



MANHATTAN 2014 YEAR-END SALES REPORT

by Ariel Property Advisors | Released January 2015

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MANHATTAN 2014 YEAR-END SALES REPORT

Dear Friends,

Manhattan's 2014 real estate market (south of E. 96th Street and south of West 110th Street) showed tremendous growth in total dollar volume while total volume of transactions and properties traded remained flat.

For the year, Manhattan saw a total of 715 transactions comprised of 870 properties totaling \$31.826 billion in gross consideration. In comparison, the market saw a 22% increase in gross consideration over 2013 with \$26.111 billion spent on 696 transactions (3% increase) comprised of 883 properties (1% decrease). The increase in total dollar volume in 2014 can largely be attributed to a continuation of the factors that drove the market in 2013 - an active institutional investor market focused on large office transactions and a substantial increase in the sale of development sites. Such activity demonstrates investors' confidence in Manhattan's economic prospects, mainly the city's business climate and its future residential condominium market.

To further demonstrate the appetite of the institutional market, the commercial category exhibited the most notable increase over 2013 levels. Looking back to 2013, there were 56 transactions comprised of 63 properties totaling \$911 million in gross consideration. In 2014, there were 75 transactions (34% increase) for 89 properties (41% increase) for a total gross consideration of \$5.565 billion (511% increase). Such activity reflects the recent insatiable demand for retail-driven assets.

New residential and commercial developments continue to emerge throughout the city. In 2013 the market saw a large number of residential projects target the ultra-luxury segment with projected sell-outs north of \$3,000 per square foot. This trend, which continued through 2014, coupled with increasing construction costs, resulted in escalating land prices. It was common to see some sites achieving values as high as \$800 per buildable sq. ft., with certain sites even commanding \$1,000 per buildable sq. ft..

The multifamily product class experienced an 18% increase in gross dollar volume over 2013 with \$6.526 billion despite decreases in both the number of transactions and properties traded. This increase in pricing is bolstered by the continued increase of the average price per sq. ft., which is now exceeding \$825 with an average cap rate of 3.80%. Prices are being influenced by the strength of the end-user market, and premiums are being paid by investors looking to convert existing multifamily rental buildings to condominiums.

Amongst all regions, Midtown West stood out as the most active in terms of dollar volume. That region saw \$14.68 billion, or 46% of Manhattan's total dollar volume, spent on 153 transactions comprised of 196 properties. This activity is due to the flurry of trades involving large-scale office and commercial properties along the Hudson Yards and surrounding areas. For comparison, Downtown East garnered 17% of the spending with \$5.44 billion spent on 107 transactions for 126 properties.

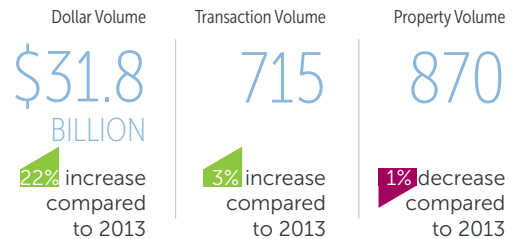
Several factors give us a very positive outlook for 2015. The domestic economy is seeing the strongest growth since the 1990s and the markets appear to have faith in the Federal Reserve's ability to manage eventual interest rate increases as the economy grows. A questionable outlook for the global economy continues to make New York a safe haven for capital and, as we've seen in the past, returning Wall Street bonuses may serve as a mini-stimulus for New York real estate.

We are monitoring some potential headwinds. First, the absorption rate of new high-end units in Manhattan is giving some developers cause for concern. Second the strengthening of the US dollar could potentially limit foreign investment in the US. Lastly, the DeBlasio administration's housing plan is expected to give more details on its housing policy this year—how they propose the city adds affordable units to the housing stock will be a factor in development site pricing.

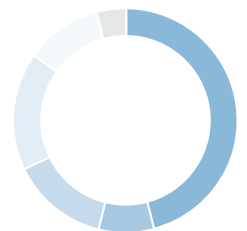
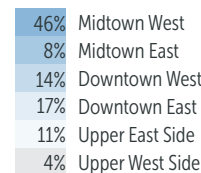
Nevertheless, the investment property sales market is starting 2015 with tremendous momentum and we currently expect a healthy, moderate expansion of both sales volume and pricing over the course of the year.

We look forward to our continued efforts in providing the Manhattan community with the most informative and insightful market knowledge available. For further information regarding any of the enclosed properties, or to discuss real estate trends in general, please feel free to contact us at any time.

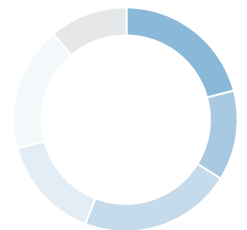
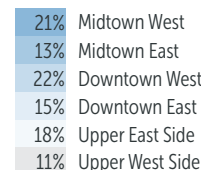
2014 YEAR-END SALES REPORT



