

Q1 PROPERTY SALES ANALYSIS : NEW YORK - OFFICE

Metro Volume and Pricing

Reis reports ten qualifying single property office investment transactions in the first quarter of 2013, for \$1.75 billion at a mean price of \$950 psf.* That mean price is the highest since the second quarter of 2008, but the dollar volume was down slightly from the prior two quarters. The largest deal of the quarter was the aforementioned sales-leaseback deal. In March, Sony Corporation sold the 827,686-square-foot Sony Plaza to The Chetrit Group LLC for \$1.1 billion (\$1,329 psf) according to data collected by Reis. That deal accounted for the majority of the sales value for the quarter.

METRO VOLUME AND PRICING



Top Submarkets

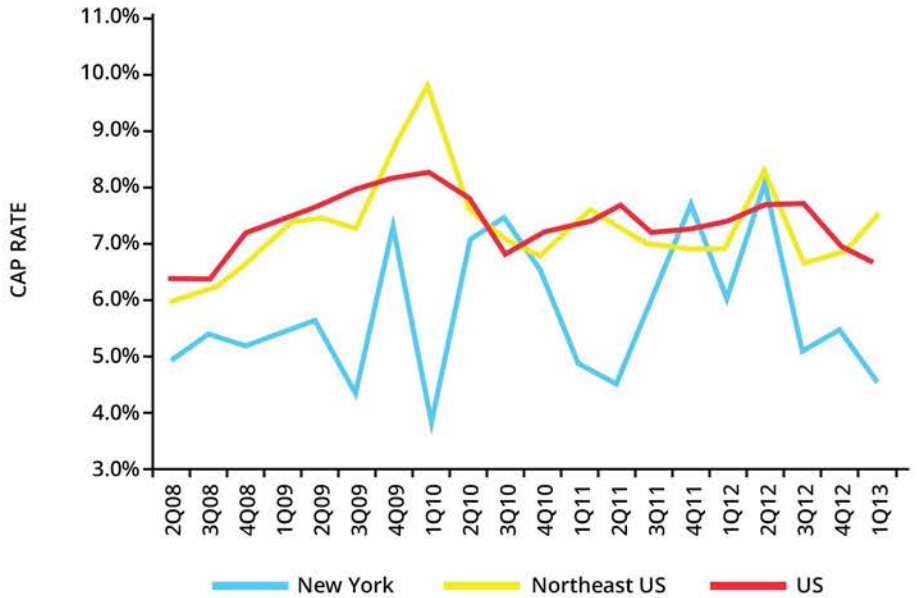
The Plaza submarket holds the top spot in dollar values of sales over the past four quarters at \$1.8 billion, while Downtown leads in square footage sold at 3.1 million. The highest average price for sales during 2013 was \$963 psf in the Plaza submarket.

Submarket Name	Square Feet Sold	Trans Volume (\$ millions)	Price Per SF
Plaza	1,883,359	\$1,814	\$963
Grand Central	2,547,026	\$1,577	\$650
Midtown South	2,185,907	\$1,340	\$624
Downtown	3,121,690	\$1,108	\$355
South Broadway	1,531,127	\$1,062	\$694
Penn Station	2,099,448	\$933	\$655
Midtown West	1,263,329	\$683	\$540

Cap Rate Comparisons and Forecasts

The mean cap rate for the first quarter was just 4.7%, the lowest since the first quarter of 2010. That the largest sale came with a lease from a major corporation explains the low cap rate. The low first quarter reading pulled the rolling 12 month cap rate down 40 basis points to 5.9%, returning it to the level of the fourth quarter of 2011. Little change is expected over the next few years.

OFFICE CAP RATE TRENDS



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