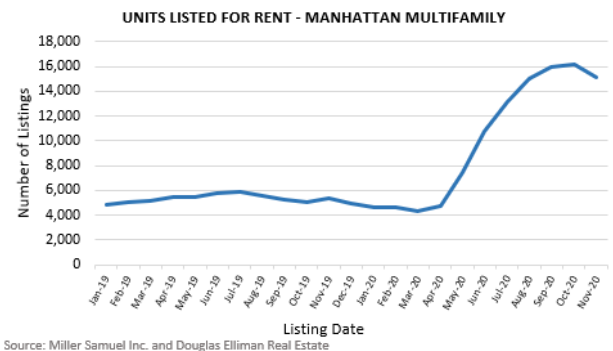


# Manhattan Multi-Family Sales Volume & Buying Trends – December 2020

The global COVID-19 pandemic surfaced in the United States in Mid-March. Federal, State, and local governments responded by issuing strict social distancing orders to curb the spread of the virus. Although the vaccine has started to roll out, there are still a lot of questions for the near term.

Market fundamentals were healthy going into the crisis; however, the first nine full months of the pandemic saw a drop off in dollar sales volume compared to previous year's figures. While down from last month's figures, December has still demonstrated a healthy number of transactions. This report analyzes trends in investment sales in the Manhattan multi-family market from January 2019 through December 2020.

The COVID-19 pandemic has sent shockwaves through the multi-family market in Manhattan. The graph on the right demonstrates the uptick in the number of units listed for rent. For landlords, the market is already uncertain, and with an increase in available units, more rent concessions are being offered. Clearly, we are in a tenant's market.

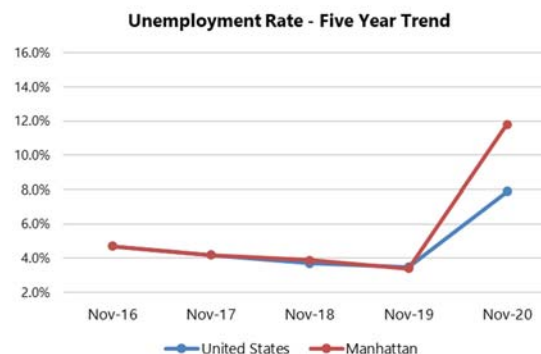


Note: December 2020 unit listings for Manhattan were not available as of the date this report was written.

POPULATION		
YEAR	US	Manhattan
2000 Total Population	281,421,906	1,537,195
2010 Total Population	308,745,538	1,585,873
2020 Total Population	333,793,107	1,650,033
2025 Total Population	346,021,282	1,676,284
10-20 CAGR	0.8%	0.4%
20-25 CAGR	0.7%	0.3%

HOME OWNERSHIP		
YEAR	US	Manhattan
2010	57.7%	20.5%
2020	56.4%	21.4%
2025	56.2%	21.2%

MEDIAN HH INCOME		
YEAR	US	Manhattan
2020	\$62,203	\$88,043
2025	\$67,325	\$99,415
CAGR	1.60%	2.46%



