

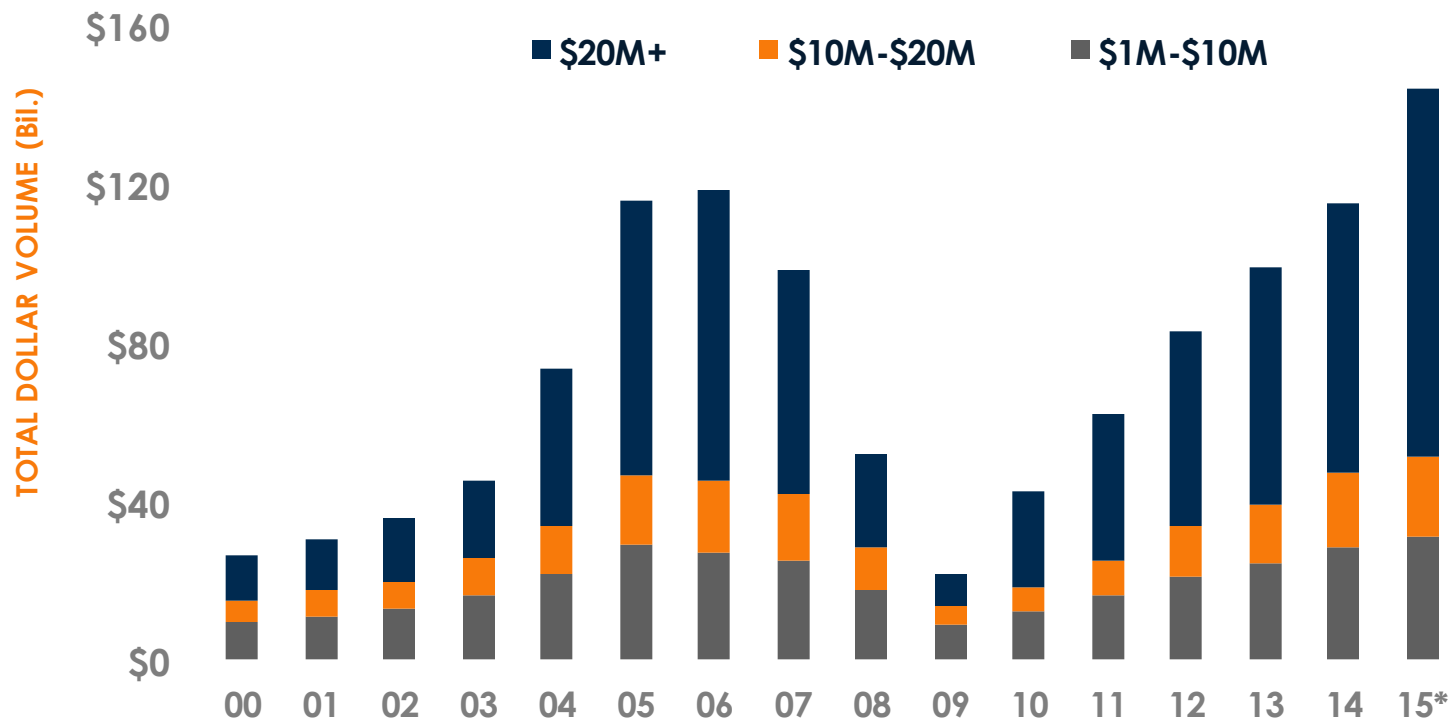
An aerial view of the New York City skyline, including the Empire State Building, seen through the windshield of a car. The car's interior, including the steering wheel and dashboard, is visible in the foreground, creating a sense of being inside the vehicle looking out at the city.

