



Massey Knakal Sells Eastside Multi-Family Portfolio for \$179,000,000

In an all cash transaction valued at approximately \$179,000,000, the seven-building portfolio of elevated apartment buildings known as the Eastside Portfolio has been sold. The buildings in the portfolio consist of 40 West 55th Street, 345 East 64th Street, 3 East 66th Street, 25 East 67th Street, 30 East 68th Street, 192 East 75th Street and 30 East End Avenue. The portfolio had been developed, redeveloped and maintained by Macklowe Properties. The buildings contained a total of 345 apartments and 17 commercial stores. Of the residential units, 249 were free market, 86 were rent stabilized and 10 were rent controlled. Massey Knakal Realty Services was retained exclusively by Macklowe Properties to market the buildings. Within a 60-day marketing period, the firm received 77 offers. This transaction occurred at a gross rent multiple of 12.84 and a capitalization rate of 5.11%. Massey Knakal Realty Services was the sole broker in this transaction.



Massey Knakal Now Selling a Building a Day

Given the growth and expansion of the Massey Knakal family, the firm is on pace to sell approximately 350 buildings in 2004. Being able to sell a building a day has been made possible by our clients and friends in the industry. We would like to thank all of you for your continued encouragement and support.

**Ciraulo Named
CEO
of Massey Knakal**

See page 5 for details...



Massey Knakal Realty Services "Neighborhood Expertise...Citywide"

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MASSEY KNAKAL NEWS - MANHATTAN

Message from the Chairman

Friends:

It appears that the window of opportunity in the current seller's bonanza is no longer as wide open as it has been. Demand for investment properties continues to outpace supply. However, recent increases in interest rates, which range from 50-120 basis points for 5-year fixed money, appear to have tempered the pace of price appreciation. While prices have not begun to decline, it appears they have stopped increasing. We believe that an increase of another 50-100 basis points could have a significant effect on market conditions. It is our further belief that as long as rates stay below 7%, we should be in a market where demand will still outpace supply and equilibrium will not be reached. Unemployment statistics are encouraging and we are hopeful that residential and commercial space will continue positive absorption. It appears that the biggest incentive driving new sellers into the market is the looming increase in capital gains rates, which we are starting to hear about more and more. Given new investment demand into the marketplace, our list of active investors for NYC properties now exceeds 5,200. If you would like to take advantage of this significant pool of active purchasers or would like to know what your property is worth in the current market, please contact your Massey Knakal broker for a valuation. We look forward to serving your building sale needs now and in the future.

Very truly yours,



Robert A. Knakal

EAST VILLAGE APARTMENT BUILDING SOLD

In an all cash transaction valued at approximately \$1,475,000, the property at 340 East 9th Street has been sold. The property is located on the south side of East 9th



Street, approximately 200 feet west of First Avenue. **The property is a 25 foot wide, five-story walk-up building containing 10 residential apartments.** Nine of the apartments were rent stabilized and one was rent controlled. The building produced a gross annual revenue of approximately \$131,000 and a net operating income of approximately \$85,000 per annum. Transactions in the East Village have been as competitively bid as any in

New York City recently. **This transaction occurred at a capitalization rate of 5.76% and a gross rent multiple of 11.26.** Massey Knakal was the sole broker in this transaction.

MASSEY KNAKAL SELLS TWO MIXED-USE WALK-UP APARTMENT BUILDINGS

In an all cash transaction valued at \$4,950,000, the buildings at 842 and 844 Amsterdam Avenue on the Upper Westside have been sold. The buildings are located on the northeast corner of Amsterdam Avenue and West 101st Street. **They have a total size of 50' x 95' and contain 27 residential units and 3 stores.** There are 25 rent stabilized units and 2 free market units. All of the stores were rented with long-term leases. The properties had new mechanical systems, roofs and some of the apartments and hallways had been upgraded. The properties produced a gross revenue of \$511,000 per annum and a net operating income of approximately \$332,000. The excellent condition of the properties and the significant upside potential allowed us to receive 68 offers during our marketing program. The purchaser purchased the buildings to effectuate a 1031 tax free exchange. **This transaction occurred at a capitalization rate of 6.72% and a gross rent multiple of 9.67.** Massey Knakal Realty Services was the sole broker in this transaction.



WEST SIDE COMMERCIAL BUILDING SOLD

In a transaction valued at approximately \$1,965,000, the property at 605 West 47th Street has been sold. The property is a 25-foot-wide, walk-up, commercial building that had been partially renovated. The ground floor had a garage space and the upper four floors were office space. Ceiling height on the ground floor was 14 feet. The building was delivered vacant at the time of sale. This was an unusual building given that it was a commercial walk-up. **Based on its walk-up status, we were pleased to obtain \$255 per square foot for the building.** Massey Knakal Realty Services was the sole broker in this transaction.