DOLLAR VOLUME COMPARISON BY LOCATION



TRANSACTION VOLUME COMPARISON BY LOCATION



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MANHATTAN 2014 YEAR-END SALES REPORT: MARKET OBSERVATIONS

Multifamily | Pricing for the multifamily product class continues to grow, with the average price per sq. ft. increasing to \$838 from \$781 in 2013, supported in part by the continuing rise in rents, both residential and retail, and condo-sellout prices. While the average price per sq. ft. increased from last year, 2014 saw capitalization increase to 3.80% from 3.72% in 2013, and the average gross rent multiple fell to 18.29 from 18.63. Examples of these pricing trends include 824-826 9th Avenue, adjacent mixed-use walk-up buildings in Clinton that traded for \$21 million (\$841 per sq. ft., 2.93% capitalization rate and 19.89 times the gross rent), and 434-436 West 22nd Street, an elevator building in Chelsea, which traded for \$13 million (\$1,064 per sq. ft., 2.43% capitalization rate and 29.40 times the gross rent)

Development Sites | The trend of record high rents and condo/co-op sales seen at the end of 2013 has continued throughout 2014, and has further increased Manhattan-wide aver-

age price per buildable sq. ft. to \$579. Notable transactions include 33-34 Park Row, a 58.5' wide corner Financial District development site with 72,750 buildable sq. feet which traded for \$52,000,000, or \$715 per buildable sq. ft.. Still, with such a demand for new development and limited inventory, investors are also looking at alternative multifamily conversion projects, such as 37 East 12th Street, where the developer is seeking to convert the 25,878 sq. ft. office building into condos

Office | The office product class continued to be dominant among all product types in terms of total dollar volume in 2014, accounting for 33% of the aggregate. Total dollar volume was bolstered in part by the sale of 5 Times Square for \$1.5 billion, which stands as the largest market transaction for an entire building since 2010

Commercial Sites | Commercial properties continued to see the greatest increase in performance amongst all asset classes with an

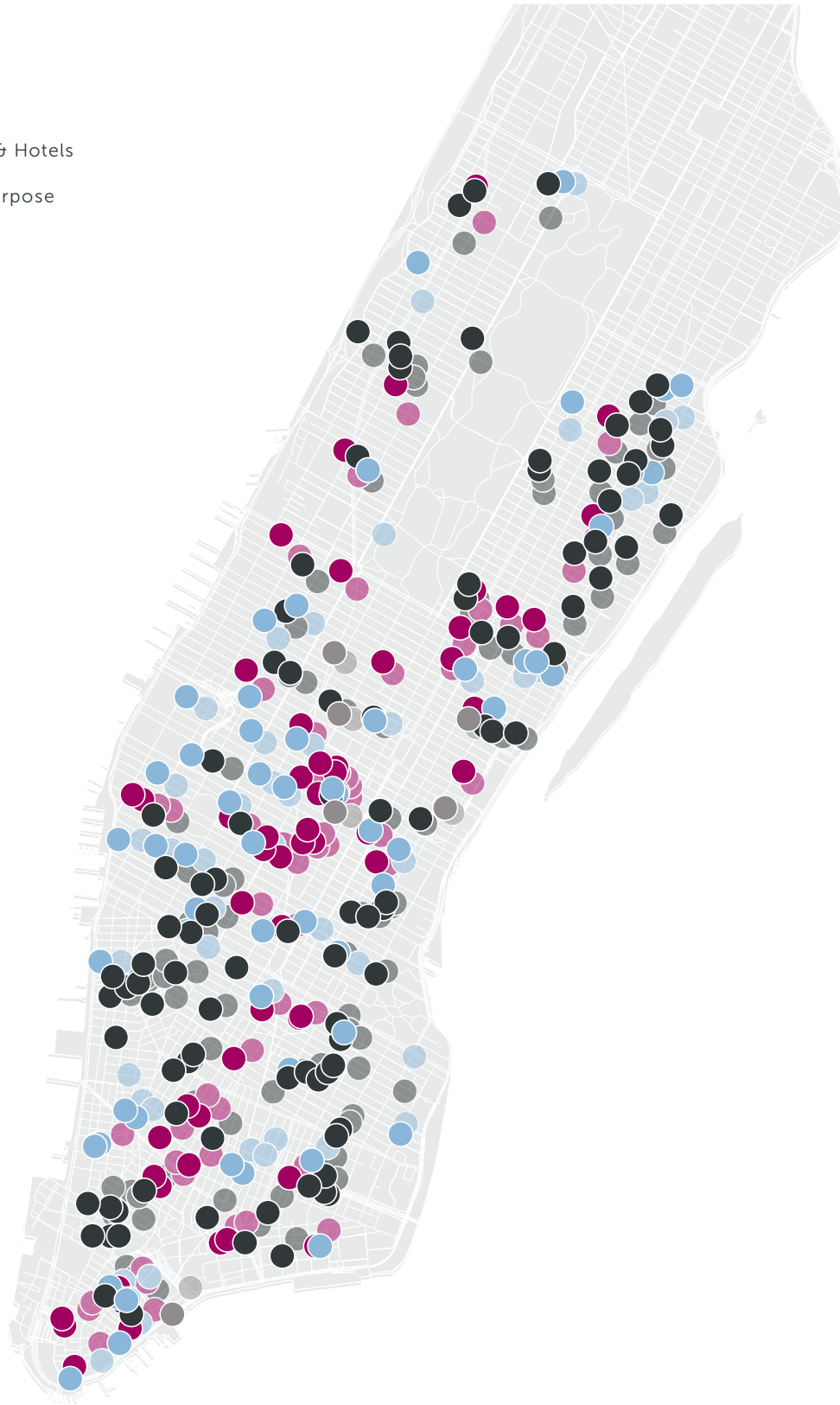
aggregate of \$5.565 billion spent on 75 transactions consisting of 89 properties in 2014, compared to 2013 in which \$911 million was spent on 56 transactions for 63 properties. This year's strong showing is bolstered by transactions such as 10 Columbus Circle, in which Time Warner traded its shares for \$1.3 billion so that it can move its headquarter operations to the New Hudson Yards development. Retail condos and co-ops are also contributing to the increased levels. Aside from the larger transactions, like 1-6 World Trade Center, smaller sites are trading at never-before-seen levels, such as the package of retail condominiums at both 697 5th Avenue & 2 East 55th Street for \$29,396 per sq. ft., 90 Prince Street for \$17,968 per sq. ft., and 123 Prince Street, which traded for \$12,308 per sq. ft.

