

**The Manhattan Office Market in Context**

To understand current conditions, it is helpful to have a benchmark for comparison purposes. 2015 was considered, by most, the peak of Manhattan Investment Sales activity. In that year, there were a total of 112 transactions, yielding an aggregate volume of \$21.6 billion. On average, there were nine transactions per month, averaging \$1.8 billion. Since 2015, sales activity has been steadily declining both in number of transactions, and in transaction volume. For 2019, there were only 53 transactions, reflecting a decline of 53% from 2015 levels, and total volume was \$12.4 billion, roughly 42% below levels seen in 2015.

Manhattan Office Class A & B				
Investment Tranche	2015		2019	
	Number	Volume	Number	Volume
Up to \$10.0 Million	22	\$97,450,988	9	\$33,000,000
\$10.001 to \$30.0 Million	11	\$196,911,312	4	\$75,650,000
\$30.001 to \$50.0 Million	13	\$557,589,825	3	\$120,050,000
\$50.001 to \$75.0 Million	11	\$716,039,151	1	\$75,000,000
\$75.001 to \$100.0 Million	9	\$802,500,000	2	\$186,460,207
Over \$100 Million	46	\$19,236,711,500	34	\$11,939,992,329
<b>Total # Transactions</b>	<b>112</b>	<b>\$21,607,202,776</b>	<b>53</b>	<b>\$12,430,152,536</b>
<b>Monthly Average</b>	<b>9</b>	<b>\$1,800,600,231</b>	<b>4</b>	<b>\$1,035,846,045</b>

**Number of Sales Transactions**

We tracked the number of monthly Class A and B office sales recorded in Manhattan (excluding the Uptown submarket), segmented into tranches as seen below. Over the 17-month period, there have been a total of 65 transactions. Nearly 14% of these transactions were below \$10 million, roughly 23% were between \$10 and \$100 million, and approximately 63% were above \$100 million.

Historical Transaction Volume - Manhattan Office Class A & B																			
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	Total	% of Total
Up to \$10.0 Million	1	0	1	2	0	0	1	1	3	0	0	0	0	0	0	0	0	9	13.8%
\$10.001 to \$30.0 Million	0	0	0	0	0	1	1	0	1	0	1	0	1	0	1	1	0	7	10.8%
\$30.001 to \$50.0 Million	0	0	1	0	0	0	1	1	0	0	0	0	0	0	0	0	0	3	4.6%
\$50.001 to \$75.0 Million	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	2	3.1%
\$75.001 to \$100.0 Million	0	0	0	0	1	0	1	0	0	0	0	0	1	0	0	0	0	3	4.6%
Over \$100 Million	4	0	2	0	5	5	2	3	4	4	3	2	1	1	2	0	3	41	63.1%
<b>Total # Transactions</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>65</b>	<b>100.0%</b>
% Change from Prior Month	-	-100.0%	N/A	-60.0%	200.0%	0.0%	0.0%	-16.7%	60.0%	-50.0%	0.0%	-50.0%	100.0%	-75.0%	200.0%	-66.7%	200.0%	-	-

In terms of number of transactions, the largest number of monthly transactions occurred in September 2019, which represented a 60% increase from the prior month. Compared to the peak of eight sales in September 2019, the results for March and April 2020 were significantly lower, at three sales and one sale, respectively. In April 2020, the only category that recorded a transaction had a sale price less than \$30.0 million; however, May was marked by a significant increase in the number of sales, and sales volume, and more notable were all in the "Over \$100 Million" category. The figures are portrayed graphically below.