NO ONE SELLS MORE NEW YORK CITY INVESTMENT PROPERTIES THAN MASSEY KNAKAL



Top NYC Investment Sales Brokerages Sales Transactions Occurring between 10/01/2002-09/30/2003 In Manhattan, Brooklyn, Bronx & Queens*

	# of Sales	Ave Sales Price
Massey Knakal Realty Services, Inc.	103	\$5,722,447
Besen & Associates, Inc.	51	\$3,299,353
Eastern Consolidated Properties, Inc.	47	\$7,713,309
GFI Realty Services, Inc.	45	\$4,799,589
Lee O'dell Real Estate Inc.	39	\$1,661,308
Sholom & Zuckerbrot Realty LLC.	32	\$1,766,362
John Anthony Group, Inc.	25	\$3,137,143
Capin & Associates	24	\$5,049,208
WRA Properties, Inc.	16	\$2,188,046
Corcoran Group	13	\$2,384,538
Marcus & Millichap	13	\$2,172,500
Newmark & Company Real Estate Inc.	11	\$24,361,727
Cushman & Wakefield, Inc.	7	\$83,771,429
CB Richard Ellis**	7	\$67,604,606
Grubb & Ellis	7	\$8,706,393
Murray Hill Properties	7	\$6,828,214
Greiner-Maltz Company, Inc	6	\$5,279,167
Eastdil Realty Company, LLC	6	\$472,350,000
Prudential Douglas Elliman	6	\$3,662,500
Dollar Volume		\$6,105,731,426

*Based on analysis of 2,500 transactions, \$9.9 billion in sales. All sales confirmed by CoStar Comps.

**Includes some transactions handled by Insignia/ESG, Inc.

The 103 sales for Massey Knakal is the total of investment property sales only. Including owner/ user sales, Massey Knakal's total number of buildings sold during this timeframe was 168.



Realty Services

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MASSEY KNAKAL NEWS - NORTHERN MANHATTAN

MASSEY KNAKAL SELLS DILAPIDATED TOWNHOUSE IN HARLEM



In an all cash transaction valued at approximately \$360,000, the property at 62 East 131st Street has been sold. The property is located on the south side of 131st Street between Park and Madison Avenues. It is a 17.5 foot wide x 50 foot deep, four-story plus basement, townhouse shell. The building was in a significant state of disrepair and was delivered

vacant, suitable for customization to single-family residence or live plus income. Based on strong demand from the marketplace, even properties which are in need of significant redevelopment have seen a significant number of offers. **This transaction occurred at approximately \$102 per square foot. Massey Knakal Realty Services was the sole broker in this transaction.**

MIXED-USE BUILDING IN SPANISH HARLEM SOLD



In an all cash transaction valued at \$1,260,000, 175 East 105th Street has been sold. The property is located on the north side of East 105th Street between Lexington and Third Avenues. It is a 25 foot wide, five-story mixed-use building containing 10,080 square feet. The building contained 14 residential apartments, all of which were two-bedrooms, and a vacant retail ground floor which was previously

a bar. Making a market projection for the retail space, the property could produce a gross revenue of \$160,000 per annum and a net operating income of \$118,000. **This transaction occurred at a capitalization rate of 6.55% and a gross rent multiple of 9.68. Massey Knakal was the sole broker in this transaction.**

D & G DONOVAN & GIANNUZZI, LLP

Attorneys At Law



*Donovan & Giannuzzi, LLP
is pleased to announce that*

*Alan C. Polacek,
formerly a Partner with Farrell Fritz, P.C.,
has joined the firm as Partner.*



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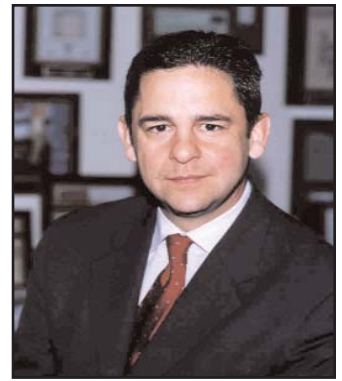
MASSEY KNAKAL SELLS WALK-UP APARTMENT BUILDING

In an all cash transaction valued at \$3,975,000, the property at 301 East 108th Street has been sold. The property is located on the northeast corner of East 108th Street and Second Avenue. The building is a 50' x 100' six-story plus basement mixed-use building containing 35 residential units and six stores. At the time of sale, the building was producing a gross revenue of approximately \$438,000 and a net operating income of approximately \$300,000. We were pleased to obtain over 9 times the gross rent for this outstanding property. **This transaction occurred at a capitalization rate of 7.57%. Massey Knakal Realty Services was the sole broker in this transaction.**



