

The **RPG** Office Condominium Report

First Half 2016



2016 Office Condominium Sales

At a Glance

- **Lack of Supply Causes Lack of Sales:** The dollar value of sales in the first half of 2016 was 14% (\$15 million) less than the second half of 2015. The reduction of sales is the result of a severe lack of available office condominiums for sale.
- **Strong Pricing:** The average price per square foot in the first half of 2016 was \$824, significantly higher than the \$607 five-year average price per square foot.
- **Size of the Office Condominium Market:** Despite only representing 2% of New York's 500 million square foot office market, New York's office condominium market is larger than the entire downtown office market of many American cities.

Market Overview

There are 96 office condominium buildings in Manhattan, totaling 10.7 million square feet. The Midtown submarket is comprised of 5.8 million square feet. Midtown South is comprised of 2.8 million square feet. Downtown is comprised of 2.1 million square feet. There are 3.8 million square feet of class A office condominiums, 4.6 million square feet of class B, and 2.3 million square feet of class C.

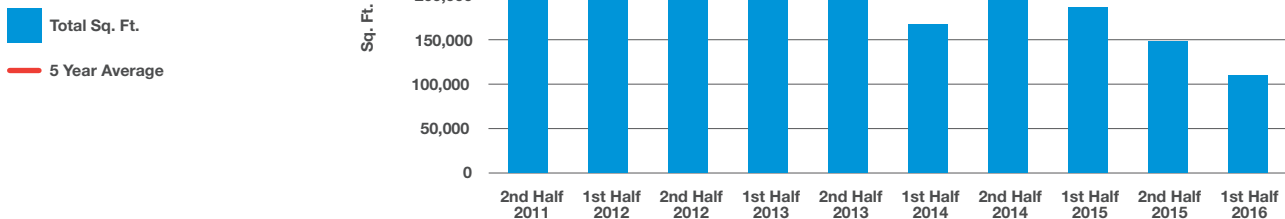
First Half of 2016 Office Condominium Sales:

In the first half of 2016 there were a total of 113,147 square feet of office condominium sales in Manhattan, totaling \$93,205,380. The sales averaged \$824 per square foot. There were a total of 15 office condominium units sold in 14 different buildings, averaging 7,543 square feet per sale.

Market Overview (continued)

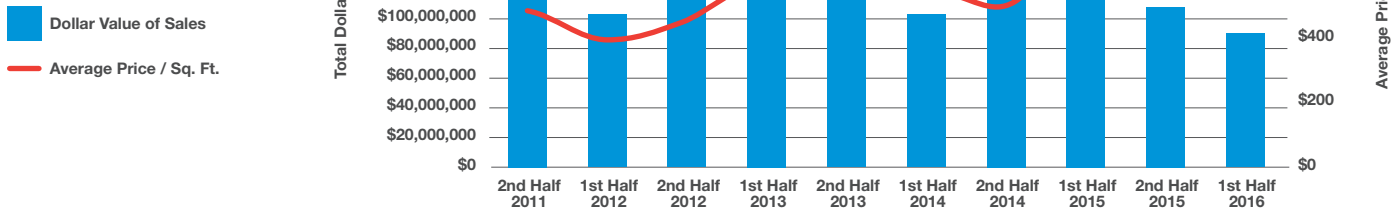
Square Footage of Sales: In the first half of 2016 the total square footage of sales decreased to the lowest level in five years. 113,147 square feet was sold in the first half of 2016, compared to 148,696 square feet in the second half of 2015. The total square footage of sales in the first half of 2016 is considerably lower than the five year average of 222,585 square feet.

Sq. Ft. Sold per Half Year



Dollar Value of Sales: In the first half of 2016 there was a total of \$93,205,380 in sales, 14% less than the second half of 2015 sales which totaled \$108,096,571. The average dollar value of sales per half year over the past five years totaled \$135,178,865.

Dollar Value of Sales per Half Year



Average Price Per Square Foot: In the first half of 2016 the average price per square foot was \$824, 13% higher than the \$727 average price per square foot in the second half of 2015. Pricing was significantly higher than the \$607 five-year average price per square foot.

Number of Sales: There were 15 sales in the first half of 2016, 13 sales less than the second half of 2015. The number of office condominiums sold in the first half of 2016 was lower than the five year average by 21 sales.

