

2021 Year End

UPPER EAST SIDE Market Update

B6 Real Estate Advisors Market Insights.

A comprehensive overview of recent investment sales transactions in the territory.



2021 Year End Commentary

The Upper East Side submarket of Manhattan showed significant signs of improvement from 2020 across all metrics despite the Delta and Omicron variants. Dollar volume (\$870M) was up 29% from 2020 (\$676M), although still well below 2019 (\$1.385B). Transactions (39) and number of buildings sold (72) were up 18% and 67% respectively over 2020 figures.

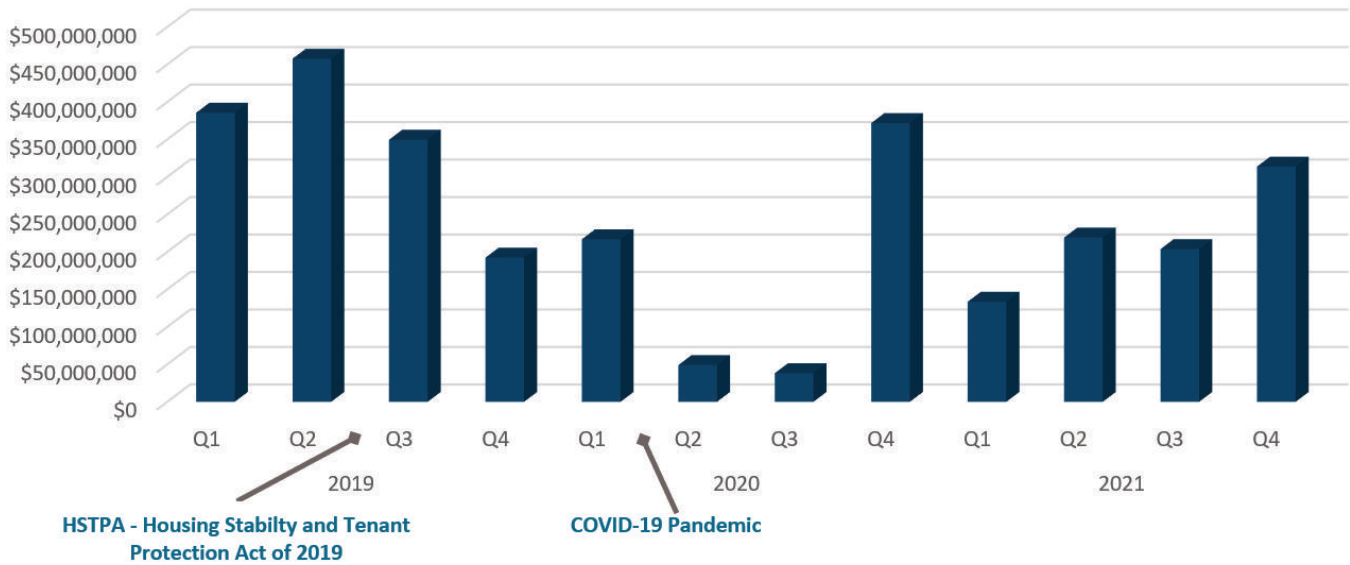
On a micro level we know that the 3rd and 4th quarters accounted for 66% of the transactions and 82% of the number of buildings sold, which is due in large part to sale of the Caporusso and AIMCO multifamily portfolios. This activity led to a 47% increase in dollar volume from the first half of the year and a 26% year over year increase from the 2nd half of 2020.

While it seems that the market is well on its way to recovery from its low point in Q3 of 2020 there remain concerns. Although people have returned to NYC which has fueled the residential rental and sales markets there is uncertainty as to how and when the majority of the workforce returns to work in the office as this is a huge driver for both the office and retail sectors of the marketplace. Another major concern is Albany's legislative agenda which includes proposals to further close remaining loopholes for owners to increase their rent stabilized rents as well as the continued specter of Good Cause Eviction which has already had a chilling effect on the market much as HSTPA legislation did in 2019. Lastly, as inflationary conditions continue, we know that the Fed will be increasing interest rates in the next few months which will put downward pressure on pricing.

