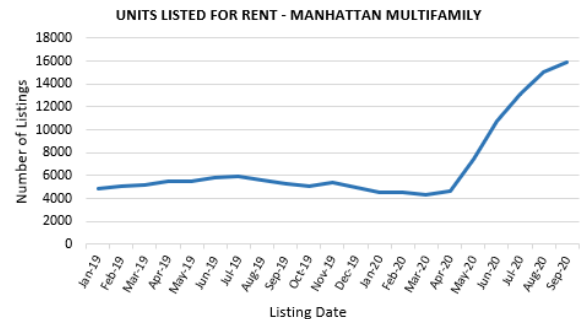


Manhattan Multi-Family Sales Volume and Buying Trends – October 2020

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. These restrictions are being slowly lifted across the country; however, there has been a rise in new cases in states that opened early, leaving a lot of questions for the near-term.

Market fundamentals were healthy going into the crisis; however, the first seven full months of the pandemic saw a decrease in dollar sales volume compared to previous year's figures. Activity is returning slowly, largely for lower priced transactions. This report analyzes trends in investment sales in the Manhattan multi-family market from January 2019 through October 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.



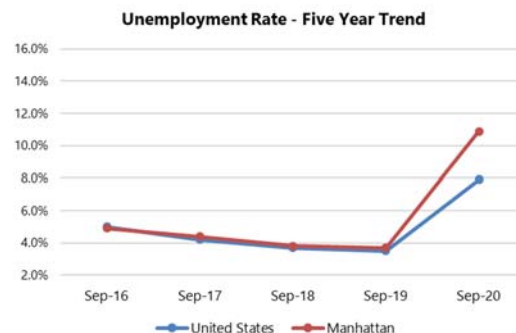
Source: Miller Samuel Inc. and Douglas Elliman Real Estate

Note: October 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%



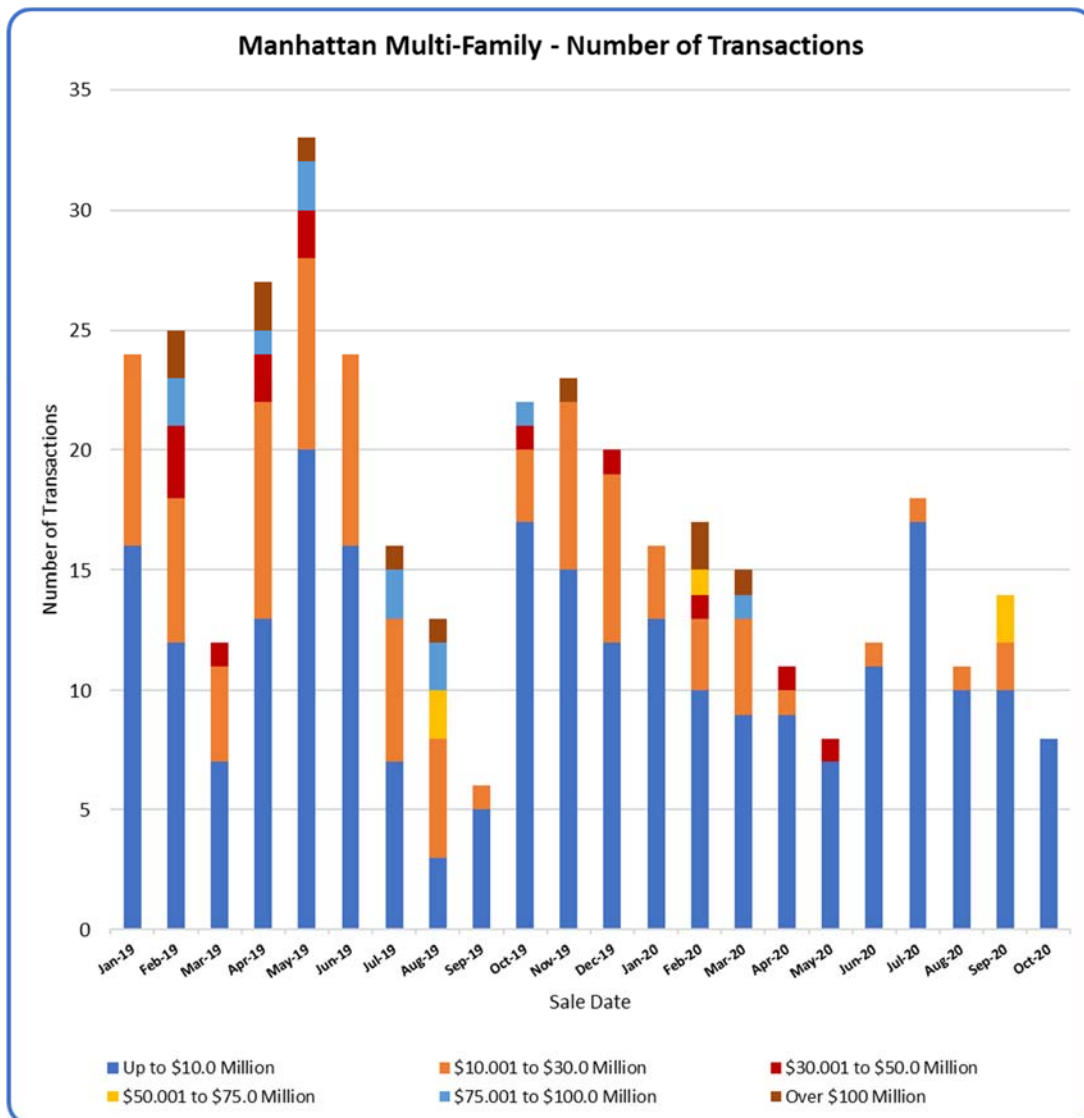
NOTE: October 2020 unemployment statistics for Manhattan were not available as of the date this report was written.

