

**ARIEL PROPERTY ADVISORS REPORT SHOWS NYC MULTIFAMILY SALES  
ROSE 37% YEAR-OVER-YEAR; 71% ABOVE FIVE-YEAR AVERAGE**

***Sales in Brooklyn and Manhattan (below 96th Street) and  
free market/421a buildings accounted for 89% of dollar volume***

**NEW YORK CITY – October 17, 2022** – New York City multifamily sales totaled \$3.57 billion in Q3 2022, a 37% increase year-over-year, and 71% higher than the five-year quarterly average of \$2.085 billion, according to Ariel Property Advisors' Q3 Multifamily Quarter in Review.

The newly released report also showed that Brooklyn and Manhattan (below 96th Street) accounted for approximately 89% of the total multifamily dollar volume citywide, while free market and 421a buildings continued their appeal to buyers, also capturing 89% of the dollar volume for the quarter.

“Year-over-year, the third quarter experienced considerable increases in multifamily dollar, transaction, and building volume,” said Shimon Shkury, Founder and President of Ariel Property Advisors. “Overall, multifamily investment is still substantially higher than the average quarter over the past five years and the market has not yet felt the full effect of rising interest rates.”

Findings from the report include:

**Q3 2022 Volume Increased Year-Over-Year; Declined Quarter-Over-Quarter**

Multifamily sales in the third quarter totaled 128 transactions across 212 buildings, a year-over-year increase of 41% and 7%, respectively. However, quarter-over-quarter dollar volume declined by 17%, transaction volume fell by 20% and building volume dropped by 11%.

Transactions such as 8 Spruce Street, which sold for \$930 million, inflated the previous quarter along with other large transactions that closed before interest rates began to skyrocket. The second quarter had nine transactions close for \$100+ million, compared to only five sales of \$100+ million in the third quarter.

**Brooklyn Dollar Volume and Manhattan Accounted for Approximately 89% of Multifamily**

Brooklyn accounted for \$1.046 billion and Manhattan (below 96th Street) accounted for \$2.139 billion of the sales in the multifamily market. Together the two boroughs combined for 89% of the dollar volume, up from 85% in the second quarter, showcasing the investor interest in these boroughs. Among the top ten sales of the third quarter, six were from Manhattan and four were in Brooklyn. The top sales of the quarter were A&E Real Estate's purchase of 160 Riverside Boulevard on the Upper West Side for \$415 million and Ponte Gadea Group's purchase of 114 Fulton Street in the Financial District for \$487.5 million. Additionally, the top sale in Brooklyn was KKR's purchase of 80 Dekalb Avenue in Fort Greene for \$190 million.

**Free Market and 421a Buildings Continue to Maintain Market Appeal**

The sales of 160 Riverside Boulevard and 114 Fulton Street are good examples of increased investor preference for free market multifamily buildings. In fact, free market and 421a buildings

accounted for approximately 89% of the dollar volume for the quarter, compared to 88% from the previous quarter and up from 67% in the first quarter of 2022.

On the “watchlist” for the report:

- The market is experiencing underwriting volatility as the Fed once again raised the federal funds target rate by 75 basis points in September to a target range of between 3.0% and 3.25%, which is projected to hit 4.6% in 2023. Investors must now weigh exit strategies, as well as what their interest rate will be at closing and at potential refinancings.
- There have been positive macroeconomic indicators, especially around transportation. According to the MTA, weekday ridership both coming into the city and commuting around the city averaged about 5.74 million people per day in the third quarter of 2022 and within the last week of September the average rose to 6.11 million people per day. These figures represent 64% and 69%, respectively, of total ridership pre-pandemic.
- Positive attitudes toward real estate in local politics could offer well-needed changes as Mayor Eric Adams’ “City of Yes” zoning rule changes are expected to help modernize and update the city’s zoning regulations. Additionally, the city has announced plans to sell about \$1.4 billion of municipal bonds through the city’s first-ever issuance of bonds explicitly earmarked to tackle social issues, including \$400 million for affordable housing.

The multifamily transactions included in the report occurred at a minimum sales price of \$1 million and with a minimum of 10 residential units. To read the full Q3 2022 Multifamily Quarter in Review, please click [HERE](#).

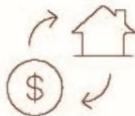
### **About Ariel Property Advisors**

Ariel Property Advisors is a commercial real estate services and advisory company located in New York City. The company covers all major commercial asset types throughout the NY metropolitan area while maintaining a very sharp focus on multifamily, mixed-use and development properties. Ariel’s Research Division produces a variety of market reports that are referenced throughout the industry. [arielpa.nyc](http://arielpa.nyc).

## MULTIFAMILY QUARTER IN REVIEW: NEW YORK CITY | Q3 2022



**\$3.57B**  
Dollar Volume  
37% increase vs Q3 '21



**128**  
Transaction Volume  
41% increase vs Q3 '21



**212**  
Building Volume  
7% increase vs Q3 '21