

The **RPG** Office Condominium Report

Second Half 2017



Second Half of 2017 Office Condominium Sales

At a Glance

- **A Continued Pause:** The second half of 2017 was very similar to the first half of the year which had significant slowdown in sales velocity. There were \$105 million in sales in the second half of 2017, compared to the second half of 2016 which totaled a record high of \$304 million. The slowdown in sales velocity in 2017 is a temporary pause after a record year in 2016.
- **Strong Pricing:** In the second half of 2017 the average price per square foot was \$820, slightly less than the previous half year which was a record high of \$875.
- **Five-Year Retrospective:** The value of office condominiums has increased by 68% since the second half of 2012. In the second half of 2012 the average price per square foot was \$488 compared to \$820 in the second half of 2017.

Market Overview

There are 99 office condominium buildings in Manhattan, totaling 10.9 million square feet. The Midtown submarket is comprised of 6 million square feet. Midtown South is comprised of 2.8 million square feet. Downtown is comprised of 2.1 million square feet. There are 3.4 million square feet of class A office condominiums, 5.4 million square feet of class B, and 2.1 million square feet of class C.

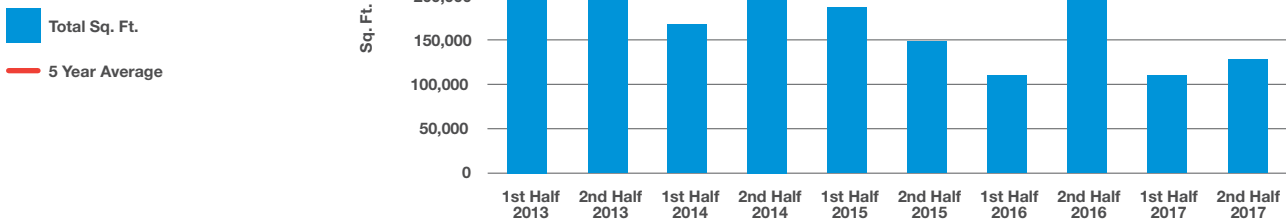
Second Half of 2017 Office Condominium Sales:

In the second half of 2017 there were a total of 128,001 square feet of office condominium sales in Manhattan, totaling \$104,988,477. The sales averaged \$820 per square foot. There were a total of 22 office condominium units sold in 19 different buildings, averaging 5,818 square feet per sale.

Market Overview (continued)

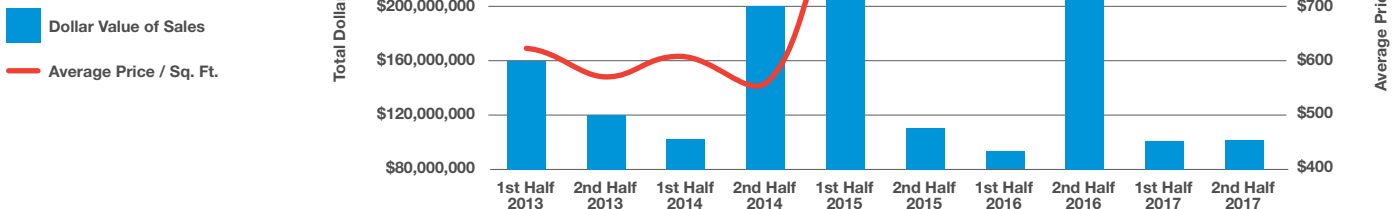
Square Footage of Sales: In the second half of 2017 the total square footage of sales remained consistent with the total square footage of sales in the first half of 2017. However, the total square footage of sales in the second half of 2017 declined by 64% compared to the second half of 2016. 128,001 square feet was sold in the second half of 2017, compared to 359,082 square feet in the second half of 2016. The total square footage of sales in the second half of 2017 is also considerably lower than the five-year average of 209,911 square feet per half year.

Sq. Ft. Sold per Half Year



Dollar Value of Sales: In the second half of 2017 there was a total of \$104,988,477, which is nearly the same as the dollar value of sales in the first half of the year. However, the dollar value of sales is 65% less than the second half of 2016 which totaled a record high of \$304,040,259, and also significantly less than the five-year average of \$150,933,220.

Dollar Value of Sales per Half Year



Average Price Per Square Foot: In the second half of 2017 the average price per square foot was \$820, slightly less than the previous half year which was a record high of \$875. Pricing remains significantly higher than the \$719 five-year average price per square foot.

Number of Sales: There were 22 sales in the second half of 2017, compared to 25 sales in the first half of 2017. However, the 22 sales in the second half of 2017 was less than half of the 46 sales in the second half of 2016. The number of office condominiums sold in the second half of 2017 was less than the five-year average by 12 sales.