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 22-month period as of October 2020, there have been a total of 375 transactions. Approximately 66% of these transactions were below \$10 million, roughly 31% were between \$10 and \$100 million, and 3.0% were above \$100 million.

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	Total	% of Total
Up to \$10.0 Million	16	12	7	13	20	16	7	3	5	17	15	12	13	10	9	9	7	11	17	10	10	8	247	65.9%
\$10.001 to \$30.0 Million	8	6	4	9	8	8	6	5	1	3	7	7	3	3	4	1	0	1	1	1	2	0	88	23.5%
\$30.001 to \$50.0 Million	0	3	1	2	2	0	0	0	0	1	0	1	0	1	0	1	1	0	0	0	0	0	13	3.5%
\$50.001 to \$75.0 Million	0	0	0	0	0	0	0	2	0	0	0	0	0	1	0	0	0	0	0	0	2	0	5	1.3%
\$75.001 to \$100.0 Million	0	2	0	1	2	0	2	2	0	1	0	0	0	0	1	0	0	0	0	0	0	0	11	2.9%
Over \$100 Million	0	2	0	2	1	0	1	1	0	0	1	0	0	2	1	0	0	0	0	0	0	0	11	2.9%
Total # Transactions	24	25	12	27	33	24	16	13	6	22	23	20	16	17	15	11	8	12	18	11	14	8	375	100.0%
% Change from Prior Month	-	4.2%	-52.0%	125.0%	22.2%	-27.3%	-33.3%	-18.8%	-53.8%	266.7%	4.5%	-13.0%	-20.0%	6.3%	-11.8%	-26.7%	-27.3%	50.0%	50.0%	-38.9%	27.3%	-42.9%	-	-

In terms of number of transactions, the largest number of monthly transactions occurred in May 2019, which represented a 22% increase from the prior month. Compared to the peak of 33 sales in May 2019, the results for September and October 2020 were significantly lower, at 14 sales and 8 sales, respectively. The figures are portrayed graphically below. In October 2020, all transactions were in the "Up to \$10.0 Million" category, in line with the high transaction volume trend seen over the analysis period. The months of May and October have exhibited the lowest monthly activity since the onset of the crisis.



Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was roughly \$395 million, with the peak occurring in February 2019 at over \$853 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	\$100.4	\$71.4	\$38.4	\$72.0	\$111.9	\$102.3	\$37.9	\$21.4	\$25.7	\$61.2	\$81.0	\$71.6	\$795.1 16.8%
\$10.001 to \$30.0 Million	\$137.7	\$104.9	\$63.0	\$135.0	\$136.8	\$134.1	\$88.7	\$84.7	\$16.8	\$45.0	\$94.4	\$118.3	\$1,159.3 24.4%
\$30.001 to \$50.0 Million	\$0.0	\$117.5	\$38.1	\$81.7	\$67.9	\$0.0	\$0.0	\$0.0	\$0.0	\$39.8	\$0.0	\$37.0	\$381.9 8.1%
\$50.001 to \$75.0 Million	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$115.0	\$0.0	\$0.0	\$0.0	\$0.0	\$115.0 2.4%
\$75.001 to \$100.0 Million	\$0.0	\$171.5	\$0.0	\$80.2	\$153.2	\$0.0	\$186.2	\$163.9	\$0.0	\$75.5	\$0.0	\$0.0	\$830.5 17.5%
Over \$100 Million	\$0.0	\$388.4	\$0.0	\$447.5	\$251.0	\$0.0	\$160.0	\$106.5	\$0.0	\$0.0	\$106.4	\$0.0	\$1,459.8 30.8%
Total Dollar Volume	\$238.0	\$853.7	\$139.5	\$816.5	\$720.8	\$236.4	\$472.8	\$491.4	\$42.5	\$221.4	\$281.8	\$226.9	\$4,741.6 100.0%