PRODUCT TYPE		2014	% CHANGE '14 - '13	2013	% CHANGE '14 - '12	2012
DOLLAR VOLUME	Commercial	\$5,565,511,851	511%	\$911,095,826	133%	\$2,391,254,854
	Garage & Development	\$5,966,440,350	13%	\$5,284,116,038	73%	\$3,441,771,837
	Multifamily	\$6,526,389,581	18%	\$5,532,974,140	3%	\$6,342,235,400
	Office	\$10,537,894,892	-12%	\$11,969,735,165	33%	\$7,907,961,185
	Industrial & Special Purpose	\$1,552,155,478	33%	\$1,166,180,589	-7%	\$1,666,229,348
	User	\$1,677,831,952	34%	\$1,247,642,216	42%	\$1,179,305,630
	Grand Total	\$31,826,224,104	22%	\$26,111,743,974	39%	\$22,928,758,254
TRANSACTION VOLUME	Commercial	75	34%	56	4%	72
	Garage & Development	143	9%	131	21%	118
	Multifamily	263	-8%	287	-29%	369
	Office	50	-14%	58	-35%	77
	Industrial & Special Purpose	25	39%	18	-17%	30
	User	159	9%	146	15%	138
	Grand Total	715	3%	696	-11%	804
PROPERTY VOLUME	Commercial	89	41%	63	9%	82
	Garage & Development	215	19%	181	26%	170
	Multifamily	323	-19%	401	-32%	473
	Office	53	-22%	68	-39%	87
	Industrial & Special Purpose	30	36%	22	-3%	31
	User	160	8%	148	14%	140
	Grand Total	870	-1%	883	-11%	983

MANHATTAN 2014 TRANSACTION MAP & OVERVIEW BY PROPERTY TYPE

Legend

- Multifamily
- Development
- Commercial Buildings & Hotels
- Industrial & Special Purpose
- Office



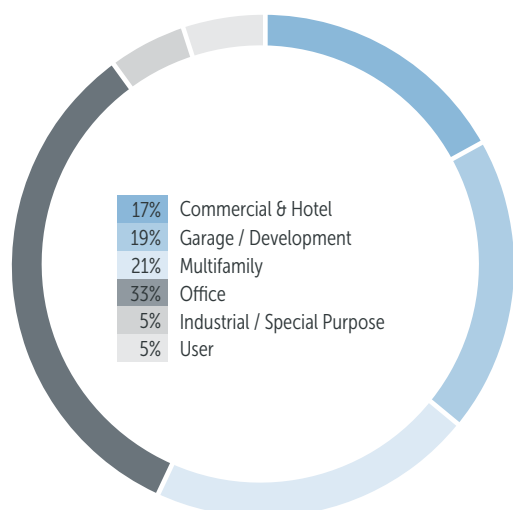
MANHATTAN 2014 REGIONAL OVERVIEW

NEIGHBORHOOD	TRANSACTION VOLUME	PROPERTY VOLUME	DOLLAR VOLUME
Midtown West	153	196	\$14,682,655,188
Midtown East	86	110	\$2,766,798,154
Downtown West	158	190	\$4,191,107,790
Downtown East	107	126	\$5,441,275,250
Upper East Side	130	145	\$3,307,929,130
Upper West Side	81	103	\$1,436,458,592
Grand Total	715	870	\$31,826,224,106

