

1H 2021

UPPER EAST SIDE Market Update

B6 Real Estate Advisors Market Insights.

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



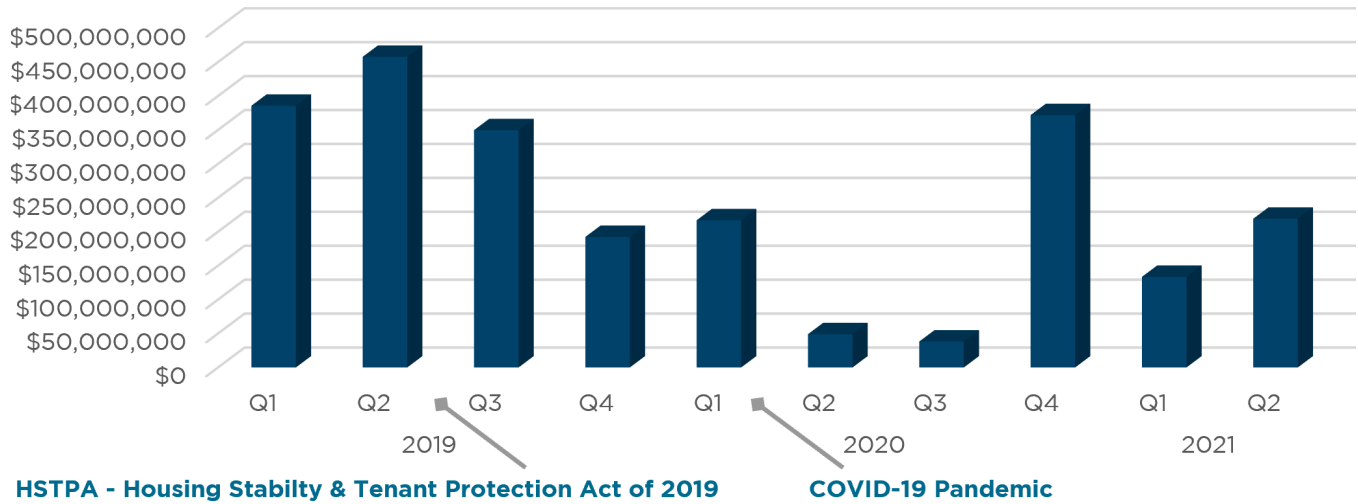
Commentary

The Upper East Side market saw a slight decline in transaction levels in Q2 from Q1, with 6 total transactions, as opposed to the 7 in Q1, and flat growth from Q2 of 2020, which also realized 6 transactions. In terms of dollar volume, there was a 64% increase from Q1 (\$133M) and a 447% increase YOY from Q2 of 2020, which is primarily due to the sale of 920 Park Avenue on 4/23 for \$134.5M. Overall, the market is still anemic, as a result of the legislative recession caused by the enactment of HSTPA in June of 2019, followed by the COVID-19 pandemic. A bright spot was Q4 of 2020 which realized 15 total sales and over \$370M in dollar volume. This spike was driven in large part by transactions that had been contemplated pre-pandemic, and/or sellers that were looking to close by year end to avoid any potential retroactive increase in the capital gains rate.