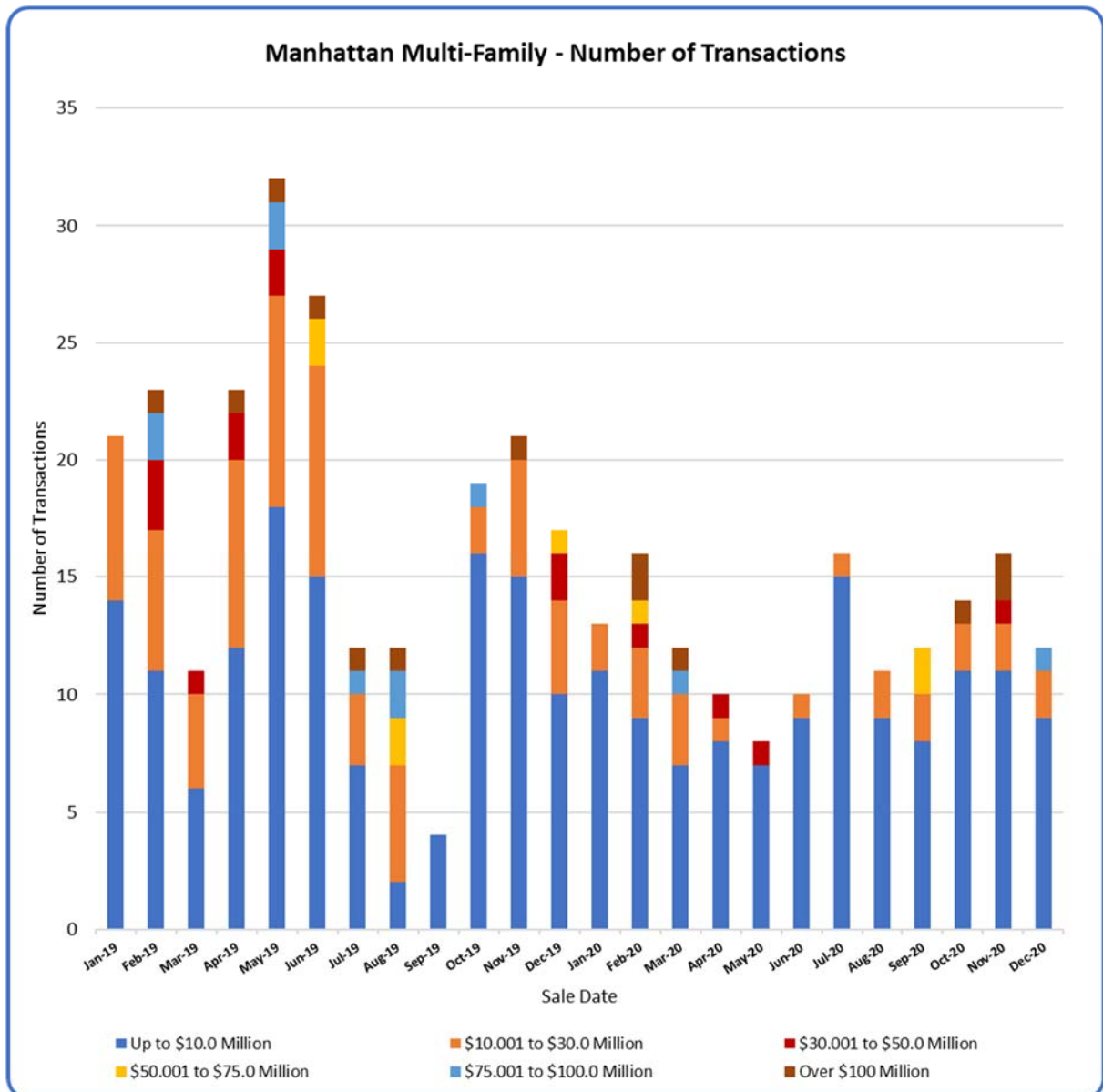
NOTE: December 2020 unemployment statistics for Manhattan were not available as of the date this report was written.

## Number of Sales Transactions

We tracked the number of monthly multi-family sales recorded in Manhattan, segmented into tranches as seen below. Over the prior 24-month period as of December 2020, there have been a total of 372 transactions. Approximately 66% of these transactions were below \$10 million, roughly 31% were between \$10 and \$100 million, and 3.5% were above \$100 million.

Historical Transaction Volume - Manhattan Multi-Family																										
Number of Transactions	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total	% of Total
Up to \$10.0 Million	14	11	6	12	18	15	7	2	4	16	15	10	11	9	7	8	7	9	15	9	8	11	11	9	244	65.6%
\$10.001 to \$30.0 Million	7	6	4	8	9	9	3	5	0	2	5	4	2	3	3	1	0	1	1	2	2	2	2	2	83	22.3%
\$30.001 to \$50.0 Million	0	3	1	2	2	0	0	0	0	0	0	2	0	1	0	1	1	0	0	0	0	0	1	0	14	3.8%
\$50.001 to \$75.0 Million	0	0	0	0	0	2	0	2	0	0	0	1	0	1	0	0	0	0	0	0	2	0	0	0	8	2.2%
\$75.001 to \$100.0 Million	0	2	0	0	2	0	1	2	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	1	10	2.7%
Over \$100 Million	0	1	0	1	1	1	1	1	0	0	1	0	0	2	1	0	0	0	0	0	0	1	2	0	13	3.5%
Total # Transactions	21	23	11	23	32	27	12	12	4	19	21	17	13	16	12	10	8	10	16	11	12	14	16	12	372	100.0%
% Change from Prior Month	-	9.5%	-52.2%	109.1%	39.1%	-15.6%	-55.6%	0.0%	-66.7%	375.0%	10.5%	-19.0%	-23.5%	23.1%	-25.0%	-16.7%	-20.0%	25.0%	60.0%	-31.3%	9.1%	16.7%	14.3%	-25.0%	-	-

