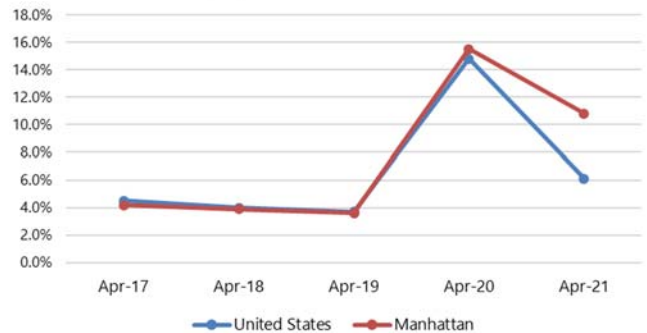


Manhattan Multi-Family Sales Volume & Buying Trends – May 2021

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. As of Q2 2021, societal conditions surrounding the COVID-19 Pandemic have undoubtedly improved. Vaccines are now available to all individuals aged 16 or older in New York State, and hospitalizations and number of new cases continue to decrease. Governor Cuomo is loosening occupancy restrictions as of May 2021 pertaining to indoor and outdoor gatherings and business capacity limits. Businesses can now operate at full capacity so long as the 6-foot social distancing rule is met. Whereas social conditions continue to improve, markets are still being affected by COVID-19. As the calendar turns toward summer and restrictions continue to be lifted, investors will be looking for sustainable trends in transaction volume and pricing that have yet to occur.

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.