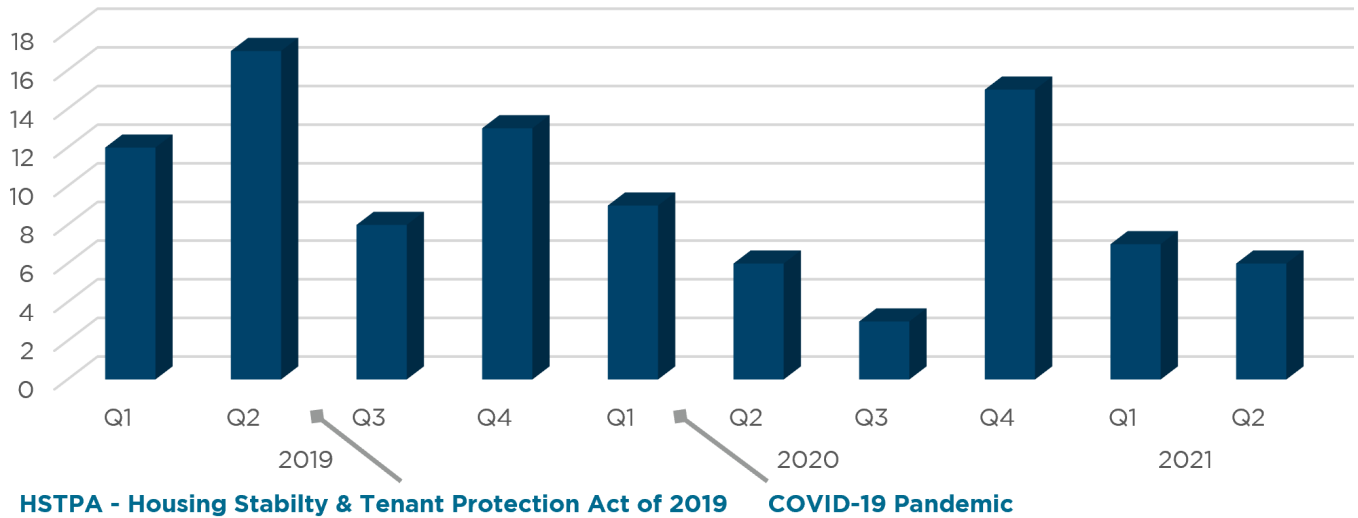
There is growing concern in the general marketplace with the coming implementation of the Climate Mobilization Act, the lack of Real Estate Tax reform, the prospect of an increase in the capital gains tax rate, the potential repeal of section 1031 from the IRS code, and the specter of statewide Good Cause Eviction being enacted. Long-term property owners should capitalize on the relatively low interest rate environment and refinance their properties for the duration of the current cycle. On the other hand, it behooves anyone thinking of selling in the next 12-24 months to consider going to market sooner rather than later in order to avoid the impact that the pending legislative headwinds may have on pricing.