In terms of number of transactions, the largest number of monthly transactions occurred in May 2019, which represented a 40% increase from the prior month. Compared to the peak of 32 sales in May 2019, the results for November and December 2020 were lower, at 16 sales and 12 sales, respectively. The figures are portrayed graphically below. In December 2020, the majority of transactions were in the "Up to \$10.0 Million" category, in line with the high transaction volume trend seen over the analysis period. The month of December marks a downward trend in the number of transactions compared to last month's figures.



## Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was roughly \$356 million, with the peak occurring in May 2019 at over \$730 million.

### Historical Transaction Volume - Manhattan Multi-Family (in Millions) - 2019

Dollar Volume of Transactions	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total	% of Total
Up to \$10.0 Million	\$84.6	\$65.4	\$32.4	\$69.0	\$108.6	\$99.3	\$34.0	\$17.2	\$21.0	\$56.6	\$81.0	\$55.6	\$724.6	17.0%
\$10.001 to \$30.0 Million	\$111.2	\$104.9	\$63.0	\$110.0	\$150.2	\$147.8	\$39.2	\$84.7	\$0.0	\$29.7	\$70.7	\$65.3	\$976.7	22.9%
\$30.001 to \$50.0 Million	\$0.0	\$117.5	\$38.1	\$81.7	\$67.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$73.0	\$378.2	8.9%
\$50.001 to \$75.0 Million	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$104.6	\$0.0	\$115.0	\$0.0	\$0.0	\$0.0	\$71.0	\$290.6	6.8%
\$75.001 to \$100.0 Million	\$0.0	\$171.5	\$0.0	\$0.0	\$153.2	\$0.0	\$97.5	\$163.9	\$0.0	\$75.5	\$0.0	\$0.0	\$661.5	15.5%
Over \$100 Million	\$0.0	\$260.0	\$0.0	\$237.5	\$251.0	\$116.1	\$160.0	\$106.5	\$0.0	\$0.0	\$106.4	\$0.0	\$1,237.5	29.0%
Total Dollar Volume	\$195.8	\$719.3	\$133.5	\$498.2	\$730.9	\$467.8	\$330.6	\$487.2	\$21.0	\$161.8	\$258.1	\$264.9	\$4,269.1	100.0%
% Change from Prior Month	-	267.5%	-81.4%	273.1%	46.7%	-36.0%	-29.3%	47.4%	-95.7%	671.1%	59.5%	2.6%	-	-

Comparatively, the average monthly sales volume in 2020 was roughly \$269 million, reflecting a significant drop of over 24%. We tracked the dollar volume of monthly sales by tranche as seen below.