5 THINGS SELLERS MUST KNOW IN 2016

NEWYORKMULTIFAMILY.COM
NICHE EXPERTISE MANHATTAN | BROOKLYN | QUEENS | BRONX

January 27, 2016

U.S. APARTMENT INVESTMENT TRENDS | Dollar Volume By Price Tranche



NewYorkMultifamily.com

2015 RESULTS

NewYorkMultifamily.com
2015 Results

114

OF CLOSINGS

\$831
MILLION

\$ VOLUME CLOSED

151

OF LISTINGS

1,595

OF UNITS SOLD

Marcus & Millichap
2015 Manhattan Results

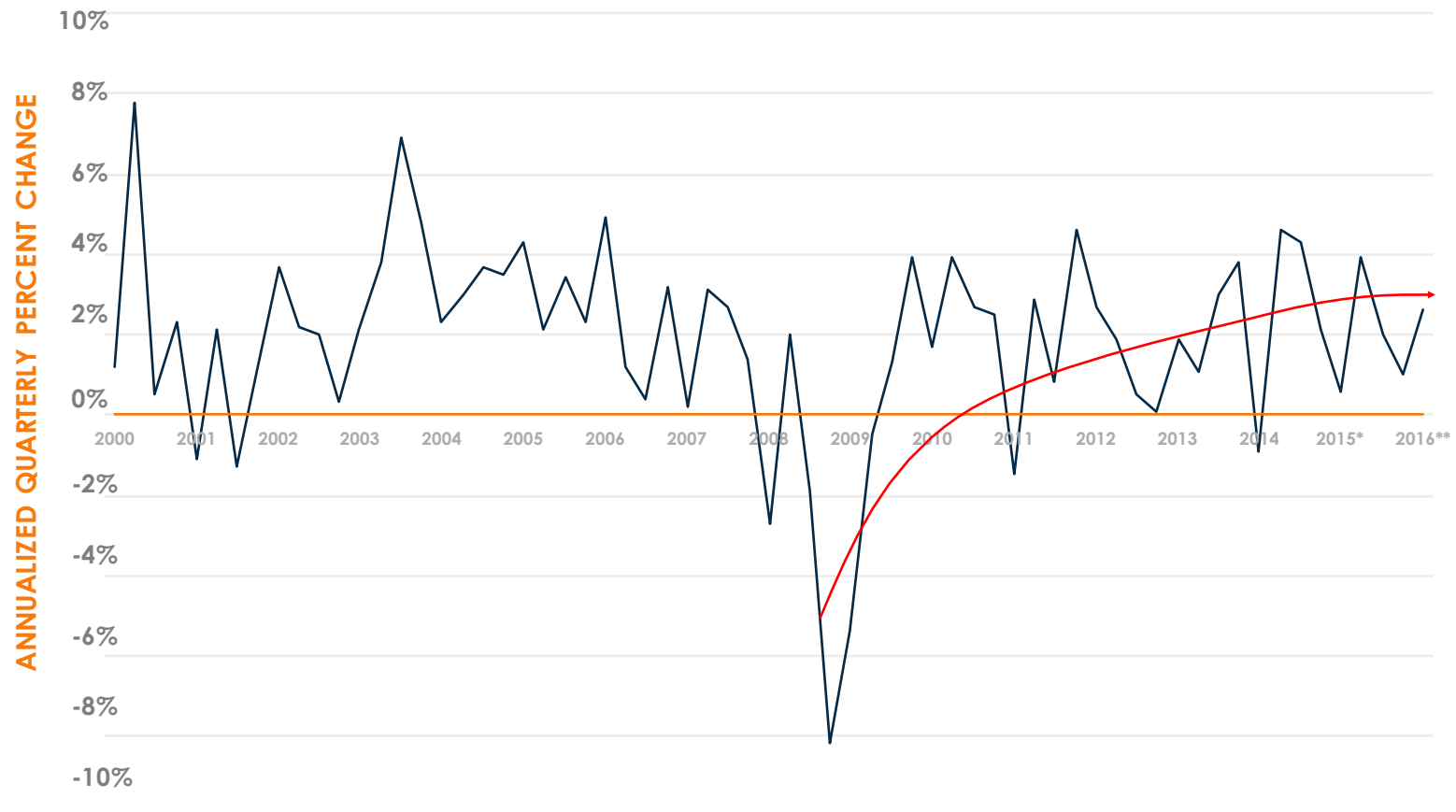
601

OF CLOSINGS

2.8
BILLION

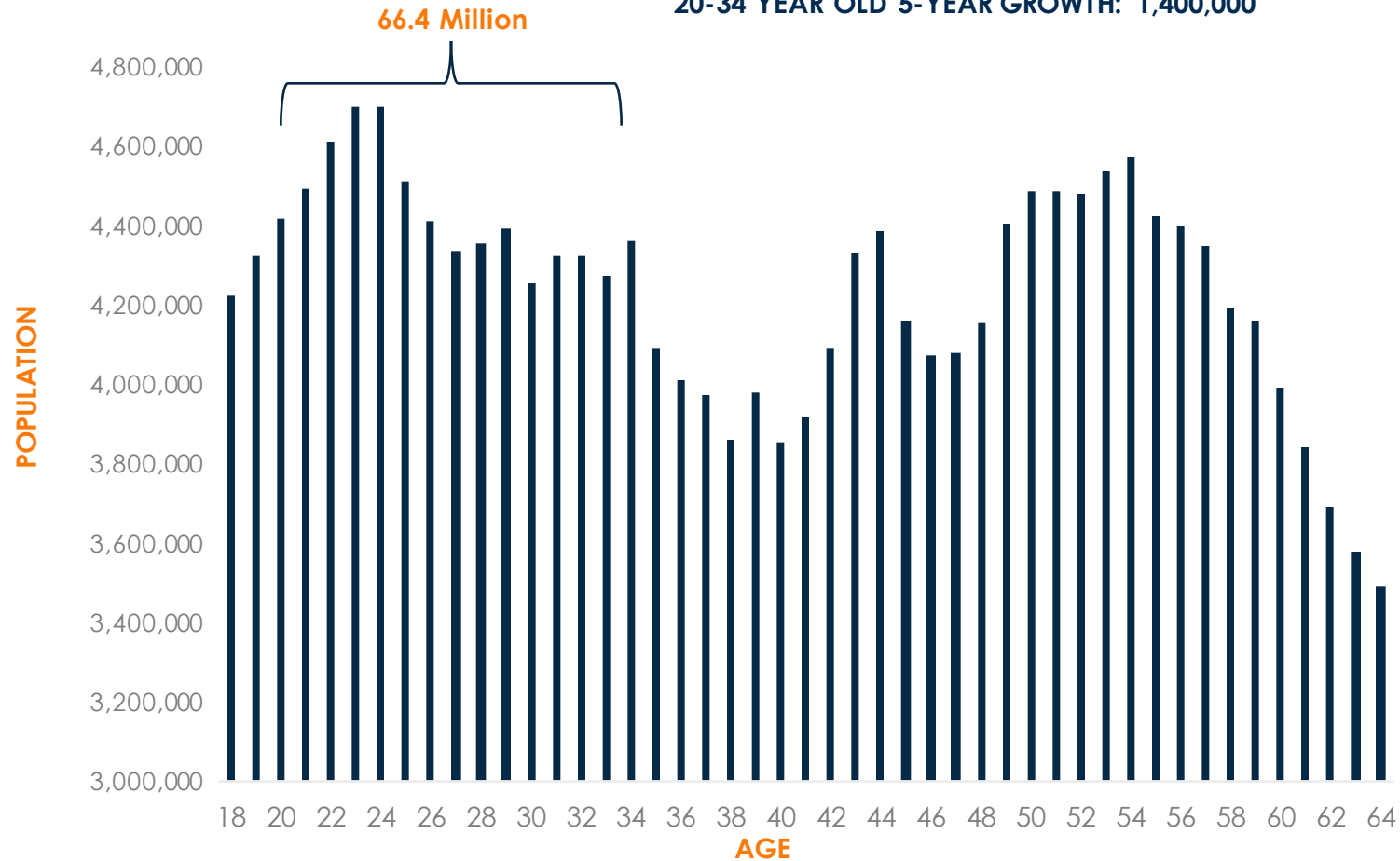
\$ VOLUME CLOSED

U.S. GDP ENTERS 7TH YEAR OF GROWTH



MILLENNIAL COHORT BIGGER THAN BABY BOOM

20-34 YEAR OLD 5-YEAR GROWTH: 1,400,000



THREE ITEMS TO COVER

- 1. What Type of Building Am I Selling? And Who Is My Audience?**
- 2. How To Sell Today? Timing, Accuracy, and Momentum**
- 3. Implications of The Rent Act of 2015**

FINISHED PRODUCT VS. VALUE-ADD | DIFFERENT EXPECTATIONS

FINISHED PRODUCT

High Price PSF

High Cap Rate

**High Number of Free
Market Tenants**

VALUE-ADD

Low Price PSF

Low Cap Rate

**Low Number of Free
Market Tenants**

FINISHED PRODUCT VS. VALUE-ADD | DIFFERENT BUYER TYPES

1. Finished Product

- **(Many Are) New To Market**
- **1031**
- **Looking For Less Complexity**
- **Diligence Must Be Clean**
- **4-5% Cap Rate**
- **Buying For Today**

2. Value-Add

- **Typically Local**
- **Act Very Quickly**
- **Easier To Diligence**
- **3% Cap Rate**
- **Buying For Tomorrow**

3 NECESSITIES TODAY | TIMING, ACCURACY & MOMENTUM