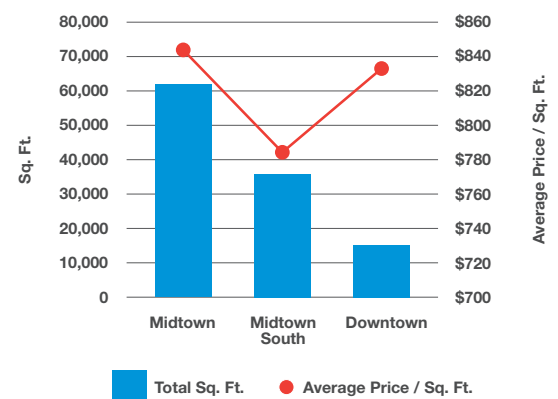
Submarket Statistics

The Midtown submarket is Manhattan's largest office condominium submarket, comprising of approximately 5.8 million square feet. In the first half of 2016 there were 7 sales totaling 62,172 square feet. The dollar value of these sales totaled \$52,508,265, averaging \$845 per square foot.

The Midtown South submarket comprises approximately 2.8 million square feet of office condominiums. In the first half of 2016 there were 5 sales totaling 36,257 square feet. The dollar value of these sales totaled \$28,404,115 averaging \$783 per square foot.

The Downtown submarket comprises approximately 2.1 million square feet of office condominiums. In the first half of 2016 there were 3 sales totaling 14,718 square feet. The dollar value of these sales totaled \$12,293,000, averaging \$835 per square foot.

1H Sales by Submarket





Availability

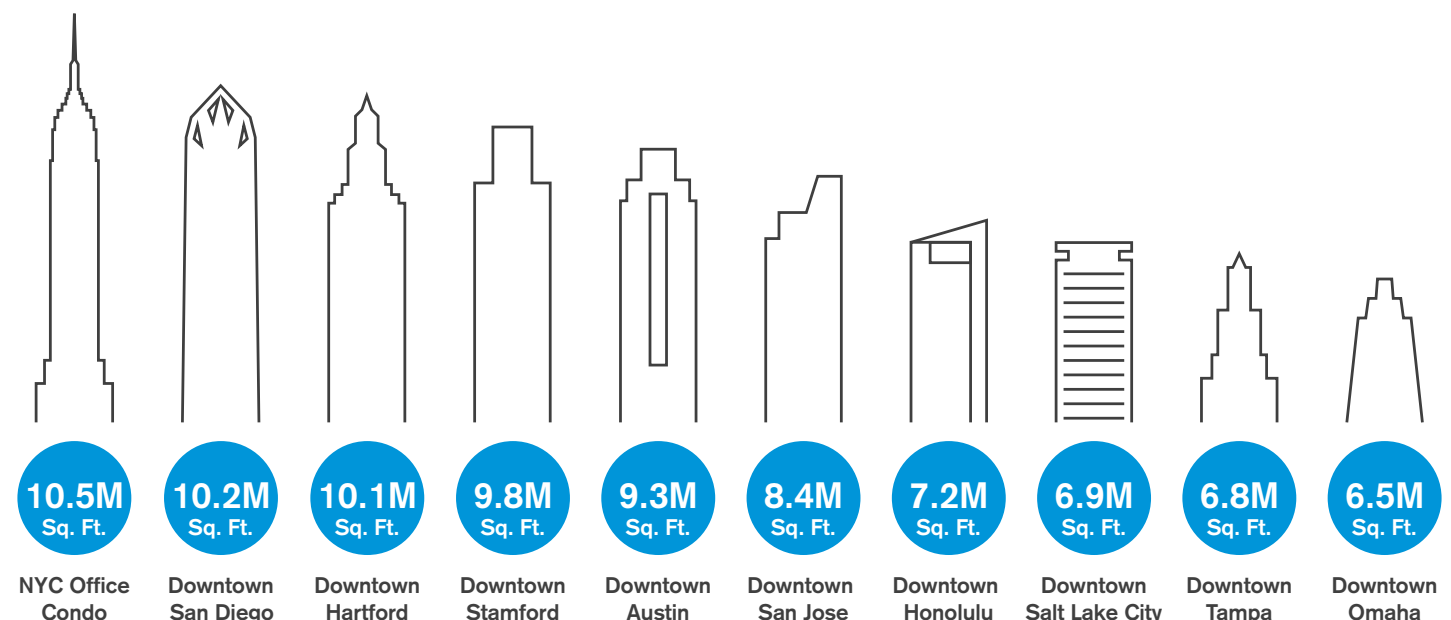
There is 1,049,734 square feet of available Manhattan office condominiums, which equates to a 9.9% availability rate. There are 63 units for sale in 27 buildings, with an average asking price of \$1,050 per square foot. In the Midtown submarket, there is 775,532 square feet for sale, with an average asking price of \$1,131 per square foot. In the Midtown South submarket, there is 62,708 square feet for sale, with an average asking price of \$1,076 per square foot. In the Downtown submarket, there is 211,494 square feet for sale, with an average asking price of \$746 per square foot.