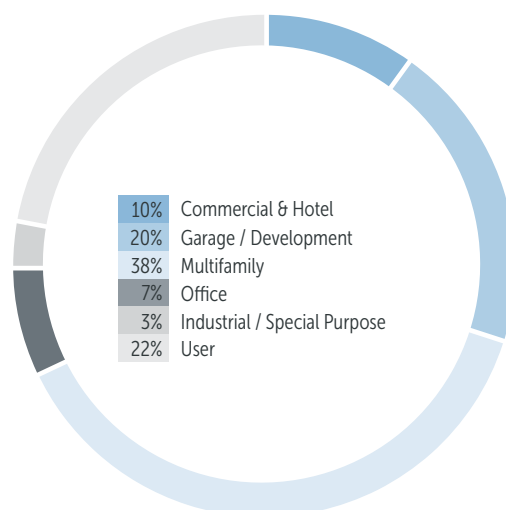
MULTIFAMILY PRICING INDICATORS



DOLLAR VOLUME BREAKDOWN BY PROPERTY TYPE








TRANSACTION VOLUME BREAKDOWN BY PROPERTY TYPE

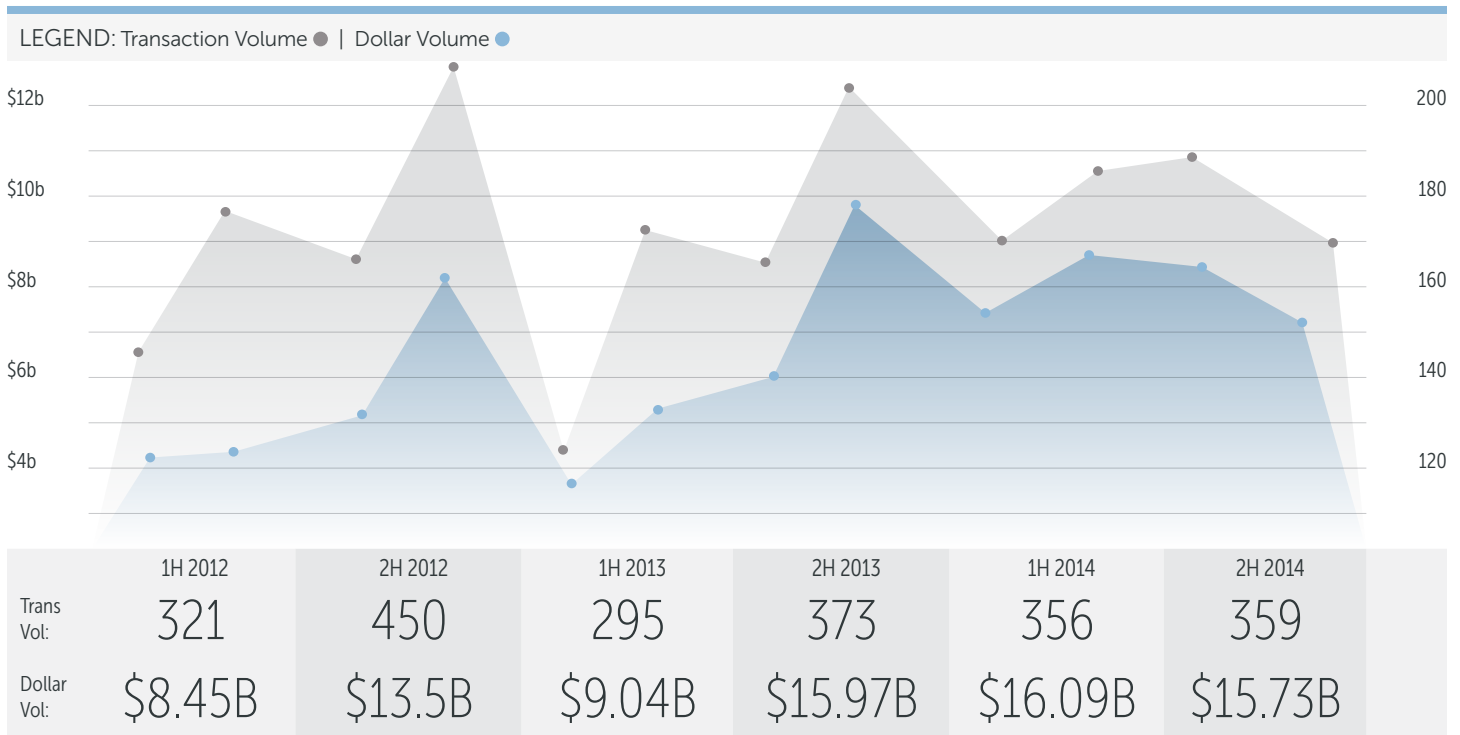


MANHATTAN 2012 - 2014 REAL ESTATE TIMELINE

MANHATTAN FEATURED 2014 INVESTMENT SALES TRANSACTIONS

5 TIMES SQUARE Midtown West	1660-1680 2 ND AVENUE & 60 EAST 88 TH STREET Upper East Side	435 10 TH AVENUE PORTFOLIO Midtown West	200 EAST 82 ND STREET Upper East Side	80 SOUTH STREET Financial District
				
Office Sale Amount: \$1,500,000,000 Sale Date: 6/17/2014	Multifamily Sale Amount: \$485,000,000 Sale Date: 9/22/2014	Development Sale Amount: \$385,446,418 Sale Date: 4/29/2014	Multifamily Sale Amount: \$218,000,000 Sale Date: 12/30/2014	Development Sale Amount: \$100,000,000 Sale Date: 12/29/2014

MANHATTAN 2012-2014 REAL ESTATE TIMELINE



ECONOMY

UNEMPLOYMENT: Both New York City and New York State experienced impressive drops in unemployment over the course of 2014, finishing the year with rates of 6.4% and 5.7%, respectively. New York City employment rates declined a total of 1.7% for the year, dropping from 8.1% in January. New York State employment dropped from 7.3% in January, for a total decline of 1.6%.

FINANCING: Building on 2013, financial markets were characterized by steady drops in both treasury yields and mortgage rates over the course of 2014. For the year, 30-year bonds experienced a large drop, from 3.92% to 2.95%. 10-year notes decreased from 3.00% to 2.22%, while 5-year notes modestly declined from 1.72% to 1.52%. 1-year t-bills remained flat for the year, beginning and ending at .13%.