- 1. Pricing Accurately**
- 2. Creating A Competitive Bid Process**
- 3. Timing: From Acceptance to Signed Contract**

THE RENT ACT OF 2015 | SUMMARY

- 1) Under the new rent laws, the threshold for **deregulation was increased from \$2,500 to \$2,700.**
- 2) This \$2,700 threshold must be surpassed during the occupancy of a current RS tenant.
- 3) The \$2,700 threshold is now subject to annual increases based on the RGB's Ruling.
- 4) In addition to a much more broad interpretation of tenant harassment, the **monetary penalties for such harassment have been increased.**
- 5) Look back is no longer four years - it's forever.

SUMMARY | 2016 OUTLOOK

- 1. Pricing To Be Mostly Flat**
- 2. Interest Rates Not A Factor**
- 3. Stock Market & World Events Push Capital Towards Real Estate**
- 4. Buyers Will Expect and Receive Price Cuts For Mistakes**

SUMMARY | 2016 OPPORTUNITIES

- 1. Improve Location and Quality**
- 2. Buy Finished Product (Cash Flowing)**
- 3. Diversify And Increase Cash Flow (NNN)**

NewYorkMultifamily.com

OUR TEAM



PETER VON DER AHE

212.430.5114
pvonderahe@mmreis.com



JOE KOICIM

212.430.5147
jkoicim@mmreis.com



SCOTT EDELSTEIN

212.430.5137
sedelstein@mmreis.com



SHAUN RINEY

718.475.4369
shaun.riney@mmreis.com



SETH GLASSER

212.430.5136
sglasser@mmreis.com



SEAN LEFKOVITS

212.430.5218
slefkovits@mmreis.com



DAVID LLOYD

212.430.5185
dlloyd@mmreis.com



ANDREW DANSKER

212.430.5168
andrew.dansker@mmreis.com