If the units at the newly converted 866 United Nations Plaza and the recently constructed International Gem Tower at 50 West 47th Street were extracted from the statistics, there would only be 574,901 square feet of office condominiums available for sale; a mere 5.4% availability rate.



Size of the Office Condominium Market

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Notable Office Condominium Sales



70 WEST 36TH STREET

Penn Plaza/Garment District
between Fifth and Sixth Avenues

Entire 2nd and 3rd Floors:
22,566 Sq. Ft.

Price: \$19,287,500 (\$855/Sq. Ft.)

Sale Date: 5/4/16

Purchaser: Pem America, a bedding manufacturer

Seller: Time Equities, Inc., the building's sponsor and converter



121 VARICK STREET

Hudson Square Submarket
Between Dominick and Broome Streets

Entire 7th Floor: 12,623 Sq. Ft.

Price: \$10,000,000 (\$792/Sq. Ft.)

Sale Date: 6/8/16

Purchaser: An affiliate of Lecoq Cuisine, a manufacturer of French pastries

Seller: David Moyal, a printer and owner of the firm 1-800-Postcards



55 EAST 59TH STREET

Plaza District
between Park and Madison Avenues

Entire 15th Floor: 12,034 Sq. Ft.

Price: \$13,900,000 (\$1,155/Sq. Ft.)

Sale Date: 4/29/16

Purchaser: MS Aerospace, a specialty fastener company that already owns the 8th and 9th floors

Seller: Grupo Victor Malzoni, a Brazilian investment group led by billionaire Paulo Malzoni



143 WEST 29TH STREET

Chelsea Submarket
between Sixth and Seventh Avenues

Entire 5th Floor: 5,000 SF

Price: \$4,100,000 (\$820/SF)

Sale Date: 4/21/16

Purchaser: ATNY, a manufacturer and distributor of consumer electronics

Seller: Ypulse, a marketing research firm



207 WEST 25TH STREET

Chelsea Submarket
between Seventh & Eighth Avenues

Entire 9th Floor: 13,307 SF

Price: \$10,800,000 (\$812/SF)

Sale Date: 4/18/16

Purchaser: Economic Growth Pension Services, a financial firm relocating from 333 Seventh Avenue

Seller: The Nugent Organization, a printer who has owned the floor for over 20 years



49 WEST 24TH STREET

Chelsea Submarket
between Fifth and Sixth Avenues

Entire 2nd Floor: 4,850 SF

Price: \$4,000,000 (\$825/SF)

Sale Date: 5/9/16

Purchaser: An investor who owns another office cooperative in the area

Seller: An investor who has owned the floor for over 20 years

Rudder Property Group

Rudder Property Group is a commercial real estate services firm that solely specializes in the sale of office condominiums in the New York Metropolitan area. With over a decade of experience in this niche market, the principals of Rudder Property Group have sold over 750,000 square feet of office condominiums with a dollar value in excess of \$400 million. In the small, highly specialized field of office condominium sales, Rudder Property Group is the market leader.

Michael Rudder

Office: (212) 966-3611

Mobile: (646) 483-2203

mrudder@rudderpg.com

Michael Heller

Office: (212) 966-3622

Mobile: (917) 439-2198

mheller@rudderpg.com

Rudder Property Group

www.rudderpg.com

