



REAL ESTATE
ADVISORS

3Q 21

BLOCK BY BLOCK

B6 Real Estate Advisors NYC Market Insights.

A comprehensive data analysis providing macro
and micro market trends for NYC commercial real estate.



WHEN WILL THE BOOM...BOOM?

NYC INVESTMENT SALES TRANSACTIONS THROUGH THE THIRD QUARTER OF THE YEAR
TOTALED **1226, UP 20%** FROM THE SAME PERIOD IN 2020

DOLLAR VOLUME FOR THE FIRST THREE QUARTERS OF THE YEAR REACHED
\$12.3B, DOWN 14.5% FROM THE SAME PERIOD IN 2020

DOLLAR VOLUME INCREASED QUARTER-OVER-QUARTER VERSUS 3Q20, WITH 3Q21
REPRESENTING THE FIRST **\$5B+ QUARTER** FOR THE FIRST TIME SINCE PRE-COVID

AS EXPECTED, WE ARE NEARING OUR LONG-TERM AVERAGE OF **487 TRANSACTIONS
PER QUARTER** AND ANTICIPATE 4Q21 WILL MEET OR EXCEED THE LONG-TERM AVERAGE

The New York City investment sales market continues to climb out of the COVID-induced commercial property market recession. While there is a tangible sense of optimism and markets are beginning to return to long-term averages, the recovery seems to remain constrained by externalities impacting the market. The COVID Delta variant paused many companies' long-awaited plans to return to offices in September, and the large institutional asset classes that compose the office market have not traded at their expected levels. Although we have seen an increase in properties sold, (on pace to exceed last year by 22%), this is accompanied by a stubbornly muted response in the dollar volume levels in the city. NYC is trending towards ending the year with \$17.01B of sales, down nearly 15% from 2020 and 51% from 2019.

NYC IS TRENDING TOWARDS ENDING THE YEAR WITH **\$17.01B OF SALES**, DOWN
NEARLY 15% FROM 2020 AND 51% FROM 2019

THE COVID DELTA VARIANT PAUSED MANY COMPANIES' LONG-AWAITED PLANS TO RETURN
TO OFFICES IN SEPTEMBER

WHILE THERE IS A **TANGIBLE SENSE OF OPTIMISM** AND MARKETS ARE
BEGINNING TO RETURN TO LONG-TERM AVERAGES, THE RECOVERY SEEMS TO **REMAIN
CONSTRAINED** BY EXTERNALITIES IMPACTING THE MARKET

3Q21 MARKET AND PROPERTY TYPE INFORMATION

	Development	Hospitality	Industrial	Mixed use	Multifamily	Office	Retail	Other	Total	
BROOKLYN	Transactions	16	-	9	41	41	12	24	10	153
	Dollar Volume (M)	\$145,941,472	-	\$54,037,648	\$160,320,739	\$1,489,758,920	\$49,439,411	\$112,381,472	\$58,581,472	\$2,070,461,133
	Price per SF	-	-	\$445	\$556	\$667	\$369	\$462	-	\$504
	Price per Buildable SF	\$248	-	-	-	-	-	-	-	\$248
BRONX	Transactions	7	-	12	5	20	6	11	6	67
	Dollar Volume (M)	\$25,494,084	-	\$190,369,084	\$36,719,084	\$167,679,084	\$32,569,084	\$39,554,084	\$16,769,084	\$509,153,588
	Price per SF	-	-	\$355	\$153	\$165	\$640	\$669	\$333	\$292
	Price per Buildable SF	\$188	-	-	-	-	-	-	-	\$188
MANHATTAN	Transactions	10	8	5	11	34	9	3	13	93
	Dollar Volume (M)	\$176,693,835	\$490,963,345	\$95,813,345	\$177,142,885	\$296,287,160	\$659,280,412	\$14,700,000	\$226,971,403	\$2,137,852,385
	Price per SF	-	-	\$1,405	\$1,132	\$619	\$731	\$808	-	\$793
	Price per Buildable SF	\$398	-	-	-	-	-	-	-	\$398
QUEENS	Transactions	8	4	10	11	22	12	25	7	99
	Dollar Volume (M)	\$82,777,332	\$31,832,749	\$55,935,332	\$19,311,009	\$49,755,498	\$47,903,332	\$86,341,168	\$19,702,749	\$393,559,169
	Price per SF	-	-	\$654	\$631	\$347	\$557	\$624	-	\$507
	Price per Buildable SF	\$206	-	-	-	-	-	-	-	\$206
NYC	Transactions	41	12	36	68	117	39	63	36	412
	Dollar Volume (M)	\$430,906,723	\$522,796,094	\$396,155,409	\$393,493,717	\$2,003,480,662	\$789,192,239	\$252,976,724	\$322,024,708	\$5,111,026,275
	Price per SF	-	-	\$484	\$580	\$445	\$612	\$680	-	\$547
	Price per Buildable SF	\$258	-	-	-	-	-	-	-	\$258