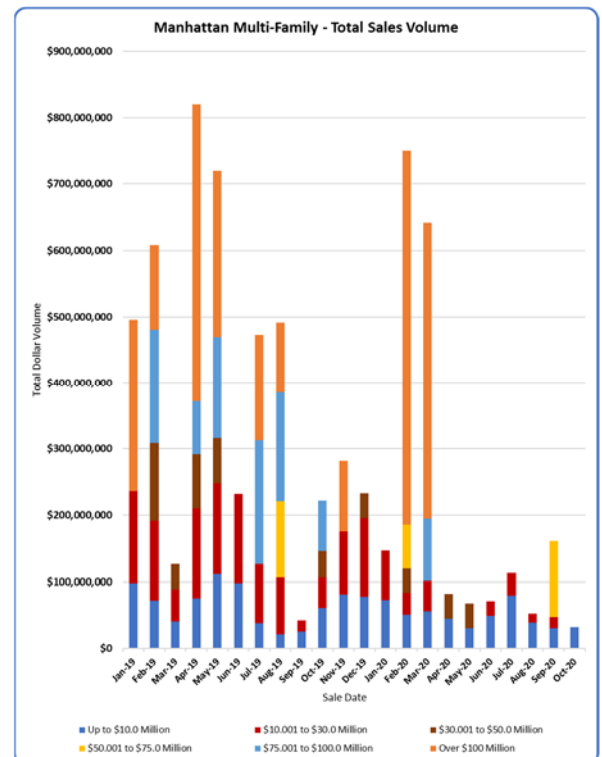
Comparatively, the average monthly sales volume in 2020 is roughly \$212 million thus far, reflecting a significant drop of over 46% compared to the 2019 average. We tracked the dollar volume of monthly sales by tranche as seen below.

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	Total	% of Total
Up to \$10.0 Million	\$73.6	\$46.4	\$51.6	\$40.4	\$32.0	\$50.2	\$76.9	\$43.1	\$35.9	\$33.3	\$483.5	10.2%
\$10.001 to \$30.0 Million	\$46.8	\$60.3	\$45.2	\$11.5	\$0.0	\$22.3	\$17.9	\$15.8	\$31.1	\$0.0	\$250.8	5.3%
\$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	\$107.7	2.3%
\$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	\$179.2	3.8%
\$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	\$93.8	2.0%
Over \$100 Million	\$0.0	\$564.6	\$446.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1,011.1	21.3%
Total Dollar Volume	\$120.4	\$773.2	\$637.1	\$86.9	\$69.0	\$72.4	\$94.9	\$58.9	\$180.0	\$33.3	\$2,126.1	44.8%
% Change from Prior Month	N/A	542.2%	-17.6%	-86.4%	-20.6%	5.0%	30.9%	-37.9%	205.5%	-81.5%	-	-

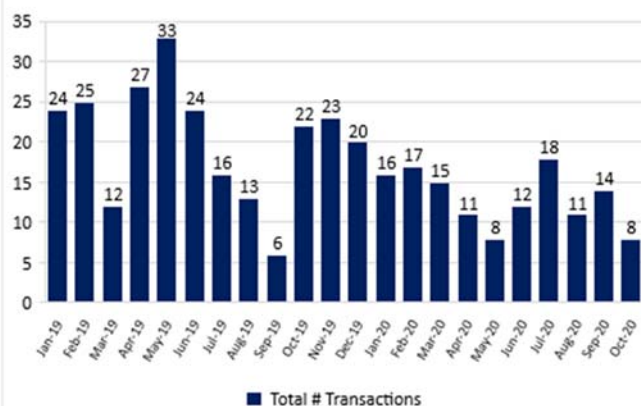
Over the 2020 analysis period, the category with the highest transaction volume is in the “Over \$100 Million” category, which comprises approximately 21% of all dollar volume. There has not been a sale in this category following the start of the crisis, identifying investor skepticism for large deals and institutional grade assets. The category that recorded the second highest amount of transactions was the Up to \$10.0 Million” category, which comprises approximately 10% of all dollar volume. Sales volume in this category has fluctuated after March, with the past four months exhibiting a downward trend.

