

The **RPG** Office Condominium Report

Second Half 2016



Second Half of 2016 Office Condominium Sales

At a Glance

- **Record Breaking Sales:** The second half of 2016 had record breaking sales in terms of total dollar value and total square footage sold. There were over \$300 million in sales in the half year, which is nearly double the five-year average.
- **Strong Pricing:** The average price per square foot in the second half of 2016 was \$847, significantly higher than the five-year average of \$655.
- **The New Guard:** Six office buildings have recently been converted to office condominiums, bringing desperately needed new supply to a very constrained market.

Market Overview

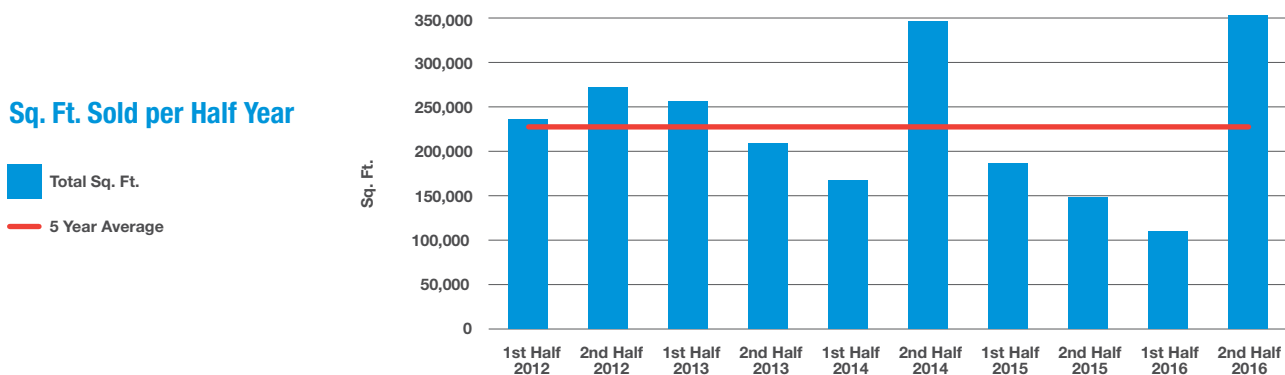
There are 99 office condominium buildings in Manhattan, totaling 10.9 million square feet. The Midtown submarket is comprised of 6 million square feet. Midtown South is comprised of 2.8 million square feet. Downtown is comprised of 2.1 million square feet. There are 3.4 million square feet of class A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

Second Half of 2016 Office Condominium Sales:

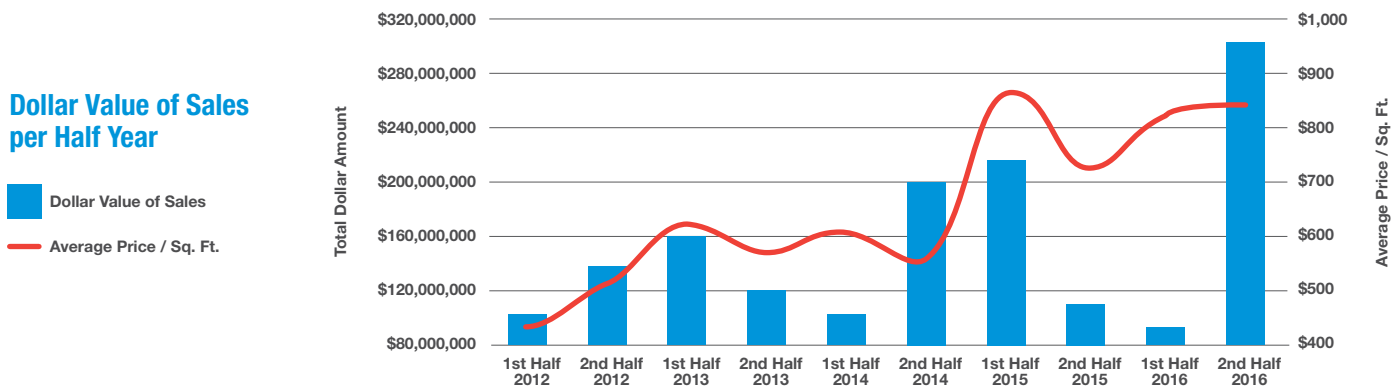
In the second half of 2016 there were a total of 359,082 square feet of office condominium sales in Manhattan, totaling \$304,040,259. The sales averaged \$847 per square foot. There were a total of 46 office condominium units sold in 25 different buildings, averaging 7,806 square feet per sale.

Market Overview (continued)

Square Footage of Sales: In the second half of 2016 the total square footage of sales reached a record high. 359,082 square feet was sold in the second half of 2016, compared to 113,147 square feet in the first half of 2016. The total square footage of sales in the second half of 2016 is considerably higher than the five year average of 236,135 square feet.