EXPENSES: • NY State Oil Prices: 336.1 cents per gallon • Residential Electricity Rate: 19.42 cents per kilowatt hour • Commercial electricity Rate: 15.83 cents per kilowatt hour • NYC water rate: \$3.70 per 100 cubic feet

MANHATTAN DEVELOPMENT PROJECTS IN PROGRESS

BOROUGH-WIDE PROJECT UPDATES

Manhattan

ESSEX CROSSING

1.65M square foot mixed-use project on the Lower East Side consisting of residential, restaurant, retail, entertainment and office space.

Developer: L+M Partners, BFC Partners, Taconic Investment Partners

Status: Phase one beginning late spring 2015

520 WEST 41ST STREET

Pending approval, the 1,100 foot tall building within the Hudson Yards district will include 1,400 apartments, new retail space and corporate apartments for a gross of 1.685 million square feet.

Architect: Siri & Marsik Architects
Developer: Silverstein Properties
Expected Completion Date: 2020



1 VANDERBILT

The 1,514 foot tower must make its way through the Uniform Land Use Review which will last until March 2015. Demolition is scheduled by the second quarter of 2016, and the foundation to be laid by the end of 2017

Architect: Kohn Pedersen Fox
Developer: SL Green
Expected Completion Date: January 2020



2 WTC

1,346 ft. tall with 3.1M square feet which will accommodate five levels of retail, four trading floors and 60 office floors.

Architect: Foster and Partners
Developer: Silverstein Properties
Stage: On hold to secure tenants



3 WTC

1,155 ft. tall with 2.8M square feet and 53 floors to accommodate both retail and office space. Construction on the tower resumed in June 2014 after construction was halted in August 2013.

Developer: Silverstein Properties
Architect: Richard Rogers
Expected Completion Date: Late 2017



MANHATTAN 2014 DEVELOPMENT* ACTIVITY BY NEIGHBORHOOD

LOCATION	TOTAL DOLLAR VALUE TRADED	TOTAL TRANSACTIONS	TOTAL PROPERTIES TRADED	TOTAL BSF
Alphabet City	\$12,500,000	1	1	74,772
Chelsea	\$668,117,520	16	19	1,034,306
Civic Center	\$91,753,405	1	1	189,188
East Village	\$47,000,000	2	2	81,181
Fashion	\$311,400,000	5	6	782,181
Fashion District	\$10,817,625	1	1	24,750
Financial District	\$815,103,666	15	19	1,655,709
Flatiron	\$8,500,000	1	1	24,688
Gramercy	\$224,456,000	6	6	595,968
Greenwich Village	\$503,600,000	9	13	392,870
Hell's Kitchen	\$245,750,000	8	12	443,620
Javits Center	\$308,161,621	1	3	896,313
Kips Bay	\$69,750,000	3	6	82,347
Little Italy	\$66,125,000	3	6	103,770
Lower East Side	\$117,950,000	7	8	193,678
Midtown	\$392,545,366	10	16	657,610
Midtown - N. Central	\$61,275,000	2	4	125,278
Midtown - S. Central	\$41,200,000	3	5	90,109
Midtown East	\$84,927,228	2	5	143,650
Midtown West	\$604,771,418	4	10	1,580,852
Murray Hill	\$178,667,975	4	8	253,385
NoHo	\$8,242,000	1	1	27,420
SoHo	\$245,637,028	8	13	552,082
Southbridge	\$59,100,000	2	4	95,397
TriBeCa	\$81,072,817	2	4	132,780
Turtle Bay	\$17,000,000	1	3	44,084
Upper East Side	\$600,975,000	18	22	851,971
Upper West Side	\$189,215,000	7	10	249,052
GRAND TOTAL	\$6,065,613,669	143	29	11,379,011

*includes vacant land & conversion properties only

520 PARK AVENUE

51-story, 178,000-square-foot building with 31 full-floor apartments 4,600 square feet each, seven duplexes and one enormous 12,400 square foot penthouse triplex.

Architect: Robert A.M Stern
Developer: Zeckendorf Development
Expected Completion Date: 2017



SOUTH STREET SEAPORT

494-foot-tall mixed-use development with 42 stories will include two stories of retail and open space on top. The project is to begin proceeding through ULURP.

Developer: Howard Hughes Corporation



MANHATTAN NEWS TIMELINE



July '14

July 7-13 | Three of the 10 largest projects for which developers filed permits in June are located in Manhattan, the Real Deal reports. The Manhattan projects planned include: 242 West 53rd Street, a 452,896-square-foot, 62-story building with 426 units on the former Roseland Ballroom site; 138 East 50th Street, a 220,638-square-foot, 52-story, hotel; and 50-51 98th Street, a 107,555-square-foot, four-story school building.

July 14-20 | Kuafu Properties and Siras Development have purchased five adjacent parcels on the southeast corner of 38th Street and 11th Avenue across from the Javits Center in Midtown for \$62 million, Forbes reports. The investors are planning to build a 20-story, 380,000-square-foot tower that will include 50 luxury condos, a 400-room, high-end hotel, office space, ground-floor retail, and a three-story Shanghai Club.

July 28-August 3 | Manhattan's cross-town corridors such as 14th Street, 23rd Street, and 57th Street are now desirable locations for developers to build new, luxury residential rentals and condos, plus they provide additional income from ground floor retail, the NY Times reports. Residents are now more product-driven than neighborhood driven and want to live near transportation hubs. Also, major thoroughfares can be twice the width of a normal 60-foot street, which offers residents more light, air, and views.