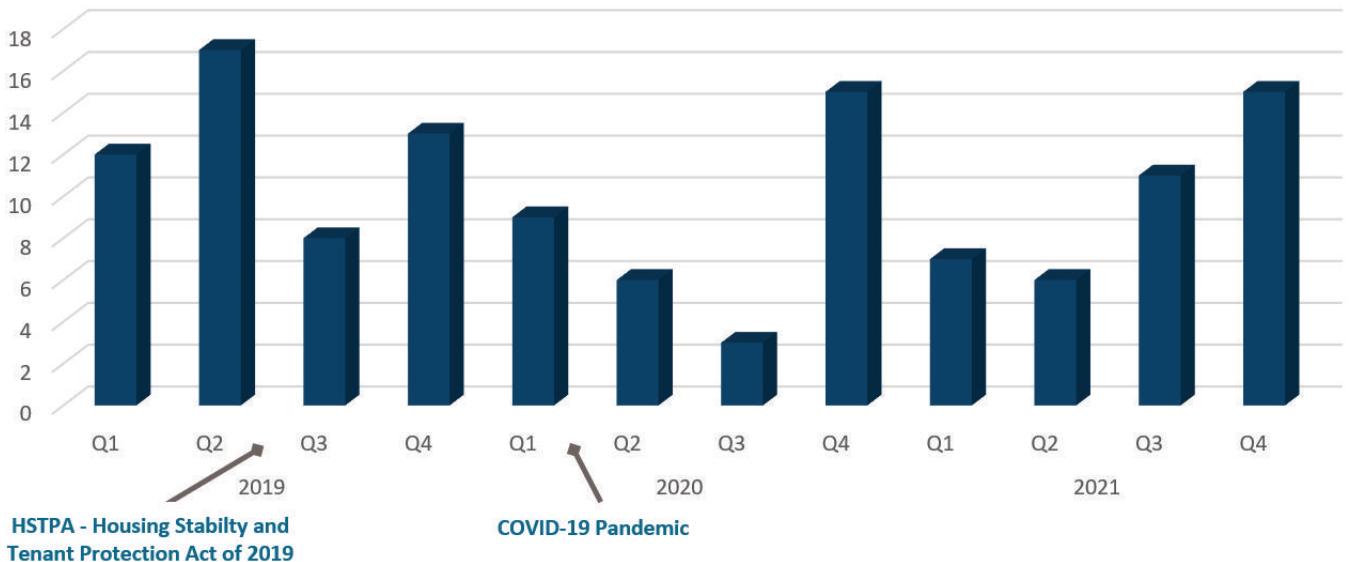
Overall, we anticipate that these concerns will be outweighed by demand from new and old investors who are seeking higher yield than they would receive in the Southeast as well as a hedge against inflation, which will lead to a continued increase in both transaction volume and pricing.