Source: B6 Real Estate Advisors



TRANSACTIONAL ACTIVITY

In the third quarter 412 properties sold across New York City, bringing the tally for the year to 1226 transactions. The 412 transactions this quarter was an increase of 33% from 3Q20, demonstrating a steady return to the long-term average of nearly 500 transactions per quarter.

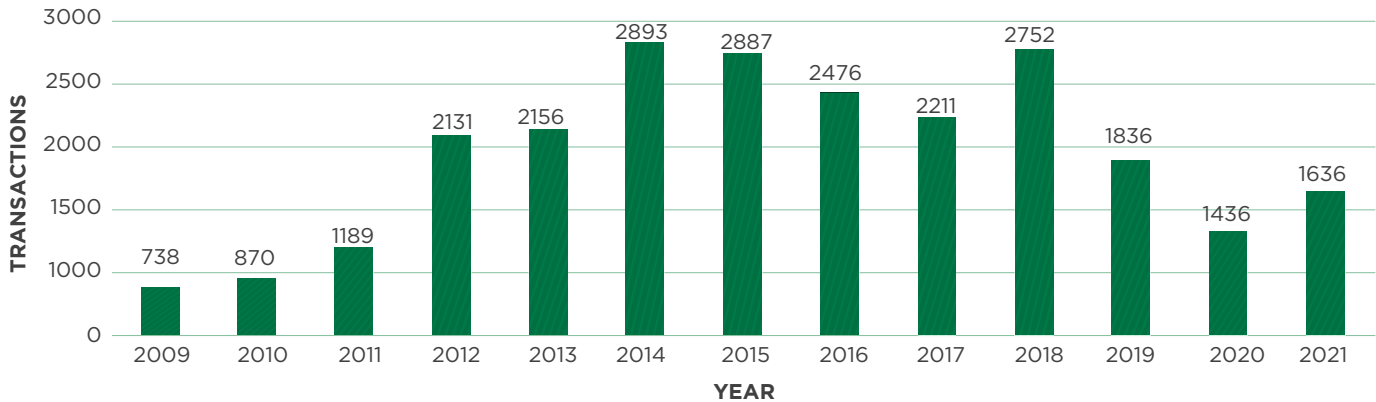
Brooklyn has been the most stable market since the beginning of COVID, with transactional activity quarter-over-quarter being recorded in a tight band of 150-180 transactions each quarter since 4Q20. Manhattan has seen an uptick in activity since 2Q21 and nearly exceeded all of 2020 in the first three quarters of the year. Queens saw 99 transactions this quarter, while the Bronx finished with 67 transactions in 3Q21.

