



MARKET SNAPSHOT

- AVG. \$/SF **4%**
- AVG. \$/UNIT **6%**
- AVG. GRM **5%**
- AVG. CAP **3%**



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Hybrid Marketing Key to \$91,900,000 Sale of BMH-350 Portfolio

The New York Multifamily team of Marcus & Millichap has successfully liquidated the multifamily assets of a family estate in a series of carefully crafted transactions with four separate investors.

Peter Von Der Ahe, Joe Koicim, Seth Glasser, Michael Fusco and Jake Kahn marketed the portfolio--a sprawling package of 350 rental units across three boroughs— with a novel hybrid approach that ultimately allowed the family to unlock the maximum value for their properties.

To successfully dispose of the BMH 350 portfolio, New York Multifamily team had three objectives:

1. **Serve** as a central point of communication for the various stakeholders, representing all parties equally throughout the transaction

- 2. **Provide** strategic guidance on how to best maximize price and value
- 3. **Execute** on simultaneous due diligence and contract negotiation processes if the assets were sold in separate transactions

Two-Pronged Approach

The “BMH 350” Portfolio consists of seven buildings in Manhattan, the Bronx and Harlem that had been acquired over nearly 50 years. The brokerage team worked tirelessly to speedily execute the disposition, aligning several stakeholders’ interests in a seamless process that will ensure the family’s legacy will live on.

After marketing the portfolio in its entirety as well as the buildings individually, the brokerage team opted for a hybrid of the two approaches and closed the transactions for a total sum north of \$91,900,000 million in just six months.

Ownership had developed management processes and economies of scale that allowed them to maximize revenue. Being left with only a portion of the portfolio was not the clients desired outcome. As such, the negotiation, due diligence and execution had to be perfectly timed and coordinated.

Speed and Precision

Balancing the pros and cons of selling the properties as a package or individually, the brokers’ chosen hybrid approach helped sellers achieve their financial goals, but increased the precision needed to execute documents with many parties simultaneously.

(continued on page 6)



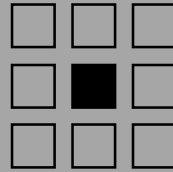
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WHY DO OUR CLIENTS CHOOSE THE NEW YORK MULTIFAMILY TEAM?



NICHE EXPERTISE

We specialize only in multifamily properties, only in New York City, customizing our strategy around you.



MIDDLE MARKET

Backed by the nation's largest private client brokerage, we bridge the gap between private and institutional capital.



CREATING OPPORTUNITIES

We are positioned to source exclusive opportunities for our clients - our sellers frequently become buyers with NYM.



BROKERAGE AS A VERB

We don't simply market properties - we aggressively sell them in pursuit of the best outcomes for clients.

12-MONTH NYC SALES TRENDS

MANHATTAN

TOTAL SALES
 ↓ 24%^{YOY}

AVG \$/SF
 ↓ 4%^{YOY}

BROOKLYN

TOTAL SALES
 ↓ 31%^{YOY}

AVG \$/SF
 ↓ 6%^{YOY}

BRONX

TOTAL SALES
 ↓ 22%^{YOY}

AVG \$/SF
 ↑ 1%^{YOY}

QUEENS

TOTAL SALES
 ↑ 31%^{YOY}

AVG \$/SF
 ↑ 2%^{YOY}



Manhattan

109 AVENUE A EAST VILLAGE
16,581 SF | FULLY RENOVATED



JUST LISTED | 4.2% CAP RATE
\$24,500,000



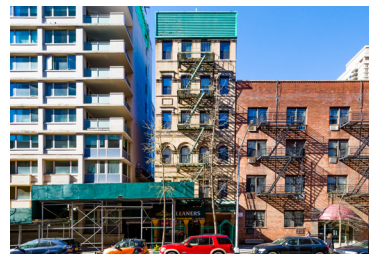
Just Listed – West 55th Street
Delivered Vacant - \$700/BSF



Just Closed – 345 East 92nd Street
50+ Year Tenure - \$6,075,000



Under Contract – East 4th Street
15 Units - 6,685 SF



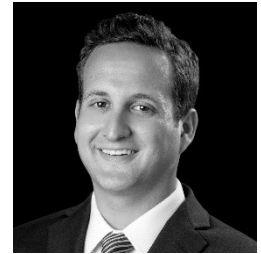
Just Listed – East 82nd Street
20 Units - \$10,950,000



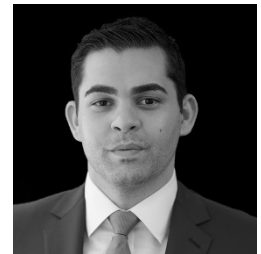
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Brooklyn + Queens