August 4-10 | Families with children are flocking to the financial district, south of Chambers Street and the Brooklyn Bridge, and have helped push the area's population to about 43,000 residents up from 23,000 in 2000 and 700 in 1970, according to a profile in the NY Times. An injection of \$1.6 billion in federal Liberty Bonds following the terrorist attacks on September 11 when the residential vacancy rate exceeded 30 percent benefited rental projects at 90 West Street, 90 Washington Street, and 2 Gold Street. Today, more than a dozen apartment buildings are in the pipeline, and from 2014 to 2017, 1,000 new condo units and 1,200 rental units are expected to come online, including 644 apartments and 132 extended stay hotel suites at the former AIG headquarters at 70 Pine Street.



August '14

Average asking retail rents on Broadway from Battery Park to Chambers Street in Lower Manhattan have increased 22 percent to \$277 a square foot from \$227 a square foot last year, CBRE reports. In the next few months a 200,000-square-foot luxury mall will open at Brookfield Place and a 365,000-square-foot mall will open at the World Trade Center.

August 11-17 | The demographics of Manhattan's Murray Hill, are changing and the area is now attracting families with young children and programs that cater to them, according to a NY Times profile of the area. Park Avenue features towers with co-ops and high-end rental apartments, while housing to the east of 3rd Avenue consists of rental and condo buildings where many recent college grads and young professionals live.

August 25-31 | Retailers such as coffee bars, upscale restaurants, and even Urban Outfitters are moving into the Garment District and landlords are renovating their retail spaces to accommodate them. The demand for retail services is being driven by the technology, advertising, and media companies moving into the district replacing fashion industry jobs, which declined to 20,852 in 2012 from 36,925 in 1995, according to the WSJ article. Two years ago, asking rents for ground-floor retail space on Broadway from Times Square to Herald Square ranged from \$125 to \$150 per square foot, compared with today when asking rents are from \$200 to \$350 per square foot.

September 1-7 | Neiman Marcus, which has stores in White Plains and New Jersey, confirmed that it will lease 250,000 square feet on the top three levels of a seven-story, 1-million-square-foot retail project in Hudson Yards. The store is slated to open at 10th Avenue and West 30th Street in 2018. About 100 shops and restaurants and 5,000 residential units are planned at Hudson Yards.

The northern most third and final section of the High Line will open to the public on September 21. The new Rail Yards section will feature newly planted trees and perennials, innovatively designed seating areas, and pathways installed in the High Line's original tracks.



September '14

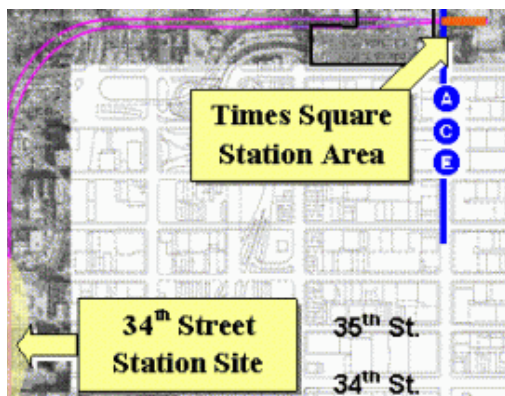
September 15-21 | After opening the Union Square Cafe in 1985, owner Danny Meyer helped rehabilitate Union Square's "former seedy, drug-infested image" and today the area has become so desirable that both commercial and residential rents have risen dramatically, according to a profile of the Manhattan neighborhood in the NY Times. Demand for housing is high as families enjoy amenities such as the newly refurbished playground on the northern end of Union Square Park, the farmer's market four days a week, and retail stores such as Barnes & Noble and Babies 'R' Us.

New York City's 105 colleges and universities invested \$2 billion annually from fiscal years 2010 to 2012 to maintain current facilities and build new ones, and they are expected to invest nearly \$10 billion more through 2017, according to a report by the NY Building Congress. Cornell Tech, Columbia University, NYU, Fordham University's Lincoln Center campus, and City College are making the largest investments. Enrollment in NYC colleges and universities rose to 534,710 in 2012, the highest student population of any city in the country and nearly twice the number of second ranked Los Angeles.

September 22-28 | Saks Fifth Avenue will open an 85,000-square-foot store in Brookfield Place at 225 Liberty Street in Lower Manhattan and its parent company, Hudson Bay Company, will lease 400,000 square feet of office space adjacent for its New York City-based corporate associates. Also, the company's outlet division, Saks OFF 5th, plans to open a 55,000-square-foot space in 2017 nearby at One Liberty Plaza at Church and Liberty Streets.

The Upper West Side has experienced a severe shortage of housing inventory in the last few years, but half a dozen new developments are planned in the West 70s and 80s, the NY Times reports. Most of these projects, however, are in buildings that are converting from rentals to condos, which will leave the rental inventory unchanged or possibly decrease it. Of the apartments on the Upper West Side (Columbus Circle to Columbia University between Central and Riverside Parks), 40 percent are rent-regulated units, more than any other section of Manhattan.