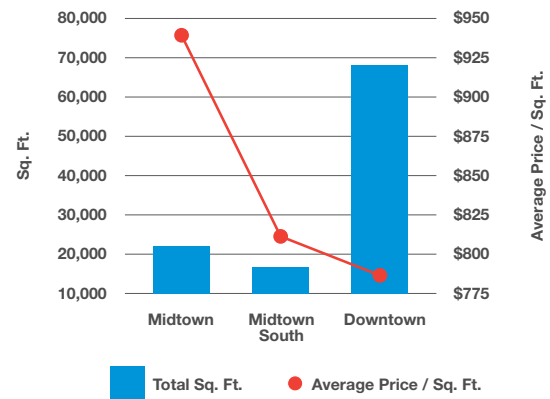
Submarket Statistics

The Midtown submarket is Manhattan's largest office condominium submarket, comprising approximately 6 million square feet. In the second half of 2017 there were 9 sales totaling 20,825 square feet. The dollar value of these sales totaled \$19,519,949, averaging \$937 per square foot.

The Midtown South submarket comprises approximately 2.8 million square feet of office condominiums. In the second half of 2017 there were 3 sales totaling 16,521 square feet. The dollar value of these sales totaled \$12,632,252, averaging \$816 per square foot.

The Downtown submarket comprises approximately 2.1 million square feet of office condominiums. In the second half of 2017 there were 10 sales totaling 67,815 square feet. The dollar value of these sales totaled \$53,066,619, averaging \$783 per square foot.

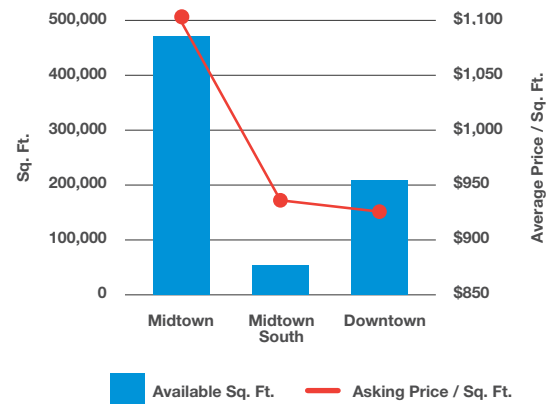
2H Sales by Submarket



Availability

There is 730,331 square feet of available Manhattan office condominiums, which equates to a 6.7% availability rate. There are 58 units for sale in 31 buildings, with an average asking price of \$1,045 per square foot. In the Midtown submarket there is 475,696 square feet for sale, with an average asking price of \$1,105 per square foot. In the Midtown South submarket there is 49,195 square feet for sale, with an average asking price of \$943 per square foot. In the Downtown submarket there is 205,440 square feet for sale, with an average asking price of \$930 per square foot. The availability rates and pricing has remained consistent with the figures from the first half of 2017.

Availability



Five-Year Retrospective

In the second half of 2012 the average price per square foot of office condominium sales was \$488. Five years later in the second half of 2017 the average price per square foot was \$820. The average price per square foot of office condominium sales increased 68% over the five-year period.

The average price per square foot of office condominium sales in the **Midtown submarket** increased 88% in the five-year period, from \$478 per square foot to \$900 per square foot.

The average price per square foot in the **Midtown South submarket** increased 44% in the five-year period, from \$532 per square foot to \$765 per square foot.

The average price per square foot in the **Downtown submarket** increased 64% in the five-year period, from \$478 per square foot to \$783 per square foot.

The average price per square foot of office condominium sales increased 68% over the five-year period.

Five-Year Retrospective (continued)



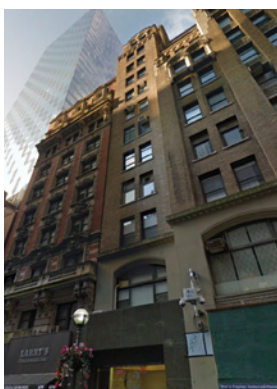
	Second Half 2012	Second Half 2017
Building	40 Rector Street	40 Rector Street
Unit	5th Floor	15th Floor
Size	34,499	31,142
Price	\$10,391,100	\$21,176,560
Price / RSF	\$301	\$680
Buyer	NAACP	United Cerebral Palsy Association
Seller	Philips International	Philips International

Appreciation
126%



	Second Half 2012	Second Half 2017
Building	99 Hudson Street	99 Hudson Street
Unit	15th - 17th Floors	14th Floor
Size	34,722	12,328
Price	\$18,500,000	\$10,400,000
Price / RSF	\$533	\$844
Buyer	JMC Holdings	Olshan Properties
Seller	NAACP	Latino Justice

Appreciation
58%



	Second Half 2012	Second Half 2017
Building	62 West 47th Street	62 West 47th Street
Unit	Unit 904	Unit 507
Size	1,127	1,219
Price	\$575,000	\$1,096,794
Price / RSF	\$510	\$900
Buyer	H Chandra Diamonds	Bright Gems & Beads Inc.
Seller	Delicate Gem Corp	Moshe Genuth

Appreciation
76%

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 1,000,000 square feet of office condominiums with a dollar value in excess of \$600 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

