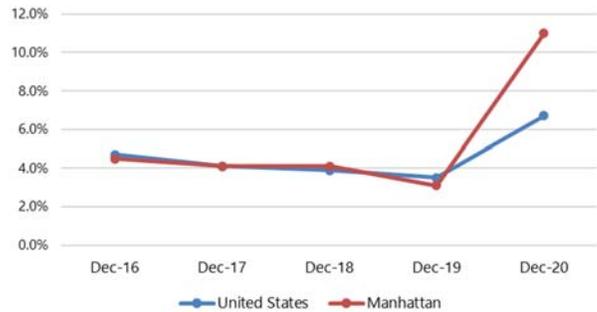


Manhattan Multi-Family Sales Volume & Buying Trends – January 2021

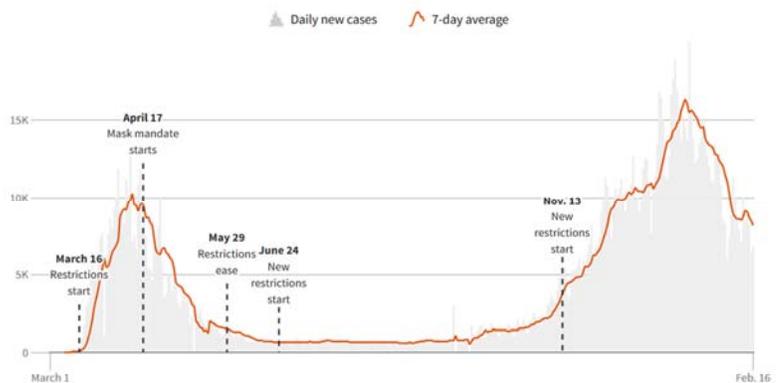
COVID-19 surfaced in the United States in Mid-March 2020. Federal, state and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscore the crippling effects of COVID-19 on American consumers and businesses alike. The New York Daily New Case table below highlights the progression of daily case counts relative to legislation imposed by state and local governments. A new high in case counts led to the implementation of the mask mandate in April 2020. Effective social distancing and mask mandates helped curb case counts over spring and summer 2020, and restrictions loosened. Colder weather coupled with the holidays in late fall and winter sent case counts surging again, shattering the previous high set in April 2020. Unemployment spiked over the period, reaching a high of 15.9 percent in New York State in July. The unemployment rate has decreased in five consecutive months since, which is an encouraging sign. Attention now turns to the rollout of the COVID vaccine and its effects on consumer sentiment and underlying market performance.

With COVID on the forefront, fundamentals in many major markets have been greatly altered. This publication analyzes sales trends in terms of number of transactions and dollar volume for multifamily properties in the Manhattan market, encompassing the Downtown, Midtown South, Midtown, and Uptown submarkets.