Dollar Value of Sales: In the second half of 2016 there was a total of \$304,040,259 in sales, more than triple the amount of sales in the first half of 2016 which totaled \$93,205,380, and nearly double the five-year average of \$153,991,585.



Average Price Per Square Foot: In the second half of 2016 the average price per square foot was \$847, 3% higher than the \$824 average price per square foot in the first half of 2016. Pricing was significantly higher than the \$655 five-year average price per square foot.

Number of Sales: There were 46 sales in the second half of 2016, 31 sales more than the first half of 2016. The number of office condominiums sold in the second half of 2016 was nine more than the five year average.

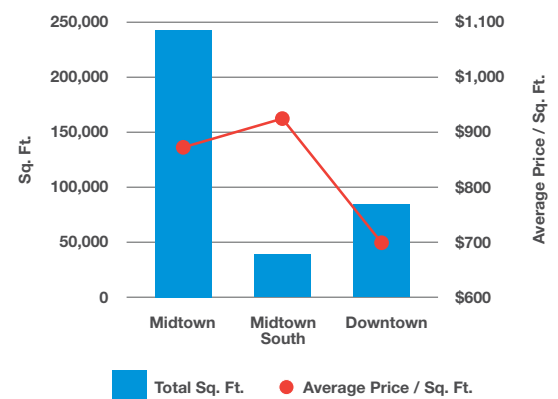
Submarket Statistics

The Midtown submarket is Manhattan's largest office condominium submarket, comprising of approximately 6 million square feet. In the second half of 2016 there were 34 sales totaling 242,627 square feet. The dollar value of these sales totaled \$214,248,259, averaging \$883 per square foot.

The Midtown South submarket comprises approximately 2.8 million square feet of office condominiums. In the second half of 2016 there were 7 sales totaling 37,179 square feet. The dollar value of these sales totaled \$34,250,000 averaging \$921 per square foot.

The Downtown submarket comprises approximately 2.1 million square feet of office condominiums. In the second half of 2016 there were 5 sales totaling 79,276 square feet. The dollar value of these sales totaled \$55,542,000, averaging \$701 per square foot.

2H Sales by Submarket



Availability

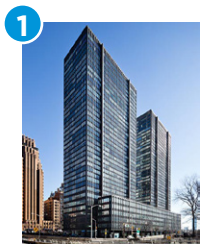
There is 841,011 square feet of available Manhattan office condominiums, which equates to a 7.7% availability rate. There are 77 units for sale in 35 buildings, with an average asking price of \$1,038 per square foot. In the Midtown submarket, there is 528,115 square feet for sale, with an average asking price of \$1,088 per square foot. In the Midtown South submarket, there is 66,260 square feet for sale, with an average asking price of \$1,327 per square foot. In the Downtown submarket, there is 246,636 square feet for sale, with an average asking price of \$852 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 544,455 square feet of office condominiums available for sale; a mere 4.9% availability rate.

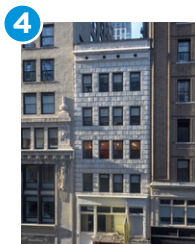


New Office Condominium Conversions

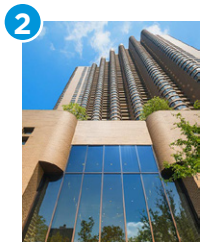
There have been six recent office condominium conversions, totaling 806,222 square feet. These condominium conversions are comprised of 163 units for sale with an average asking price of \$1,133 per square foot.



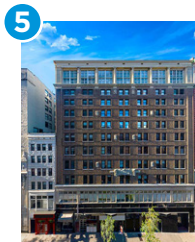
1 866 U.N. PLAZA
Bldg. Size: 416,609 Sq. Ft.
Asking \$/Sq. Ft.: \$1,142
Bldg. Class: A
Units: 93
Avg. Unit Size: 4,480 Sq. Ft.



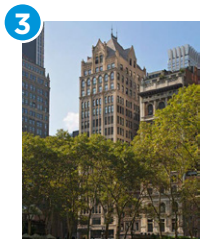
4 18 W. 33RD STREET
Bldg. Size: 14,055 Sq. Ft.
Asking \$/Sq. Ft.: \$1,000
Bldg. Class: B
Units: 5
Avg. Unit Size: 2,811 Sq. Ft.



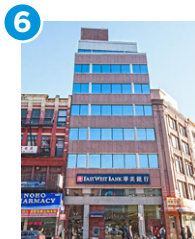
2 345 E. 37TH STREET
Bldg. Size: 105,640 Sq. Ft.
Asking \$/Sq. Ft.: \$994
Bldg. Class: A
Units: 32
Avg. Unit Size: 3,301 Sq. Ft.



