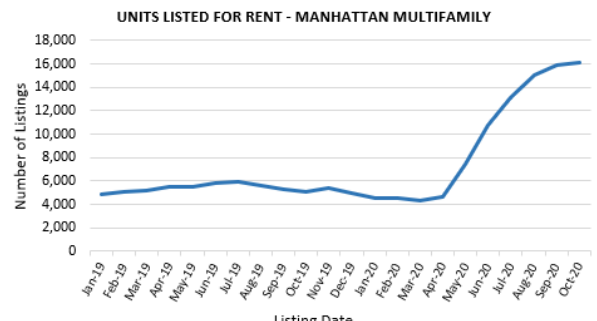


# Manhattan Multi-Family Sales Volume and Buying Trends – November 2020

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. There has been a rise in new cases over the past few months, and with the timeline of the vaccine in question, there are still a lot of questions for the near term.

Market fundamentals were healthy going into the crisis; however, the first eight full months of the pandemic saw a drop off in dollar sales volume compared to previous year's figures. Activity is returning slowly, and the most recent month has demonstrated an increase in higher priced deals. This report analyzes trends in investment sales in the Manhattan multi-family market from January 2019 through November 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.



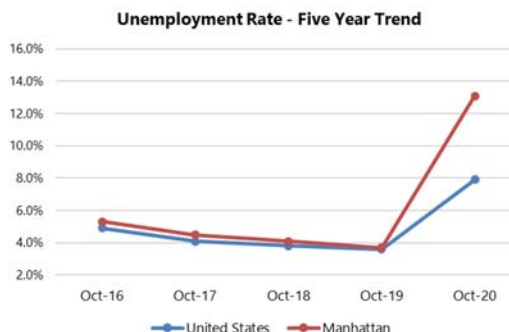
Source: Miller Samuel Inc. and Douglas Elliman Real Estate

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

YEAR	POPULATION	
	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%

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

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



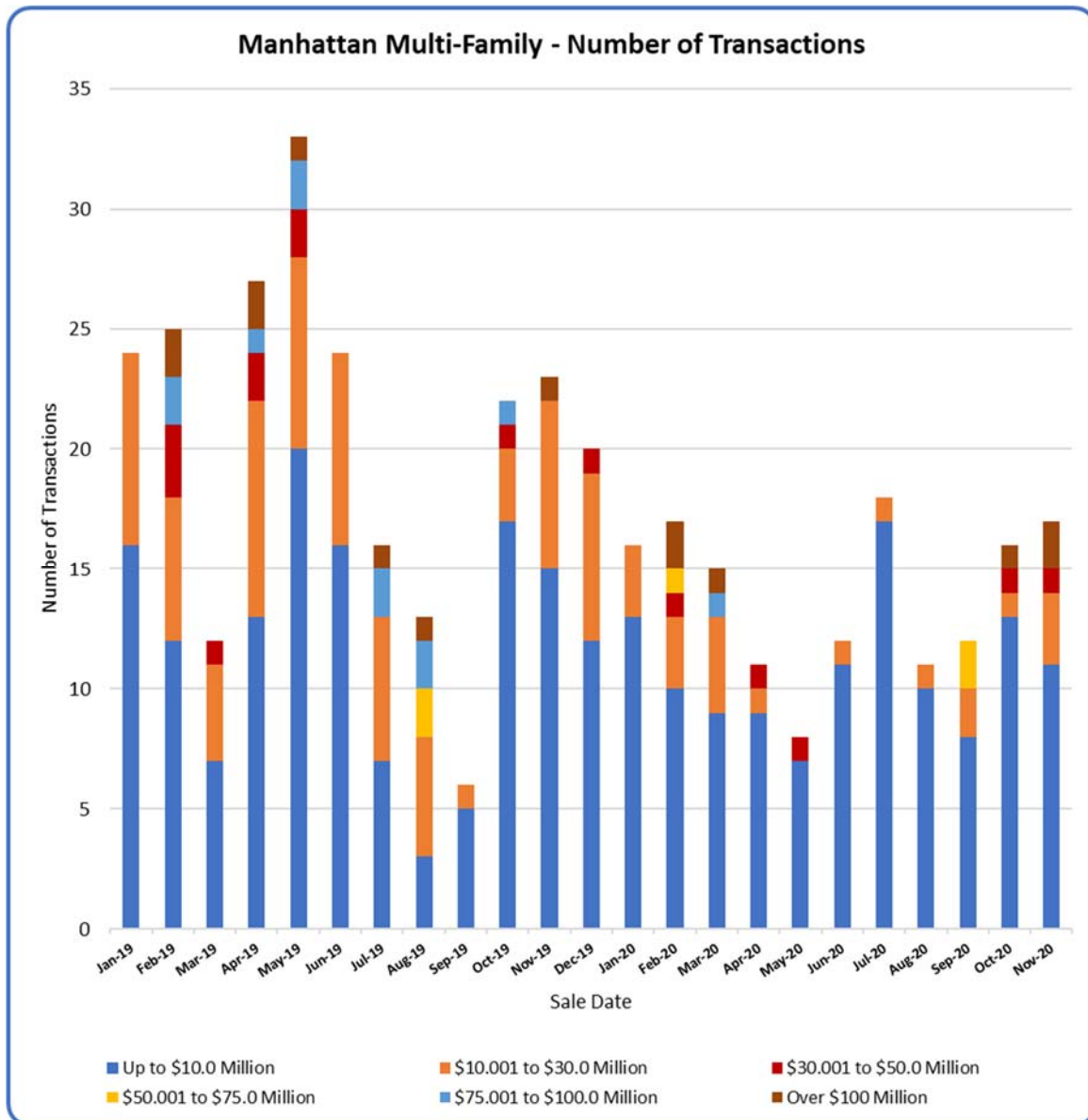
NOTE: November 2020 unemployment statistics for Manhattan were not available as of the date this report was written.