Unemployment Rate - Five Year Trend



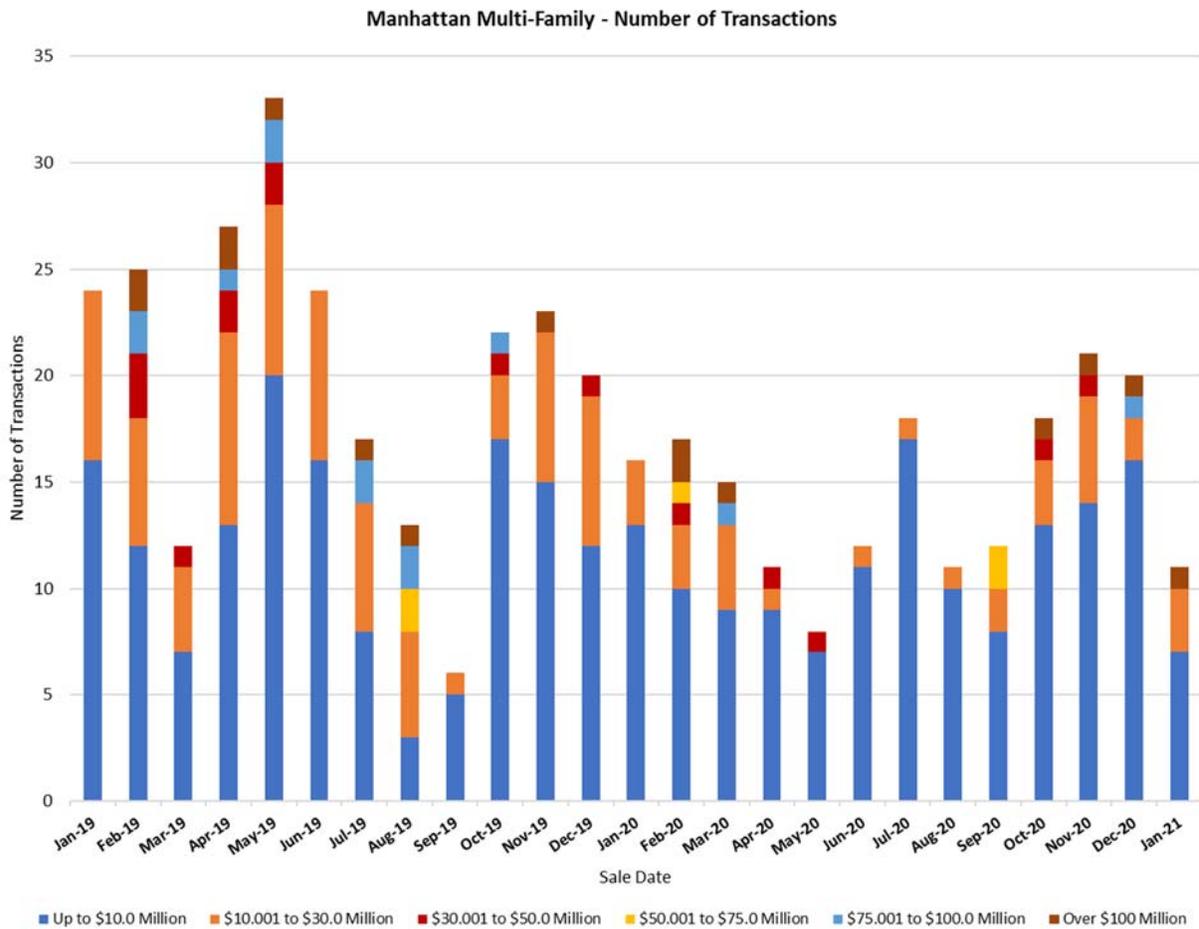
New York - Daily New Cases



Source: Reuters

Number of Sales Transactions

- Parameters: All multifamily investment sales in the Manhattan market, segmented by price tranche.
- January 2019 - March 2020- number of monthly transactions ranged from 6 to 33, averaging 20 per month.
- April 2020 - January 2021- number of monthly transactions ranged from 8 to 21, averaging 14 per month.
- Lower total number of sales after April 2020 relative to the prior period, although a tighter range of values.
- Decreasing number of sales in April and May 2020.
- September 2020 – November 2020- three consecutive months with increasing number of transactions
- Largest month-to-month increase in number of sales was 267% from September 2019 to October 2019
- Largest month-to-month decrease in number of sales was 52% from February 2019 to March 2019
- 66% of all transactions were in the “Up to \$10 million” tranche.
- 23% of all transactions were in the \$10 to \$30 million tranche.
- 93% of all transactions were under the \$30 million threshold.

