

November 11, 2014

Massey Knakal Realty Services Releases Third Quarter 2014 Property Sales Reports

Massey Knakal Realty Services is pleased to announce the release of their exclusive Third Quarter 2014 Property Sales Reports. These unique, industry-leading, reports provide a comprehensive study of the investment sales market by product type in the New York City area (Manhattan, Northern Manhattan/Bronx, Brooklyn, and Queens).

“After a torrid start to the year, sales volumes stepped back a bit in the third quarter as market dynamics continued to exert upward pressure on record setting property values which continue to escalate. The pace of the dollar volume of sales continues slightly off the 2007 peak while the number of properties sold remains on an all-time record pace,” stated Bob Knakal, Massey Knakal Chairman.

Through the first three quarters of 2014, the New York City investment sales market continued its strong performance, with nearly \$39 billion in total dollar volume. 2014 has already surpassed 2013’s annual dollar volume, and is on pace for \$52 billion.

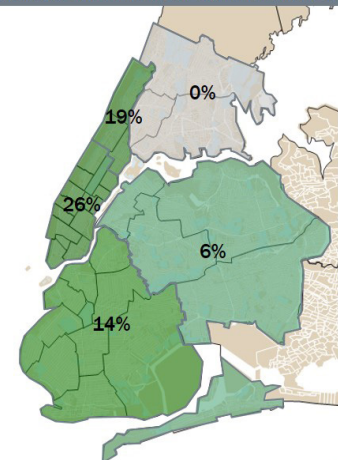
“We expect a strong fourth quarter and for dollar volume to accelerate in the final quarter, ending the year north of \$60 billion,” said Adrian Mercado, Vice President, Research.

While Manhattan leads the way with \$28 billion in activity this year, Brooklyn’s volume is on pace to exceed 2013 by 74%, with \$5 billion sold thus far. As with dollar volume, transactional activity has remained strong, with five consecutive quarters of 1,100 or more properties sold, putting NYC on pace to exceed 5,100 properties sold in 2014. Northern Manhattan is nearing an all-time best in turnover (measured as the percentage of properties sold over total inventory) with 6.7% of the total stock on pace to sell this year.

Retail continues to drive pricing, as price per square foot has increased by 15% from 2013 for core property (Manhattan +26%, Northern Manhattan +19%, Brooklyn +14%, Queens +6%, Bronx no change).

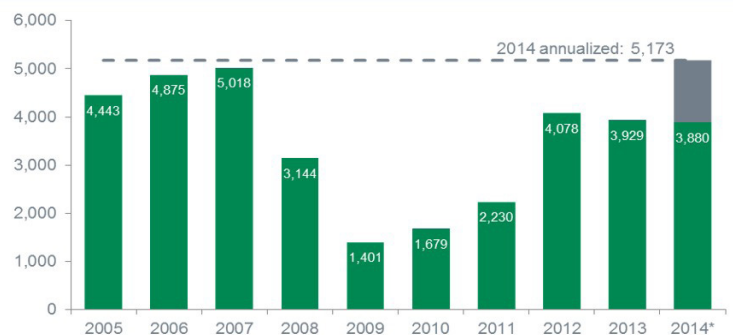
Finally, scarcity of land continues to exert upward pressure on pricing citywide with price per buildable square foot up 25% from 2013, with Manhattan finishing out the third quarter at \$655 per buildable square foot.

NYC – AVERAGE PRICE PER SF* 2014 YTD % FROM 2013



Source: Massey Knakal Research

NEW YORK CITY – NUMBER OF PROPERTIES SOLD



Source: Massey Knakal Research
* Annualized

The highlights from each report include the following:

Manhattan (south of 96th Street on the east side and south of 110th Street on the west side)

- In 3Q14, 219 buildings sold, down 7% from 3Q13 and 16% from last quarter's 261 properties sold
- Aggregate sales consideration through 3Q14 was \$28.4B, up 62% from the \$17.5B recorded in 1-3Q13
- Annualized turnover for Manhattan through 3Q14 was 3.49% of the total stock of properties

Brooklyn

- In 3Q14, 400 buildings sold, a decrease of 18% from 3Q13
- Walk-up properties led the way, making up 31% of the total properties sold in 3Q14
- Aggregate sales consideration through 3Q14 was \$5B, a 96% increase from 1-3Q13
- Annualized turnover rate thus far in 2014 is 3.09% of the total stock of properties, which is the highest turnover rate since 2005

Queens

- In 3Q14, 287 buildings sold, which is an increase of 28% from 3Q13 and 6% from last quarter
- Aggregate sales consideration through 1-3Q14 was \$2.59B, up 105% from 1-3Q13
- Annualized turnover rate through 3Q14 is 2.60% of the total stock of properties, double the 1.81% seen in 2013 – the highest turnover rate since 2006, and the fourth straight year that the turnover rate in Queens has increased year-over-year

Northern Manhattan (north of 96th St. on the east side and north of 110th St. on the west side)

- In 3Q14, 147 buildings sold, which is a decrease of 5% from 3Q13 but up 30% from 2Q14
- Aggregate sales consideration through 1-3Q14 was \$1.5B, an increase of 7% from 1-3Q13
- Annualized turnover through 3Q14 was 6.66% of the total stock of properties

The Bronx

- In 3Q14, 92 buildings sold in the Bronx, down 31% from 3Q13 and 40% from last quarter's 155 properties sold
- Aggregate sales consideration through 1-3Q14 was \$1.6B, an increase of 81% from 3Q13
- Annualized turnover through 3Q14 was 2.79% of the total stock of properties

To obtain a copy of these reports, please contact Massey Knakal Research at ResearchInfo@masseyknakal.com

For press inquiries, contact Shannon Krause, Public Relations Manager, at skrause@masseyknakal.com

About Massey Knakal

Massey Knakal is a diversified real estate company, exclusively representing owners in the sale, retail lease and financing of their properties. With over 200 employees, four offices and thorough coverage of New York City's five boroughs, Westchester County, Long Island and New Jersey, Massey Knakal has dominated the New York metropolitan area for the last two decades by providing premier real estate brokerage and advisory services. Leveraging our proprietary Territory System™, our agents have partnered with owners throughout our markets to close over 5,000 transactions, with an aggregate value in excess of \$21 billion since 1988. www.masseyknakal.com

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