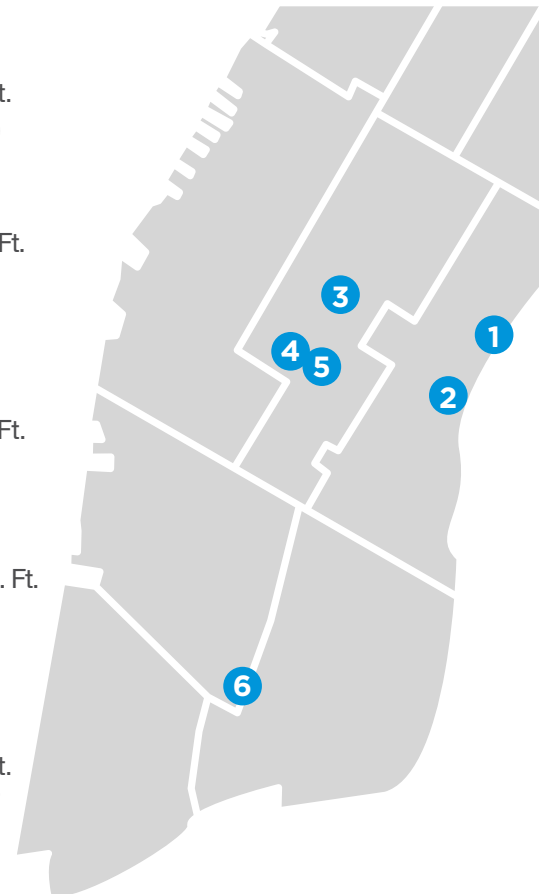
5 20 W. 33RD STREET
Bldg. Size: 159,813 Sq. Ft.
Asking \$/Sq. Ft.: \$983
Bldg. Class: B
Units: 11
Avg. Unit Size: 14,528 Sq. Ft.



3 24 W. 40TH STREET
Bldg. Size: 82,394 Sq. Ft.
Asking \$/Sq. Ft.: \$1,600
Bldg. Class: B
Units: 16
Avg. Unit Size: 5,150 Sq. Ft.



6 77 BOWERY
Bldg. Size: 27,711 Sq. Ft.
Asking \$/Sq. Ft.: \$1,067
Bldg. Class: B
Units: 6
Avg. Unit Size: 4,619 Sq. Ft.



Notable Office Condominium Sales



40 RECTOR STREET

Battery Park
between West and Washington Streets

Entire 16th & 17th Floors:
60,150 Sq. Ft.

Price: \$40,902,000 (\$680/Sq. Ft.)

Sale Date: 10/07/16

Purchaser: Doctors Without Borders, an international non-profit

Seller: RVM Enterprises, Inc., a financial services technology firm



70 WEST 36TH STREET

Penn Plaza/Garment
between Fifth and Sixth Avenues

Entire 11th Floor: 10,571 Sq. Ft.

Price: \$9,657,797 (\$914/Sq. Ft.)

Sale Date: 10/04/16

Purchaser: The McEvoy Group, a book publisher based in San Francisco

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



633 THIRD AVENUE

Grand Central
between 40th and 41st Streets

Partial 31st Floor: 10,105 Sq. Ft.

Price: \$9,347,125 (\$925/Sq. Ft.)

Sale Date: 07/15/16

Purchaser: The Zionist Organization of America, recently sold a Murray Hill building

Seller: Time Equities, Inc., real estate investment firm who remains a major owner in the building



131 WEST 35TH STREET

Penn Plaza/Garment
between Broadway and Seventh Avenues

Entire 9th Floor: 7,725 Sq. Ft.

Price: \$6,300,000 (\$816/Sq. Ft.)

Sale Date: 07/28/16

Purchaser: Quinn Fable Advertising, recently sold a boutique Plaza District building

Seller: Mallory & Church, a mens apparel firm



866 UNITED NATIONS PLAZA

U.N. Plaza
between 48th and 49th Streets

Units 517 & 520: 7,031 Sq. Ft.

Price: \$9,000,000 (\$1,280/Sq. Ft.)

Sale Date: 08/10/16

Purchaser: Government of Monaco, the office of the Permanent Mission to the United Nations

Seller: Meadow Partners, the building's sponsor and converter



24 WEST 40TH STREET

Penn Plaza/Garment
between Fifth and Sixth Avenues

Entire 14th Floor: 4,470 Sq. Ft.

Price: \$6,705,000 (\$1,500/Sq. Ft.)

Sale Date: 08/04/16

Purchaser: Shari Arison Family Office, a global investments and philanthropic firm

Seller: Harbour Group International, the building's sponsor and converter

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 \$500 million. In the small, highly specialized field of office condominium sales, Rudder Property Group is the market leader.

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