**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 23-month period as of November 2020, there have been a total of 398 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	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	8	13	11	261	65.6%	
\$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	1	3	92	23.1%	
\$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	1	1	15	3.8%	
\$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	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	0	11	2.8%	
Over \$100 Million	0	2	0	2	1	0	1	1	0	0	1	0	0	2	1	0	0	0	0	0	0	1	2	14	3.5%	
<b>Total # Transactions</b>	<b>24</b>	<b>25</b>	<b>12</b>	<b>27</b>	<b>33</b>	<b>24</b>	<b>16</b>	<b>13</b>	<b>6</b>	<b>22</b>	<b>23</b>	<b>20</b>	<b>16</b>	<b>17</b>	<b>15</b>	<b>11</b>	<b>8</b>	<b>12</b>	<b>18</b>	<b>11</b>	<b>12</b>	<b>16</b>	<b>17</b>	<b>398</b>	<b>100.0%</b>	
% 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%	9.1%	33.3%	6.3%	-	-	

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 October and November 2020 were lower, at 16 sales and 17 sales, respectively. The figures are portrayed graphically below. In November 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 November marks the third consecutive month of an upward trend in the number of transactions.



**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.

<b>Historical Transaction Volume - Manhattan Multi-Family (in Millions) - 2019</b>														
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%
<b>Total Dollar Volume</b>	<b>\$238.0</b>	<b>\$853.7</b>	<b>\$139.5</b>	<b>\$816.5</b>	<b>\$720.8</b>	<b>\$236.4</b>	<b>\$472.8</b>	<b>\$491.4</b>	<b>\$42.5</b>	<b>\$221.4</b>	<b>\$281.8</b>	<b>\$226.9</b>	<b>\$4,741.6</b>	<b>100.0%</b>
% Change from Prior Month		- 258.6%	-83.7%	485.2%	-11.7%	-67.2%	100.0%	3.9%	-91.4%	421.2%	27.3%	-19.5%		