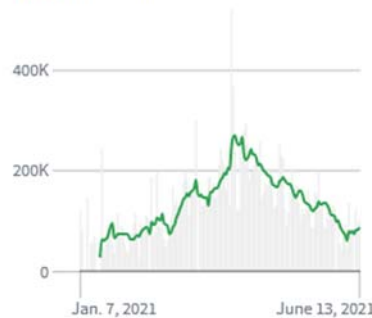
Unemployment Rate - Five Year Trend



New York State

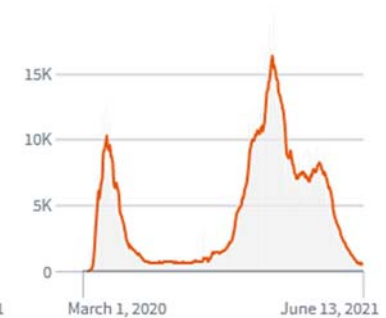
Vaccine doses given

7-day avg: **86,801**
57.8% at least one dose



New cases

7-day avg: **468**

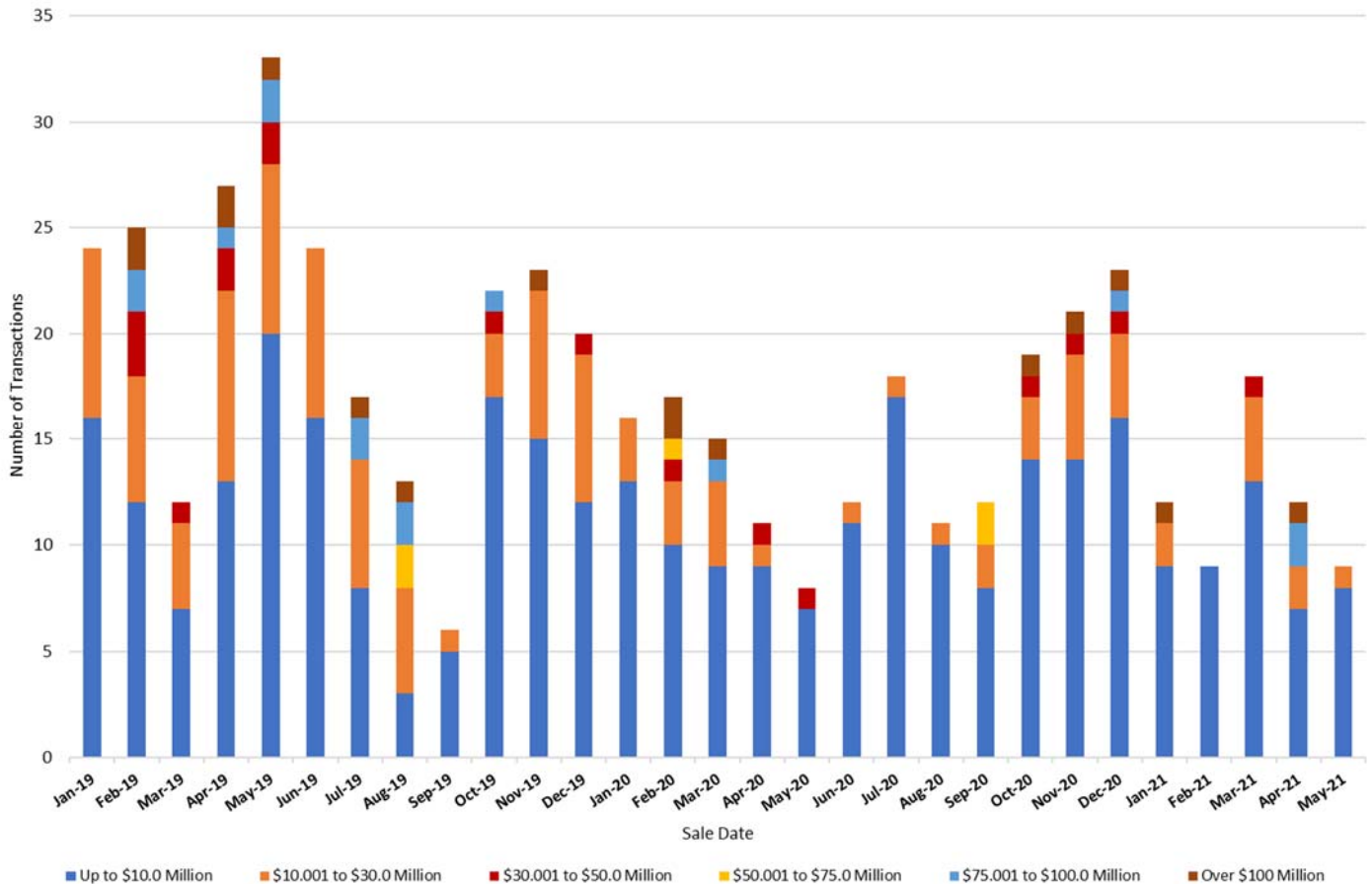


Source: Reuters

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 – May 2021- number of monthly transactions ranged from 8 to 23, 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 - December 2020- number of transactions trending upward.
- January 2021- number of transactions decreases 48%
- February 2021- 9 total transactions, none over \$10 million
- Number of transactions fluctuates in March and April 2021
- May 2021- 9 total transactions, tied with February 2021 for second-lowest total of post-COVID era.
- 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 54% from August 2019 to September 2019
- Since January 2019 - 67% of all transactions were in the “Up to \$10 million” tranche.
- Since January 2019 - 23% of all transactions were in the \$10 to \$30 million tranche.
- Since January 2019 - 93% of all transactions were under the \$30 million threshold.