MANHATTAN NEWS TIMELINE



October '14

October 6-12 | Six major transportation projects are expected to be completed in New York City between 2014 and 2022, the Commercial Observer reports. The article highlighted the Fulton Center, the Lower Manhattan transportation hub; the 7 Train Expansion to 11th Avenue and West 34th Street; the World Trade Center PATH Station; the first phase of construction on the expanded Moynihan/Penn Station Redevelopment Project; the Second Avenue Subway; and the East Side Access.

October 20-26 | According to estimates by the New York Building Congress, construction spending is expected to increase to \$35.3 billion in 2015 and \$35.6 billion in 2016. The Building Congress is forecasting residential spending of \$11.7 billion in 2015, and \$12.4 billion in 2016. While residential spending is expected to rise by 60 percent this year, the number of new units produced is expected to increase by only 22 percent, from 18,400 units in 2013 to 22,500 this year, in part because so much of the new construction is in the luxury market. The Building Congress forecasts a total of 23,250 new units in 2015 and 24,000 units in 2016, compared to 33,200 units built for \$5.9 billion in 2008.

October 27-November 2 | More than 75% of the \$210 million developer SL Green Realty Corp. has pledged for Grand Central transit improvements will be used to upgrade the Lexington Avenue line, which is the most congested line in the city, Crain's reports. The transit upgrades are part of a deal to allow the developer to build One Vanderbilt, a 65-story tower adjacent to Grand Central.

November 3-9 | Some developers with a history of building contemporary high-rise residential towers are switching their focus and converting smaller existing structures into luxury condos, the WSJ reports. The reasons include the difficulty assembling development sites in Manhattan and lenders balking on loans for big projects because of high land prices. One development on East 12th in Greenwich Village will feature six units ranging from \$9 million to \$32 million, and another is a 13-unit condo built next to and over a garage at 21 W. 20th Street in the Flatiron District that will offer

two-bedrooms ranging from just under \$2.5 million to just over \$3 million and four penthouses ranging from \$12 million to \$23 million.

November 10-16 | The \$1.4 billion, 180,000-square-foot Fulton Center transportation hub opened at 200 Broadway on the corner of Broadway and Fulton Street. The center will serve up to 300,000 commuters daily and connect nine subway lines to the PATH train at the World Trade Center. More than 65,000 square feet of the Fulton Center will be used as retail and commercial space.

In 3Q14, NYC's Real Gross City Product grew at an estimated 4% annual rate, the fastest growth since this quarter last year, an analysis by NYC Comptroller Scott M. Stringer shows. The report highlighted that the NYC private-sector added 47,000 jobs in 3Q14, a seasonally adjusted annualized growth rate of 5.4%, a record gain. City Personal Income Tax withholdings rose to \$1.6 billion, the highest ever third quarter level. The Manhattan office vacancy rate, including sublease space, fell to 10.2 percent in 3Q14, and new leasing activity totaled over 7.6 million square feet, the best third quarter in eight years. The unemployment rate fell to 7.3 percent in 3Q14, the lowest quarterly average since 4Q08, when unemployment was at 6.6 percent. Local startups are gaining momentum, with record venture capital investment in the New York metro area surpassing \$1.7 billion in 3Q14, more than double the \$0.72 billion invested in 3Q13. Hotel occupancy in Manhattan averaged 92.6 percent in 3Q14, and over 3 million people attended Broadway shows, 12.7 percent more than in 3Q13.

November 17-23 | Barry Diller has announced that his family foundation will provide \$130 million toward building a \$170 million park featuring three performance venues on a platform 186 feet off the Hudson River shoreline near 14th Street, the NY Times reports. The project, which has the support of Gov. Andrew M. Cuomo and Mayor Bill de Blasio, will receive an additional \$39.5 million from the city, the state, and the Hudson River Park Trust. Mr. Diller has also agreed to run the 2.4-acre park and cover its operating expenses for 20 years.

November - December '14

November 24-30 | New York City was voted the top financial center in the world by 59% of the nearly 300 finance professionals surveyed by Kinetic Partners, Bloomberg News reports. London received 38 percent of the votes.

The Costar Group is estimating that more than 14.1 million square feet of office space will be built in Manhattan by 2019, "the most over a five-year period since at least the early 1990s," the WSJ reports. In the last four years the occupancy of Manhattan office space increased by 4.8 million square feet, compared to an increase of 28 million square feet in the four years ended in 2007. The vacancy rate stood at 8.1% at the end of the third quarter, compared with 5.4% in 2007.

December 22-28 | To accommodate more than 4,000 NYC employees, Google is creating an urban campus and now controls more than 3.5 million square feet of space in Manhattan, which is more than the capacity of the Empire State Building and equal to more than six football fields, the WSJ reports. In 2010, Google paid \$1.9 billion for a former freight terminal and Port Authority headquarters on 8th Avenue and later leased office space in Chelsea Market.

The average price of Manhattan co-ops and condos increased 16% to \$1.68 million in 2014 compared to 2013, which is 10% higher than the 2008 peak, according to a WSJ analysis. The median price rose 6.6% year-over-year to \$911,000, up 0.6% from the 2008 peak. International buyers, stronger economic growth, a booming stock market, and solid bonuses in the financial sector were among the reasons given for the price surge.