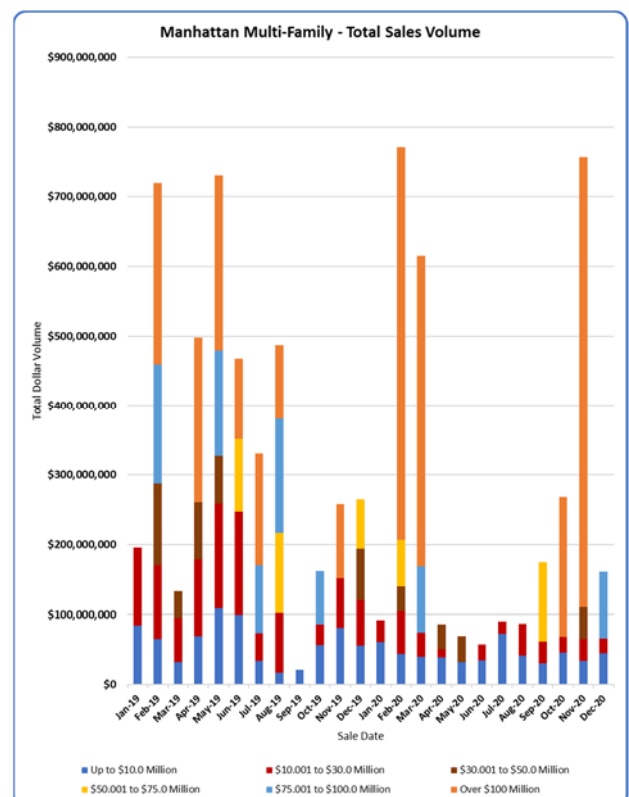
### Historical Transaction Volume - Manhattan Multi-Family (in Millions) - 2020

Dollar Volume of Transactions	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Total	% of Total
Up to \$10.0 Million	\$61.0	\$44.0	\$39.5	\$39.3	\$32.0	\$34.9	\$72.3	\$41.6	\$30.6	\$45.9	\$34.0	\$45.0	\$520.3	12.2%
\$10.001 to \$30.0 Million	\$31.4	\$60.3	\$35.0	\$11.5	\$0.0	\$22.3	\$17.9	\$45.3	\$31.1	\$22.4	\$31.4	\$21.2	\$329.6	7.7%
\$30.001 to \$50.0 Million	\$0.0	\$35.7	\$0.0	\$35.0	\$37.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$45.0	\$0.0	\$152.7	3.6%
\$50.001 to \$75.0 Million	\$0.0	\$66.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$113.0	\$0.0	\$0.0	\$0.0	\$179.2	4.2%
\$75.001 to \$100.0 Million	\$0.0	\$0.0	\$93.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$95.0	\$188.8	4.4%
Over \$100 Million	\$0.0	\$564.6	\$446.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$200.0	\$646.0	\$0.0	\$1,857.1	43.5%
Total Dollar Volume	\$92.4	\$770.7	\$614.9	\$85.9	\$69.0	\$57.2	\$90.3	\$86.9	\$174.7	\$268.2	\$756.4	\$161.2	\$3,227.8	75.6%
% Change from Prior Month	N/A	734.2%	-20.2%	-86.0%	-19.6%	-17.1%	57.8%	-3.7%	101.0%	53.5%	182.0%	-78.7%	-	-

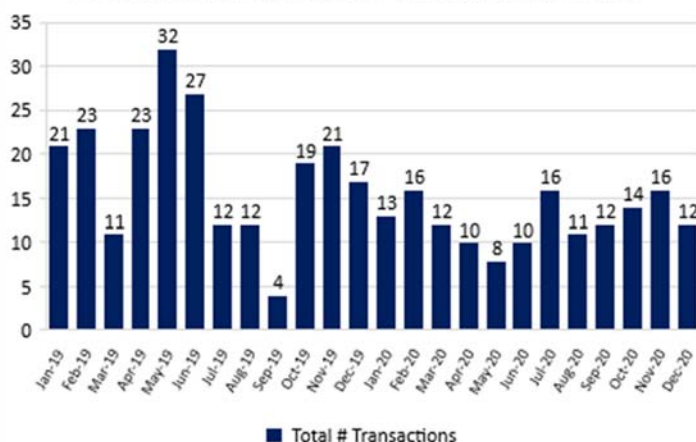
Over the 2020 analysis period, the category with the highest transaction volume is in the "Over \$100 Million" category, which comprises approximately 44% of all dollar volume. October and November were the first months to demonstrate sales in this category since the onset of the crisis. The category that recorded the second highest number of transactions was the "Up to \$10.0 Million" category, which comprises approximately 12% of all dollar volume. Sales volume in this category has fluctuated after March, with the most recent month demonstrating an upward trend compared to last month's figures.