John F. Ciraulo

Named Massey Knakal CEO



Paul J. Massey, Jr. and Robert A. Knakal are pleased to announce that John F. Ciraulo has been appointed Chief Executive Officer of Massey Knakal Realty Services. Since joining Massey Knakal in the fall of 1993, Mr. Ciraulo has greatly expanded the company's geographic influence and has also made a significant impact on the way the company conducts business. Named Partner in 1998 and President in 2000, Mr. Ciraulo developed an extremely strong presence in the Midtown South marketplace, which includes Murray Hill, Gramercy Park and the Flatiron neighborhoods. His unique ability to originate business, coupled with a warm professionalism that endears him to potential clients, have enabled him to fully utilize Massey Knakal's systematic approach to building sales. "John's promotion to CEO as his 10th Anniversary with the firm approaches was an easy decision", said company Chairman Robert Knakal. "John has been an excellent representative of our firm since day one and his promotion is extremely well deserved," said Founding Partner Paul Massey. "Massey Knakal has an approach to building sales that is unsurpassed in the industry today. Professionalism, meticulous analysis of the overall property value and attention to detail are standards for how we do business. I am proud to be part of the Massey Knakal family," stated Mr. Ciraulo. Mr. Ciraulo has been the winner of Massey Knakal's Gerald W. Bridges Salesman of the Year award and of the Louis Brause Outstanding Business Development and Good Will Promotion award many times over. "We have a great team of business professionals at Massey Knakal. Our people are the reason we are leaders in the industry," Mr. Ciraulo said. John resides in Warren, NJ with his wife, Kathleen, and their three children; Jack, Olivia, and Nicholas.

BROOKLYN DEVELOPMENT SITE SOLD



In an all cash transaction valued at approximately \$1,975,000, the property at 546 4th Avenue has been sold. The property is located on the north-west corner of 4th Avenue and 15th Street in the Park Slope section of Brooklyn. The prop-

erty is a three-building lot, of which two buildings were destroyed by fire. The third is a small residential building that was to be delivered vacant. Ideal use for this property was for demolition of the site and new construction in accordance with pending rezoning. The zoning of the property was changed to R8-A, allowing for a 6.02 FAR, which indicates a total buildable footage of approximately 18,600 square feet. This prime corner is located only three blocks from the entrance of the Gowanus Expressway. This transaction occurred at a price of approximately \$105 per buildable square foot. Massey Knakal Realty Services was the sole broker in this transaction.



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MASSEY KNAKAL NEWS - BROOKLYN

MASSEY KNAKAL SELLS PARK SLOPE MIXED-USE BUILDING



In an all cash transaction valued at approximately \$1,425,000, the property at 211 4th Avenue in the Park Slope section of Brooklyn has been sold.

The property is located on the northeast corner of Union Street and 4th Avenue. **The building is a 20-foot wide, four-story plus basement mixed-use building containing three retail stores and six apartments.** The apartments were two- and three-bedrooms with five being stabilized and one free-market. The building produced a gross revenue of \$160,000 per year and a net operating income of approximately \$127,000 per year. We received 53 offers in 60 days of marketing. **This transaction occurred at a capitalization rate of 8.91% and a gross rent multiple of approximately 9.** Massey Knakal Realty Services was the sole broker in this transaction.

BROOKLYN APARTMENT BUILDING SOLD

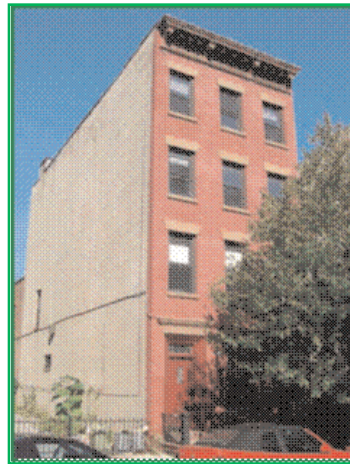
In an all cash transaction valued at approximately \$460,000, the property 59 Irving Avenue in the Bedford Stuyvesant section of Brooklyn has been sold.



The property is located on Irving Avenue between Troutman and Starr Streets. **It is a 26-foot wide, three-story walk-up building containing six apartments.** All apartments are three-bedrooms and were fully occupied at the time of sale.

The building produced a gross revenue of \$63,000 and a net operating income of approximately \$41,000. The building also included a large finished basement with a super's apartment. **This transaction occurred at a capitalization rate of 9.01% and a gross rent multiple of 7.26.** Massey Knakal Realty Services was the sole broker in this transaction.

