948	\$44,656,500	-65%	-82%
Transaction Count	24	24	20	26	18	-31%	-25%
Property Count	24	48	22	30	18	-40%	-25%
BROOKLYN							
Dollar Volume	\$1,369,140,443	\$1,125,749,776	\$1,212,594,039	\$1,308,885,435	\$1,563,344,673	19%	14%
Transaction Count	241	251	226	249	250	0%	4%
Property Count	287	309	278	321	321	0%	12%
QUEENS							
Dollar Volume	\$773,774,544	\$498,057,816	\$873,219,415	\$846,074,862	\$584,089,000	-31%	-25%
Transaction Count	123	103	142	125	136	9%	11%
Property Count	141	135	173	150	170	13%	21%
BRONX							
Dollar Volume	\$504,762,695	\$178,817,338	\$202,338,310	\$190,772,894	\$274,101,080	44%	-46%
Transaction Count	54	59	58	49	72	47%	33%
Property Count	83	76	78	58	86	48%	4%
NYC TOTAL							
Dollar Volume	\$5,335,965,517	\$4,045,539,424	\$5,505,231,959	\$5,500,061,421	\$5,821,416,382	6%	9%
Transaction Count	525	515	532	529	572	8%	9%
Property Count	637	665	650	656	700	7%	10%



Analysis by Property Type



QoQ & YoY

PROPERTY TYPE	TRANSACTION VOLUME			TRANSACTION COUNT			PROPERTY COUNT			PRICE/SF		
	Current	QoQ	YoY	Current	QoQ	YoY	Current	QoQ	YoY	Current	QoQ	YoY
Multifamily	\$1,649,009,155	-6%	-8%	245	3%	-14%	265	-10%	-18%	\$408	-8%	4%
Mixed-Use	\$313,042,350	29%	234%	112	40%	133%	133	53%	166%	\$530	-17%	-5%
Office	\$1,634,631,969	149%	-5%	24	41%	-4%	24	20%	-17%	\$436	3%	-44%
Retail	\$308,857,733	-78%	46%	52	-15%	18%	58	-15%	9%	\$690	-69%	10%
Development	\$1,325,921,006	57%	63%	93	37%	79%	158	50%	61%	\$213	-24%	10%
Industrial	\$241,706,500	8%	-24%	31	-31%	-31%	43	-31%	-17%	\$385	-3%	37%
Hotel	\$275,021,316	28%	19%	5	-29%	25%	6	-14%	50%	\$1,018	99%	18%
Other	\$73,226,354	-53%	-52%	10	-17%	-55%	13	0%	-52%	\$252	-41%	-32%
TOTAL	\$5,821,416,382	6%	9%	572	8%	9%	700	7%	10%	\$486	-28%	-14%



Top Highlighted Transactions

1370 SIXTH AVENUE CENTRAL MIDTOWN, MANHATTAN



Office
Price: \$160,979,906
Date: 05/01/2024
SF: 311,501
Price / SF: \$517

74-17 GRAND AVENUE ELMHURST, QUEENS



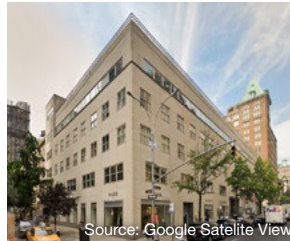
Retail
Price: \$48,250,000
Date: 05/16/2024
SF: 101,733
Price / SF: \$474

95 MADISON AVENUE NOMAD, MANHATTAN



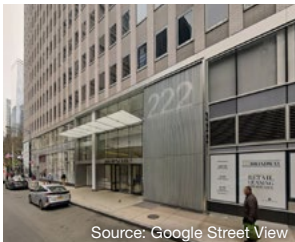
Conversion
Price: \$65,000,000
Date: 06/05/2024
SF: 146,161
Price / SF: \$445
Units: 26
Price / Unit: \$2,500,000

980 MADISON AVENUE LENOX HILL, MANHATTAN



Office
Price: \$560,000,000
Date: 06/05/2024
SF: 118,635
Price / SF: \$4,720

222 BROADWAY FINANCIAL DISTRICT, MANHATTAN



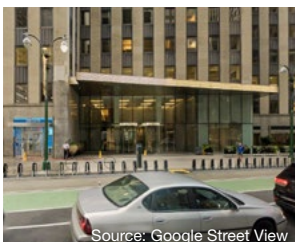
Office
Price: \$147,500,000
Date: 04/18/2024
SF: 756,138
Price / SF: \$195

87-16 121ST STREET RICHMOND HILL, QUEENS



Industrial
Price: \$50,300,000
Date: 04/12/2024
SF: 154,782
Price / SF: \$325

1740 BROADWAY THEATRE DISTRICT - TIMES SQUARE, MANHATTAN



Office
Price: \$185,895,188
Date: 04/19/2024
SF: 519,600
Price / SF: \$358

194 E SECOND STREET EAST VILLAGE, MANHATTAN



Multifamily
Price: \$43,000,000
Date: 04/22/2024
Units: 64
Price / Unit: \$671,875

Debt Capital Markets

MACRO ENVIRONMENT

While inflation has proved to be more stubborn than anticipated, the economy continues to perform. The Federal Reserve has signaled an intention to lower rates, but even with a slight rate cut, there is still turbulence in the market for Borrowers. At the end of the quarter, the 5-year Treasury closed at 4.33% while the 10-year Treasury ending at 4.47%, to date these values have lowered even more.

ISSUANCE AND LENDING CLIMATE

CMBS issuance has continued to be strong and remains to be a strong option for Sponsors looking for permanent debt. This channel works best for borrowers who do not intend to create a depository relationship, are seeking to avoid personal guarantees and are willing to accept more conservative underwriting. Regional and community bank lending remains restrictive, with many institutions staying in risk-off mode. Banks are requiring significant client deposits in order to fund transactions.

CONSTRUCTION FINANCING

We continue to have numerous capital partners active in construction lender both on the Bank side and Private capital channels. However, sponsors remain hesitant to pursue projects further due to the uncertainty in rent growth and increase in insurance costs, especially in the Florida market. Projects will need to have strong un-trended figures, as lenders will not underwrite pro-forma projects across many markets.

OUTLOOK

While there is some hope that a rate cut will take place in the future, we are still not optimistic on a significant turnaround in the capital markets. The positive facet of liquidity in the market does not outweigh the uncertainty of interest rates, bank lending, and disparities in seller and buyer expectations.





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