The graph on the right indicates that participants were hesitant to pursue institutional grade and higher priced assets following the onset of the virus. Following two months of high sales volume for the "Over \$100 Million" category in February and March, there was a slowdown of activity in this category. That trend reversed, as the months of October and November demonstrated a large uptick in the number of sales and sales volume in the "Over \$100 Million" category. Following these two months, December has demonstrated no sales in this category.

Total Dollar Volume - Manhattan Multi-Family	
Jan-19	\$195,756,000
Feb-19	\$719,347,174
Mar-19	\$133,528,284
Apr-19	\$498,200,000
May-19	\$730,888,869
Jun-19	\$467,843,751
Jul-19	\$330,623,165
Aug-19	\$487,239,352
Sep-19	\$20,980,000
Oct-19	\$161,768,800
Nov-19	\$258,085,500
Dec-19	\$264,887,381
Jan-20	\$92,395,544
Feb-20	\$770,745,653
Mar-20	\$614,881,768
Apr-20	\$85,853,605
May-20	\$68,990,000
Jun-20	\$57,187,500
Jul-20	\$90,257,500
Aug-20	\$86,934,900
Sep-20	\$174,720,000
Oct-20	\$268,208,630
Nov-20	\$756,353,000
Dec-20	\$161,240,826
Min	\$20,980,000
Max	\$770,745,653
2019 Ave	\$355,762,356
2020 Ave	\$268,980,744



TOTAL NUMBER OF TRANSACTIONS - MANHATTAN MULTI-FAMILY

**SALES (2019-2020): Volume**

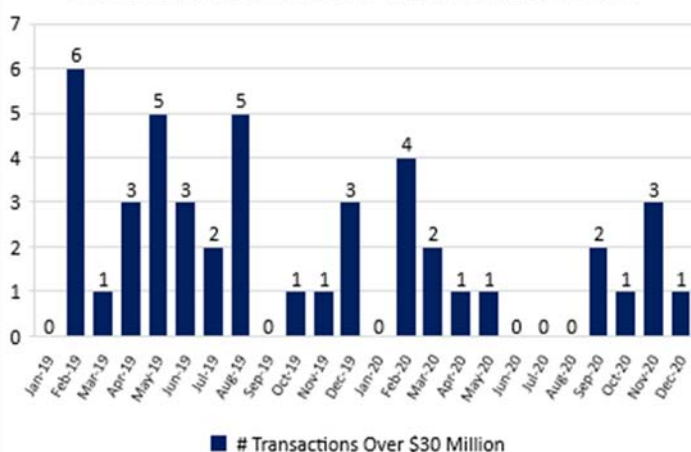
Pre-COVID-19, sales volume fluctuated, ranging from 4 to 32 sales per month from January 2019 through March 2020. In April and May 2020, the first two full months since the onset of the pandemic, there were 10 and 8 transactions, the lowest of the study period aside from September 2019. October and November demonstrated an upward trend in the number of transactions, at 14 and 16, respectively; however, this trend was reversed in December, which demonstrated only 12 sales.

TOTAL SALES VOLUME - MANHATTAN MULTI-FAMILY

**Dollar Volume of Sales**

Dollar volume was trending upwards from August 2020, to a peak of \$756 million in November 2020. March 2020 exhibited a high volume of sales, indicating the market was well positioned leading up to the crisis. The first half of 2020 tallied \$1.7 billion in sales volume, which is lower than the \$2.7 billion recorded in the same period in 2019 (down 38%). Further, from January 2019 through March 2020, the average deal size was roughly \$22 million. In the first nine months following the onset of the crisis, the average deal was roughly \$15 million, a drop of nearly 34%.

TRANSACTIONS OVER \$30 MILLION - MANHATTAN MULTI-FAMILY

**Transactions over \$30M**

The graph on the left identifies investor's return to pursuing high priced deals. There was only one sale per month exceeding \$30 million in April and May 2020. September recorded two sales that exceeded \$30 million, indicating investor optimism over mid- to high-priced assets. This trend has continued over the past three months, as there have been five sales that exceeded \$30 million. The number of sales and sales volume will be tracked carefully by market participants over the foreseeable future.



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SOURCE: Miller Samuel Inc., Douglas Elliman Real Estate, U.S. Bureau of Labor Statistics, CoStar and Marshall & Stevens