At B6, we closely track dollar volume and number of transactions as two of our primary performance indicators. Transactional activity helps us understand velocity and normalized health in a given segment

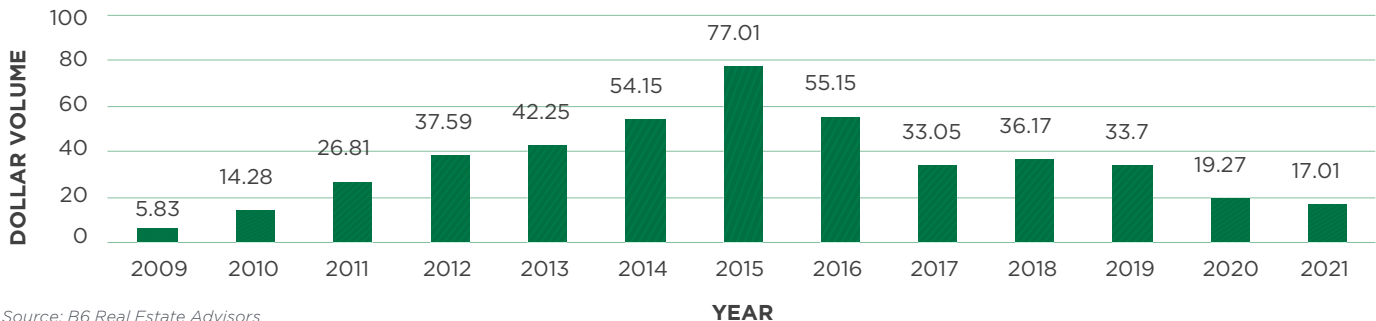
of time. It is a primary indicator of the health of each borough's market and of high volume property segments like multifamily. Dollar volume is a primary indicator of the stability of the institutional class of properties in the city, along with Manhattan - not clear that we need to add Manhattan. It can also help us determine which types of investors are active in the market.

While the number of transactions through 3Q21 increased, dollar volume remains muted. And despite a solid showing in 3Q21, dollar volume through 3Q21 has reached only \$12.3B, putting us on pace for roughly \$16.5B in activity for the full year. 3Q21 had \$5.3B in activity, or 71% of total volume in 2021 (don't think math works - shouldn't it be 43%?). Brooklyn topped \$2B in activity on the strength of a majority stake of Starrett City being purchased for \$1.3B. Manhattan also exceeded \$2B in activity, with nearly \$500M coming from the sale of several distressed hotel properties.

NEW YORK CITY - ANNUAL TRANSACTIONS



NEW YORK CITY - ANNUALIZED DOLLAR VOLUME (IN MILLIONS)



Source: B6 Real Estate Advisors



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**QUARTERLY
DIGEST VIDEO**

WITH

DJ JOHNSTON
Partner, Senior Managing Director

BRIAN WHELAN
Director

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METHODOLOGY



All metrics presented in this report — Dollar Volume, Transactions, Price per Square Foot, and Price Per Buildable Square Foot — are based on closed sales that occurred before September 30, 2021. Only portfolios located within Manhattan, Brooklyn, Bronx, or Queens with a sale price of at least \$1,000,000 were included in our calculations. We consider the divide between the Manhattan and Northern Manhattan markets to be 96th Street on the eastside and 110th Street on the westside. Data comes from Reonomy, RCA, ACRIS, NYC Open Data, and our own data repositories.

We used the following definitions to record the property type of each transacted building:

MULTIFAMILY: C1, C2, C4, C5, C9, D1, D2, D3, D5, D8, D9

MIXED USE: K4 and all “S” classes (S0, S1, S2, S3, S4, S5, S9)

RETAIL BUILDINGS/RETAIL CONDO’S: Select “K” classes (K1, K2, K3, K5, K6, K9) / select “R” classes (R5, R7, R8, RK)

OFFICE BUILDINGS: All “O” classes: (O1, O2, O3, O4, O5, O6, O7, O8, O9) and RB

INDUSTRIAL PROPERTIES: All “E” classes (E1, E3, E4, E6, E7, E9), all “F” classes (F1, F2, F4, F5, F8, F9) and RW

DEVELOPMENT: G0, V0, V1, and other properties purchased for development determined on a case-by-case basis

Core asset types are Multifamily, Office, Mixed use, Industrial and Retail

FOR MORE INFORMATION, PLEASE CONTACT:

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