87-16 WINCHESTER BOULEVARD 4.4% CAP RATE
GARDEN STYLE APARTMENT COMPLEX



JUST REDUCED | 48 UNITS
\$8,988,000



Under Contract – East 14th Street
35 Units - \$289/SF



Just Listed – Franklin Street
16 Units - 50' of Frontage



Just Listed – Park Place
\$3,995,000 - 4 Units



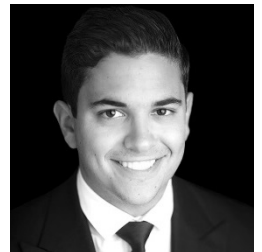
Under Contract – Quay Street
Greenpoint Waterfront - 7 Units



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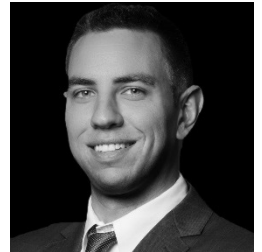
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Upper Manhattan + Bronx

MGS ASSOCIATES PORTFOLIO

\$72,500,000 | 321,231 SF

*Listing Price



UNDER CONTRACT
WASHINGTON HEIGHTS & BRONX
346 UNITS



Just Listed – Fort Charles Place
20 Units - \$3,900,000



Under Contract – Fox Street
9,920 SF - 13 Units



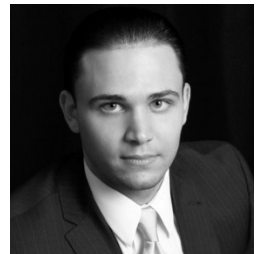
Just Listed – University Avenue
60 Units - \$13,000,000



Just Listed – St. Nicholas Avenue
26 Units - 22,008 SF



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Hybrid Marketing

continued from cover...

Leveraging their extensive experience in middle-market multifamily real estate sales, the brokerage team was able to locate four enthusiastic buyers and complete a prudent due diligence process quickly--allowing the family to exit its investment at or above market rate, in defiance of New York City multifamily market conditions.

The sales also allowed the buyers to strategically expand their portfolios in the New York City neighborhoods of their choosing.

Four Buyers & Four Business Plans

The properties were sold as one cluster of four buildings in the Bronx, and then separate sales in Harlem, the Upper East Side, and the Upper West Side.

Passing on a Financial Legacy

The sales process demanded skill, market knowledge, a great deal of focus, energy and effort. In the end, New York Multifamily was able to identify the right buyers to help its clients beat the offers made on the portfolio as a whole while also closing the separate deals in a timely fashion.

For the full version of this article, please visit the Behind the Bricks blog at newyorkmultifamily.com/btb



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105 East 177th Street – Part of the BMH-350 Portfolio Sale



NNN PROPERTIES WHERE WOULD YOU PUT THE MONEY IF YOU SOLD?

We sell more Triple-Net Properties than any other firm in the country.

Transitioning from an average Triple-Net Property typically **DOUBLES** or, in some cases, **TRIPLES** your net cash flow. We invite you to let us demonstrate how we can increase your cash flow. **To the right is a sampling of our NNN activity.**

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Sonic Drive-In On Market
 Cap Rate: 6.00%
 Asking Price: \$1,275,000



CVS On Market
 Cap Rate: 5.05%
 Asking Price: \$5,544,554



Family Dollar Closed
 Cap Rate: 6.35%
 Sale Price: \$2,045,000



Burger King Closed
 Cap Rate: 6.50%
 Sale Price: \$2,326,862



Could you benefit from a more predictable income stream?



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Whether it's a multi-family property, single-family rental, or office building, a properly structured IRC §1031 exchange can defer your Federal, New York and New York City capital gains tax.

Legal 1031 Exchange Services, Inc. is a qualified intermediary for 1031 tax deferred exchanges. Contact us to find out how we can help you.

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Todd R. Pajonas, Esq., President | Matthew K. Scheriff, CPA, EVP
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CALL US TO LEARN MORE

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NY MULTIFAMILY

August 2018

Who We Are.

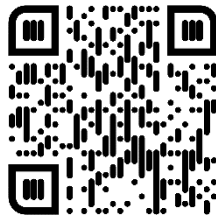
The Number One
Middle Market Team In NYC

230 TOTAL SALES
\$1.8 BILLION IN TOTAL VOLUME

2016 + 2017

Be Social.

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260 MADISON AVENUE MANHATTAN | ONE METROTECH CENTER BROOKLYN