Upper East Side Market Activity

Aggregate Dollar Volume



Aggregate Transactions

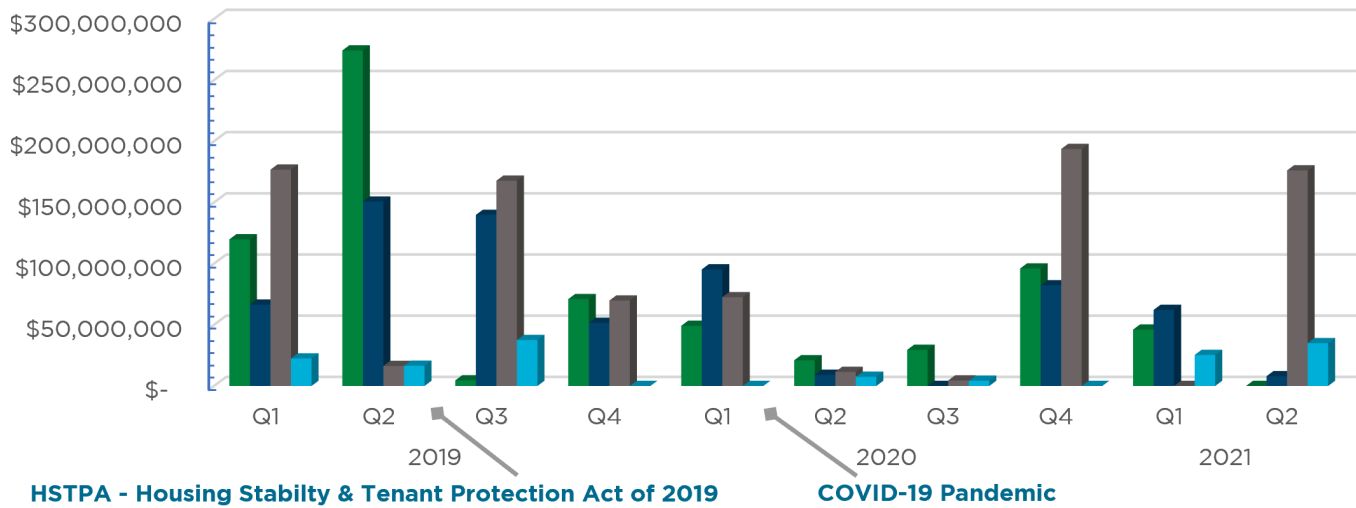


Source: B6 Real Estate Advisors

Sales Trends by Asset Type

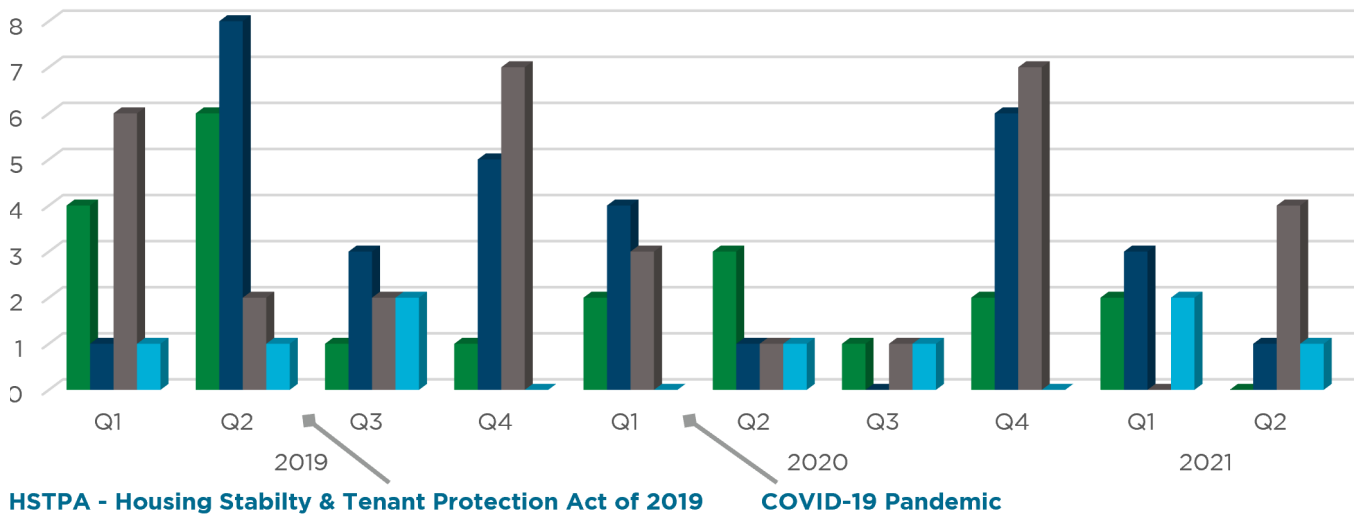
Dollar Volume (2019 - Present)

■ Development ■ Mixed-Use ■ Multifamily ■ Specialty*
 *Office, Parking Garage, Educational Facility, Retail Condo



Transaction Volume (2019 - Present)

■ Development ■ Mixed-Use ■ Multifamily ■ Specialty*
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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. Schedule a meeting with your Trust and Estate attorney to see if you should consider a nominal transfer to a more tax effective entity
2. Order a title report to see if there are any Schedule B issues that you should tackle now
3. Order DHCR registrations and Dockets to ensure compliance
4. Review your tenant files to confirm proper decontrol where appropriate
5. Make sure that you are filing your tax certiorari protests
6. Conduct a Phase 1 of you property to see what potential environmental issues you may have
7. Reach out to receive a complimentary Broker's Opinion of Value from me to see what your property is currently worth in this market

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

FOR MORE INFORMATION, PLEASE CONTACT:

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