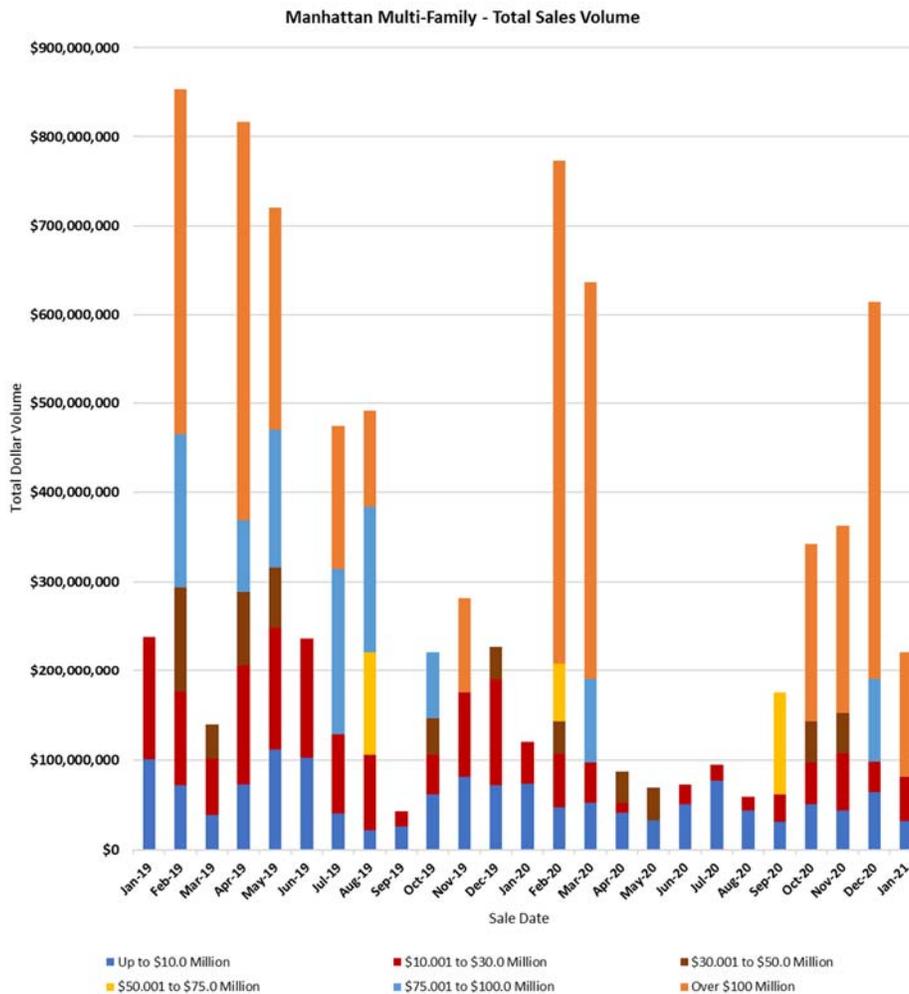


Dollar Volume of Sales Transactions

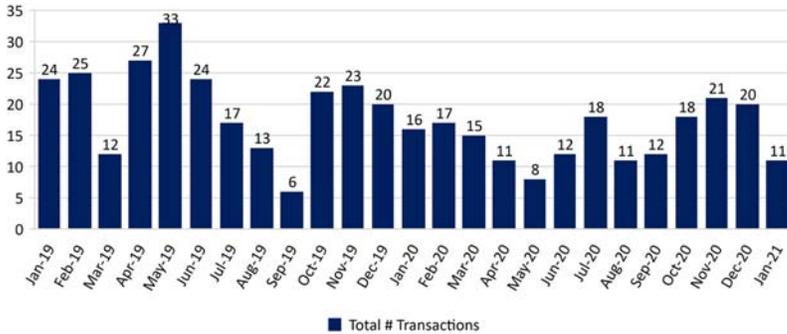
In 2019, the average monthly sales volume was approximately \$395 million. Comparatively, the average monthly sales volume in 2020 was roughly \$284 million, reflecting a decrease of approximately 28%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - Manhattan Multi-Family			
YEAR	2019	2020	2021 (Jan)
Min	\$42,480,000	\$58,934,900	\$221,198,000
Max	\$853,663,077	\$773,195,653	\$221,198,000
Average	\$395,294,948	\$284,003,244	\$221,198,000
% Difference	-	-28.2%	-22.1%

- Average sales volume from January 2019 to March 2020 was \$418,284,789.
- Average sales volume from April 2020 to January 2021 was \$209,850,447.
- The largest increase in dollar volume was 542% from January 2020 to February 2020
- The largest decrease in dollar volume was 91% from August 2019 to September 2019.
- October, November and December 2020 and January 2021 all logged transactions over \$100 million.
- Of total dollar volume in December 2020, 69% of dollar volume was in the over \$100 million tranche.
- Of January 2021 transactions, 63% of dollar volume was in the over \$100 million tranche.



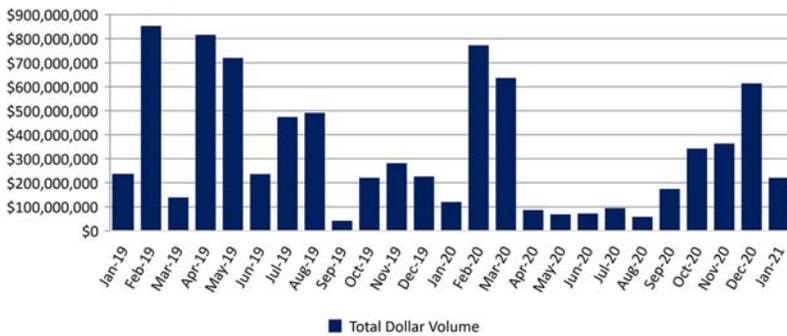
TOTAL NUMBER OF TRANSACTIONS - MANHATTAN MULTI-FAMILY



SALES (2019-2021): Volume

Pre-COVID-19, sales volume fluctuated more, with higher highs and lower lows. The market saw a decline in number of transactions in April and May 2020. These two months registered 19 total transactions, compared to 60 total transactions over the same two months in 2020. Number of transactions from October 2020 through December 2020 were largely within range of pre-COVID levels before a significant drop-off in January 2021.

TOTAL SALES VOLUME - MANHATTAN MULTI-FAMILY



Dollar Volume of Sales

Whereas number of transactions fluctuated post-COVID, dollar volume showed an upward trend over time. The market registered four consecutive months of under \$100 million in transaction volume from May 2020 to August 2020. Transaction volume then increased in four consecutive months from September to December 2020, outpacing dollar volume from the same period in 2019. The increase in transaction volume in Q4 2020 is largely attributable to sales over \$100 million.

SALE PRICE PER SF - MANHATTAN MULTI-FAMILY



Sale Price Per Square Foot

Over the period, average sale price per square foot ranged from \$313 to \$1,562, averaging \$716 per square foot. From January 2019 to March 2020, average price per square foot was \$815. From April 2020 to January 2021, average price per square foot was \$567. There has been no sustained trend in price per square foot during the post-COVID period. Rising vacancy and falling rents have contributed to the substantial decreases in price per square foot year-over-year.



Patrick T. Craig, MAI, MRICS
 Executive Managing Director
 Real Estate Valuation Practice
 212.897.9481
 ptcraig@marshall-stevens.com



Emily Ferreira
 Director
 Real Estate Valuation Practice
 646.438.7605
 eferreira@marshall-stevens.com



Matt Schlatter
 Director
 Real Estate Valuation Practice
 646.438.7603
 mschlatter@marshall-stevens.com

SOURCE: eMarketer, CoStar, STDB, US Bureau of Labor Statistics, and Marshall & Stevens