Upper East Side Market Activity

Aggregate Dollar Volume



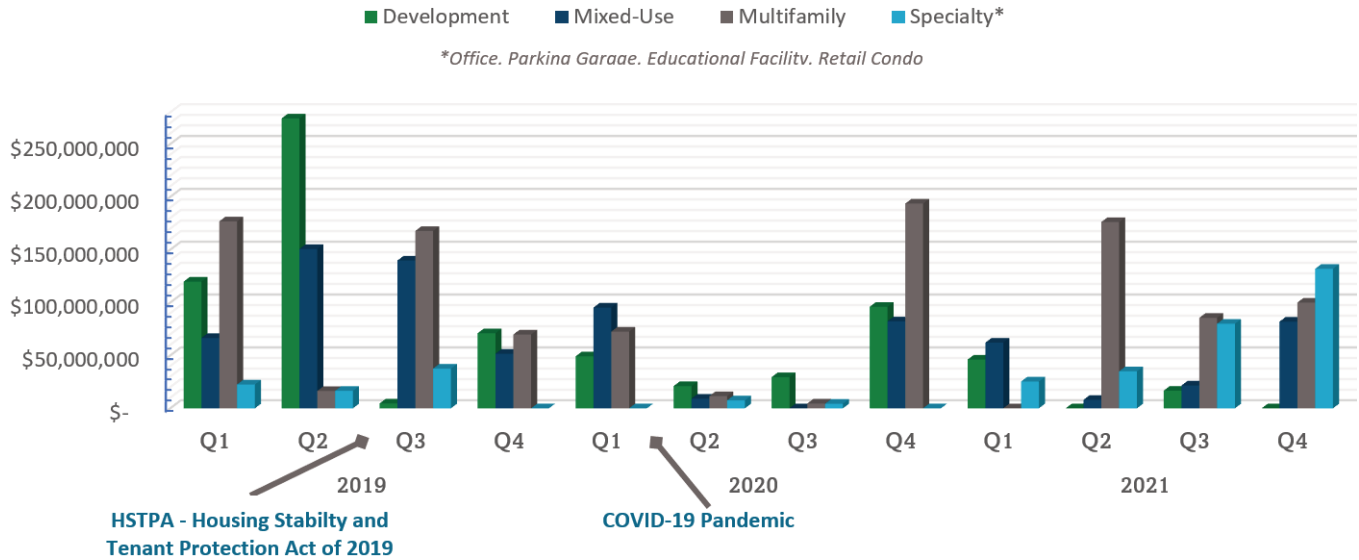
Aggregate Transactions



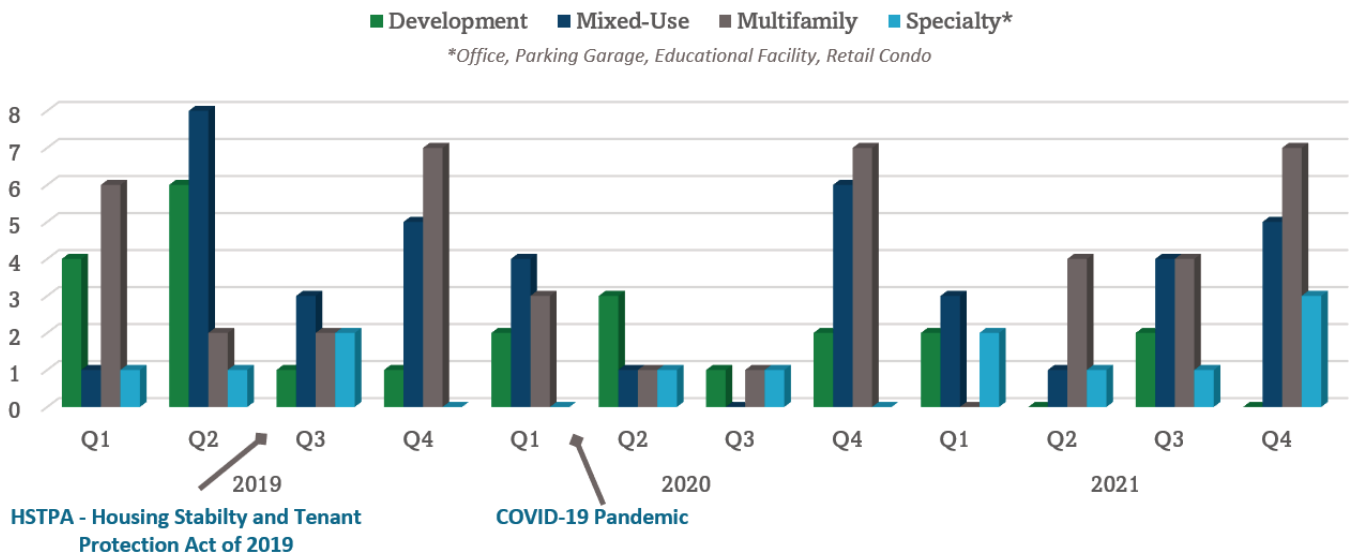
Source: B6 Real Estate Advisors

Sales Trends by Asset Type

Dollar Volume (2019 - Present)



Transaction Volume (2019 - Present)



Source: B6 Real Estate Advisors

Next Steps

If you are contemplating a sale of your property in the next 12-24 months you should consider the following actions:

1. Reach out to receive a complimentary Broker's Opinion of Value from me to see what your property is currently worth in this market
2. Order DHCR registrations and Dockets to ensure compliance
3. Review your tenant files to confirm proper decontrol where appropriate
4. Make sure that you are filing your tax certiorari protests

Data comes from Reonomy, RCA, ACRIS, NYC Open Data, and our own data repositories.

FOR MORE INFORMATION, PLEASE CONTACT:

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