The graph on the right indicates that participants may be hesitant to pursue institutional grade and higher priced assets in the current climate. Following two months of high sales volume for the “Over \$100 Million” category in February and March, there has been no activity in this category in the seven months since then. With that being said, there were two transactions that surpassed the \$30.001 Million price tag in September, indicating a slight return for mid to high priced assets.

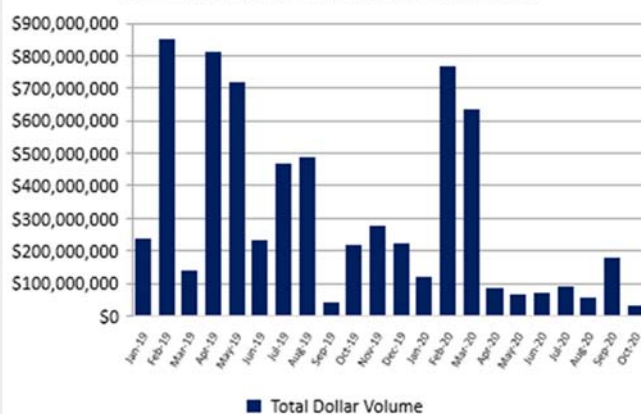
Total Dollar Volume - Manhattan Multi-Family	
Jan-19	\$238,026,000
Feb-19	\$853,663,077
Mar-19	\$139,528,284
Apr-19	\$816,450,000
May-19	\$720,776,869
Jun-19	\$236,360,935
Jul-19	\$472,798,165
Aug-19	\$491,439,352
Sep-19	\$42,480,000
Oct-19	\$221,418,800
Nov-19	\$281,760,516
Dec-19	\$226,887,381
Jan-20	\$120,405,039
Feb-20	\$773,195,653
Mar-20	\$637,131,768
Apr-20	\$86,903,605
May-20	\$68,990,000
Jun-20	\$72,437,500
Jul-20	\$94,856,266
Aug-20	\$58,934,900
Sep-20	\$180,029,745
Oct-20	\$33,250,001
Min	\$33,250,001
Max	\$853,663,077
2019 Ave	\$395,132,448
2020 Ave	\$212,613,448



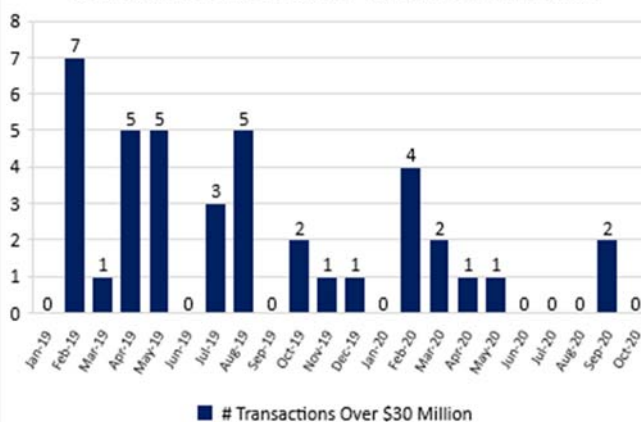
TOTAL NUMBER OF TRANSACTIONS - MANHATTAN MULTI-FAMILY



TOTAL SALES VOLUME - MANHATTAN MULTI-FAMILY



TRANSACTIONS OVER \$30 MILLION - MANHATTAN MULTI-FAMILY



SALES (2019-2020): Volume

Pre-COVID-19, sales volume fluctuated, ranging from 6 to 33 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 11 and 8 transactions respectively, the lowest of the study period aside from September 2019 and the most recent month. October 2020 marks a downward trend in transactions and a 43% decrease from the prior month's figures, at 8 transactions.

Dollar Volume of Sales

Dollar volume declined a significant amount over the past month, from \$180 million in September to \$33 million in October. Comparatively, 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 \$1.8 billion in sales volume, which is lower than the \$3.0 billion recorded in the same period in 2019 (down 41%). Further, from January 2019 through March 2020, the average deal size was roughly \$21 million. In the first seven months following the onset of the crisis, the average deal was \$7.2 million, a drop of over 65%.

Transactions over \$30M

The graph on the left identifies investor's concern over committing to large 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. However, in June, July, August and October there were **ZERO** transactions that exceeded \$30 million. Between January 2019 and March 2020, the average number of sales over \$30 million was 2.4 per month. 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