Manhattan Multi-Family - Number of Transactions

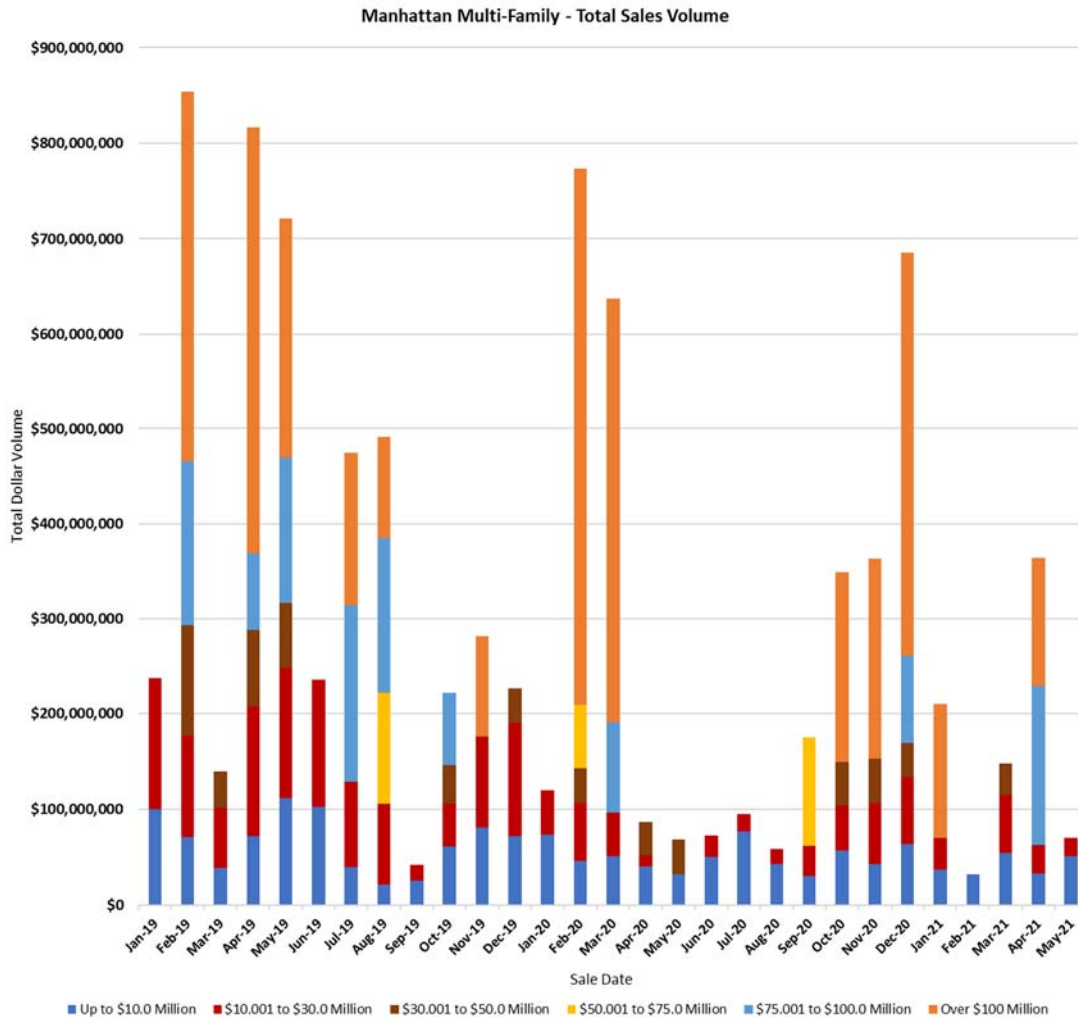


Dollar Volume of Sales Transactions

In 2019, the average monthly sales volume was approximately \$395 million. Comparatively, the average monthly sales volume in 2020 was roughly \$290 million, reflecting a decrease of approximately 27%. Thus far in 2021, average sales volume is roughly \$165 million, which represents a year-over-year decrease of 43%. We tracked the dollar volume of monthly sales by tranche as seen below.

Total Dollar Volume - Manhattan Multi-Family			
YEAR	2019	2020	2021 (Jan-May)
Min	\$42,480,000	\$58,934,900	\$31,982,250
Max	\$853,663,077	\$773,195,653	\$364,501,852
Average	\$395,294,948	\$290,503,244	\$165,031,761
% Difference	-	-26.5%	-43.2%

- Average sales volume from January 2019 to March 2020 was \$418,284,789.
- Average sales volume from April 2020 to May 2021 was \$198,604,662.
- 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, December 2020, January 2021 and April 2021 all logged transactions over \$100 million.
- February, March and May 2021 did not log any transactions over \$100 million.
- Sales volume decreased 81% from April to May 2021.



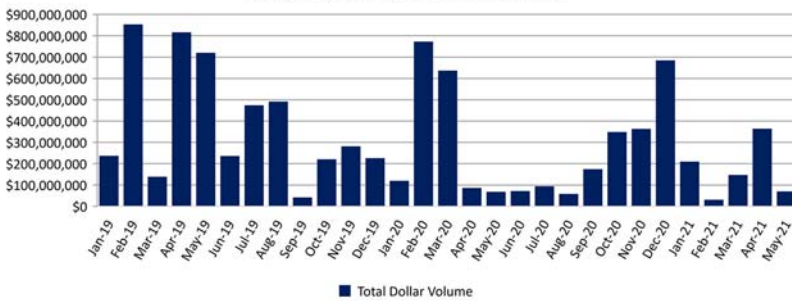
TOTAL NUMBER OF TRANSACTIONS - MANHATTAN MULTI-FAMILY



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 after the onset of COVID, and an increase in number of transactions to close out the year. The first four months of 2021 registered only 60 sales, with only 9 sales in May 2021, a sign of continued market softness.

TOTAL SALES VOLUME - MANHATTAN MULTI-FAMILY



Dollar Volume of Sales

Whereas the number of transactions fluctuated post-COVID, dollar volume showed an upward trend through 2020. The market registered four consecutive months of under \$100 million in transaction volume from May 2020 to August 2020. Transaction volume then increased considerably from September 2020 to December 2020. The market has been sluggish in 2021, with dollar volume fluctuating but currently trending downward. February 2021 saw the lowest dollar volume of the 29-month period, with May 2021 registering the fifth-lowest total of the period.

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 \$1,252, averaging \$681 per square foot. From January 2019 to March 2020, average price per square foot was \$815. From April 2020 to May 2021, average price per square foot was \$537. Price per square foot is noticeably lower in the post-COVID era., with the low price per square foot mark of \$313 set in July 2020. January 2021 saw the second lowest price per square foot of the post-COVID era, whereas May posted the third-lowest price per square foot. The price per square foot figure of \$1,019 in April appears to be an anomaly,



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