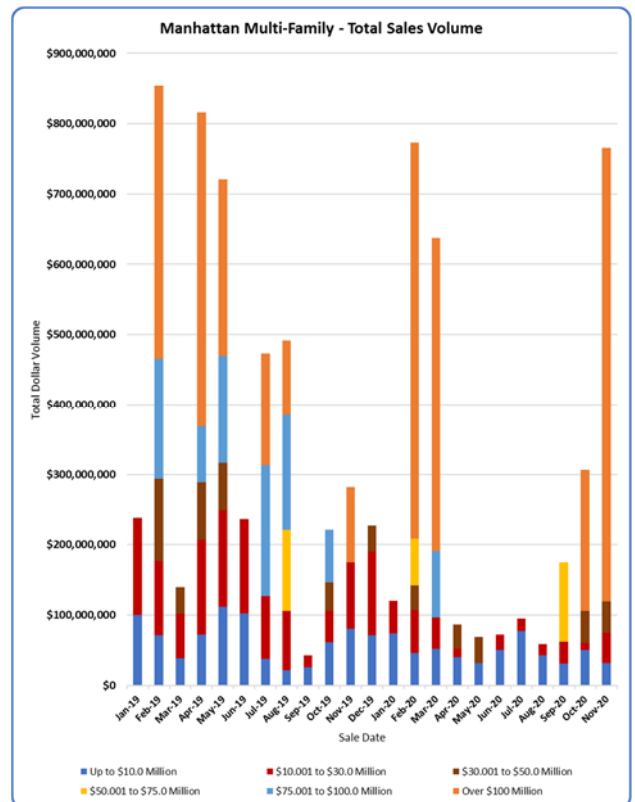
Comparatively, the average monthly sales volume in 2020 is roughly \$287 million thus far, reflecting a significant drop of over 27%. We tracked the dollar volume of monthly sales by tranche as seen below.

<b>Historical Transaction Volume - Manhattan Multi-Family (in Millions) - 2020</b>													
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	Total	% of Total
Up to \$10.0 Million	\$73.6	\$46.4	\$51.6	\$40.4	\$32.0	\$50.2	\$76.9	\$43.1	\$30.6	\$50.4	\$31.8	\$527.1	11.1%
\$10.001 to \$30.0 Million	\$46.8	\$60.3	\$45.2	\$11.5	\$0.0	\$22.3	\$17.9	\$15.8	\$31.1	\$10.1	\$42.9	\$303.8	6.4%
\$30.001 to \$50.0 Million	\$0.0	\$35.7	\$0.0	\$35.0	\$37.0	\$0.0	\$0.0	\$0.0	\$0.0	\$45.6	\$45.0	\$198.3	4.2%
\$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	\$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	\$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	\$200.0	\$646.0	\$1,857.1	39.2%
<b>Total Dollar Volume</b>	<b>\$120.4</b>	<b>\$773.2</b>	<b>\$637.1</b>	<b>\$86.9</b>	<b>\$69.0</b>	<b>\$72.4</b>	<b>\$94.9</b>	<b>\$58.9</b>	<b>\$174.7</b>	<b>\$306.1</b>	<b>\$765.7</b>	<b>\$3,159.4</b>	<b>66.6%</b>
% Change from Prior Month	N/A	542.2%	-17.6%	-86.4%	-20.6%	5.0%	30.9%	-37.9%	196.5%	75.2%	150.2%		

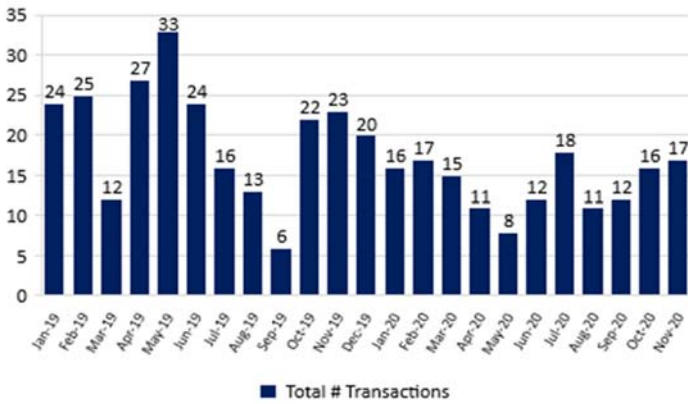
Over the 2020 analysis period, the category with the highest transaction volume is in the "Over \$100 Million" category, which comprises approximately 39% of all dollar volume. October and November are the first months to demonstrate sales in this category since the onset of the crisis. The category that recorded the second highest number of transactions was the "Up to \$10.0 Million" category, which comprises approximately 11% of all dollar volume. Sales volume in this category has fluctuated after March, with the most recent month demonstrating a downward 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 has now reversed, as the months of October and November have demonstrated a large uptick in the number of sales and sales volume in the "Over \$100 Million" category.