On the Upper West Side between 90th and 99th Streets condos are being developed, a Whole Foods Market has opened, and new restaurants are cropping up on the commercial corridors, according to a NY Times profile of the area. The article called it the third wave of development for the neighborhood, with the first launched in the 1980s with the Columbia, a 30-story, luxury condominium at Broadway and 96th Street, and the second during the 1990s. In 2014, average prices in the area increased 17% to \$1.47 million.

2014 FEATURED MARKET ACTIVITY BY ARIEL PROPERTY ADVISORS

Clinton MF Portfolio Located In Clinton

Property Type: Walk-Up Building
Units: 95
Lot SF: 24,100 SF
Gross SF: 87,122 SF

SOLD: \$58,400,000



47-53 3rd Avenue Located In East Village

Property Type: Resi Condo Portion
Gross SF: 30,662 SF
Lot Size: 6,726 SF
Stories: 5

SOLD: \$25,900,000



61-63 West 108th Street Located In Manhattan Valley

Property Type: Walk-Up Building
Stories: 5
Units: 20
Gross SF: 18,639 SF

SOLD: \$13,250,000



515 East 86th Street Located In Upper East Side

Property Type: Conversion
Gross SF: 6,060 SF
Stories: 4
Lot SF: 2,215 SF

FOR SALE: \$11,500,000



92 Fulton Street Located In Financial District

Property Type: Vacant Lot
Lot Dimensions: 25.83' x 79.83'
Lot Size: 2,189 SF
Buildable SF: 21,890 SF

SOLD: \$10,000,000



123 Baxter Street Located In Little Italy

Property Type: Retail Condo Units
Total Gross SF: 4,255 SF
Total Number of Units: 4

FOR SALE: \$9,000,000



163 West 80th Street Located In Upper West Side

Property Type: Walk-Up Building
Stories: 5
Units: 5
Gross SF: 7,765 SF

SOLD: \$7,650,000



698 2nd Avenue Located In Murray Hill

Property Type: Conversion
Gross SF: 4,356 SF
Stories: 4
Lot SF: 1,680 SF

FOR SALE: \$6,950,000



*Please note all measurements are approximate

ABOUT ARIEL PROPERTY ADVISORS



Ariel Property Advisors is a New York City real estate investment sales company dedicated to delivering the best transactional experience possible. We believe that outstanding sales performance originates from long-lasting relationships with organizations like yours.

Our company is structured to produce optimal results for clients through two complementary divisions—Investment Sales and Investment Research.

The Investment Sales Division provides private and institutional clients, equity capital, lenders, city/state/federal agencies and not for profit organizations with institutional quality brokerage services, regardless of the client, asset type or transaction size. The relationships established by our sales professionals give us key insights into the latest trends, value drivers and active market participants.

The Investment Research Division supports our sales professionals by organizing and synthesizing the latest information about the real estate market. In addition to producing high quality Asset Evaluations for institutional and private clients, our research professionals create a variety of market reports regularly covered by major New York City business publications.

Additionally, we believe in supporting the communities in which we do business through organizations such as Legal Outreach, Harlem RBI, South Bronx Overall Economic Development Corp., Abyssinian Development Corp., UJA Federation, the Brooklyn Historical Society, and the Jewish Children's Museum.

Our latest education initiative is the establishment of the Guy Shkury Scholarship for Excellent Academic Achievement and Determination at the Open University of Israel, in honor of the late Guy Shkury, who graduated from the institution with honors. In the next four years, Ariel Property Advisors will provide scholarships to 38 students.

OUR METHODOLOGY

DATA COLLECTION:

- Property transfers are collected through ACRIS and Property Shark each week, vetted by research team, and cross-checked with news articles
- Information collected from third party sites such as Costar and Loopnet, along with news articles from sites such as The Real Deal
- Information from appraisers and brokers on sales not yet transferred or publicized

CRITERIA:

- Minimum sales price of either \$850k or \$1mm depending on the report. \$850k for Brooklyn, Bronx, Queens, N. Manhattan Sales Reports; \$1mm for Manhattan Sales Report
- Does not include partial interest or internal sales

PROJECTIONS:

- Sales are averaged on a per-day basis throughout the year, and projected as such
- The assumed ACRIS transfer lag time is 30 days—if final data collection is January 15, we are projecting the sales that will eventually surface from December 16-31

LOCATION DEFINITIONS:

- Manhattan - south of E. 96th Street and south of W. 110th Street
- Northern Manhattan - north of E. 96th Street, north of W. 110th Street
- The Bronx - Bronx Borough
- Brooklyn - Brooklyn Borough
- Queens - Queens Borough

If you would like to use or quote this report on the web, we ask that you quote the source as "Manhattan Sales Report by Ariel Property Advisors" and link report from our website page (<http://arielpa.com/research/reports/>)

To learn more about current market conditions or if you would like a comprehensive Asset Evaluation for your property, please do not hesitate to contact us using the information below:



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Ariel
PROPERTY ADVISORS

The information contained herein has either been given to us by the owner of the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee the accuracy of any information provided herein. As an example, all zoning information, buildable footage estimates and indicated uses must be independently verified. Vacancy factors used herein are an arbitrary percentage used only as an example, and does not necessarily relate to actual vacancy, if any. The value of this prospective investment is dependent upon these estimates and assumptions made above, as well as the investment income, the tax bracket, and other factors which your tax advisor and/or legal counsel should evaluate. The prospective buyer should carefully verify each item of income, and all other information contained herein. January 28, 2015 5:25 PM