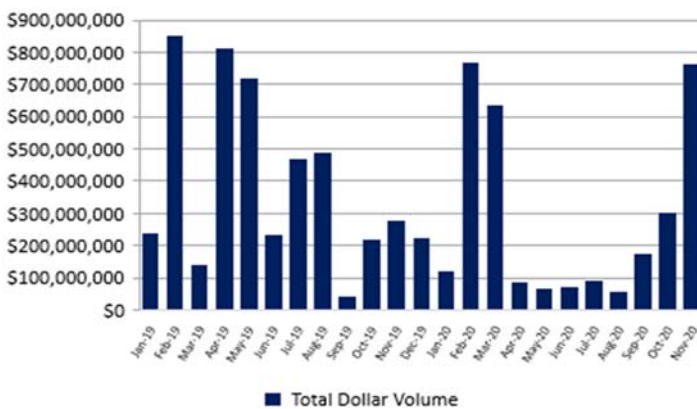
<b>Total Dollar Volume - Manhattan Multi-Family</b>	
Jan-19	\$238,026,000
Feb-19	\$853,663,077
Mar-19	\$139,528,284
Apr-19	\$816,450,000
May-19	\$720,776,869
Jun-19	\$236,360,935
Jul-19	\$472,798,165
Aug-19	\$491,439,352
Sep-19	\$42,480,000
Oct-19	\$221,418,800
Nov-19	\$281,760,516
Dec-19	\$226,887,381
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	\$174,720,000
Oct-20	\$306,096,124
Nov-20	\$765,729,500
Min	\$42,480,000
Max	\$853,663,077
2019 Ave	\$395,132,448
2020 Ave	\$287,218,214



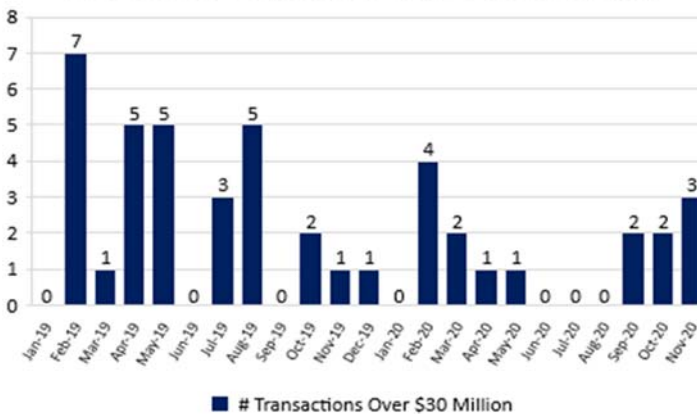
TOTAL NUMBER OF TRANSACTIONS - MANHATTAN MULTI-FAMILY



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, the lowest of the study period aside from September 2019. October and November demonstrated an upward trend in the number of transactions, at 16 and 17, respectively.

**Dollar Volume of Sales**

Dollar volume has been trending upwards since August 2020, up to a peak of \$766 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 \$1.8 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 eight months following the onset of the crisis, the average deal was roughly \$14 million, a drop of nearly 32%.

**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 continued into October and November, with two and three sales in each month, respectively. 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.



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



**Emily Ferreira**  
 Senior Associate  
 Real Estate Valuation Practice  
 646.438.7605  
 eferreira@marshall-stevens.com



**Jacob Scott**  
 Analyst  
 Real Estate Valuation Practice  
 646.438.7606  
 jscott@marshall-stevens.com

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