THREE PARCEL PACKAGE IN CARROLL GARDENS SOLD



In an all cash transaction valued at approximately \$2,750,000, the property at 193 Luquer Street in the Carroll Gardens section of Brooklyn has been sold.

The property is located on the north side of Luquer Street between Court and Smith Streets. **This offering consisted of two vacant 20' x 100' development sites straddling a four-story building that needed renovation.** Plans existed to add a fifth floor to the four-story structure and to build two matching five-story buildings with penthouses. This site was just steps from the Smith and Ninth Street subway station, fine Smith Street dining and Court Street's commercial strip. Massey Knakal Realty Services was the sole broker in this transaction.

MASSEY KNAKAL SELLS DEVELOPMENT SITE IN BROOKLYN

In an all cash transaction valued at approximately \$4,877,000, the property at 156-166 16th Street in the Park Slope section of Brooklyn has been sold. The property is located on the north side of 16th Street between 4th and 5th Avenues. **The site consists of a 21,000 square foot lot with approximately 50,000**



buildable square feet. We were extremely pleased to obtain an extraordinarily high number of offers for this property. **This transaction occurred at a price of approximately \$97.50 per buildable square foot.** Massey Knakal Realty Services was the sole broker in this transaction.

MASSEY KNAKAL NEWS - QUEENS

APARTMENT BUILDING IN COLLEGE POINT SOLD



In an all cash transaction valued at approximately \$550,000, the property at 18-18 128th Street in the College Point section of Queens has been sold. It is a 26-foot wide, two-story building on the north side of 128th Street between 14th and 20th Avenues. The building contained two residen-

tial units and a commercial space, and was located in a manufacturing zone, allowing for conversion to industrial use. The current zoning of M-1 would allow for new industrial construction of approximately 6,200 square feet. Massey Knakal Realty Services was the sole broker in this transaction.

MASSEY KNAKAL SELLS MIXED-USE BUILDING IN QUEENS

In an all cash transaction valued at approximately \$760,000, 44-61 23rd Street in the Long Island City section of Queens has been sold. The property is located on the southeast corner of 44th Drive and 23rd Street. It is a 20-foot wide, three-story mixed-use building containing three residential apartments plus commercial office space and a parking garage. The building was fully occupied and produced a gross revenue of \$66,300 per annum. The net operating income for the property was \$46,300 per year. The building contained a gross square footage of approximately 3,100. This transaction occurred at a capitalization rate of 6.09% and a gross rent multiple of 11.46. Massey Knakal Realty Services was the sole broker in this transaction.



ing income for the property was \$46,300 per year. The building contained a gross square footage of approximately 3,100. This transaction occurred at a capitalization rate of 6.09% and a gross rent multiple of 11.46. Massey Knakal Realty Services was the sole broker in this transaction.

MASSEY KNAKAL SELLS INDUSTRIAL BUILDING

In an all cash transaction valued at approximately \$500,000, the property at 106-38/43 157th Street in the Jamaica section of Queens has been sold. The property is located on the west side of 157th Street between South Road and 107th Avenue. The property is a 100' x 100' lot containing a 100' x 61' one-story industrial building. The property was occupied previously by two auto repair shops but was being delivered vacant at the time of sale. The purchaser of the property plans on redeveloping the property and changing its use. This sale occurred at approximately \$81 per square foot. Massey Knakal Realty Services was the sole broker in this transaction.



The property is a 100' x 100' lot containing a 100' x 61' one-story industrial building. The property was occupied previously by two auto repair shops but was being delivered vacant at the time of sale. The purchaser of the property plans on redeveloping the property and changing its use. This sale occurred at approximately \$81 per square foot. Massey Knakal Realty Services was the sole broker in this transaction.

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ROBERT A. KNAKAL WINS ROBERT T. LAWRENCE AWARD IN 2004 REAL ESTATE BOARD OF NEW YORK'S MOST INGENUOUS DEAL OF THE YEAR CONTEST

For the second time in three years, Robert A. Knakal was named the recipient of the Real Estate Board of New York's coveted Robert T. Lawrence Award in the Most Ingenious Deal of the Year Contest. In 2002, Mr. Knakal won the award along with Mark Massey for the Nine Year Assemblage of the Easterly blockfront on Second Avenue between 54th and 55th Streets. This year, Mr. Knakal was awarded the prize for the sale of the Gotham Book Mart building. Mr. Knakal was named the exclusive sales agent for the five-story, 9,000 square foot property



located at 41 West 47th Street. While neighboring building owners and other real estate professions valued the property at roughly \$5,000,000 due to its poor condition, Mr. Knakal believed that he could achieve a price of more than \$7,000,000. Because of the indiscrete nature of the prospects bidding on the transaction, Mr. Knakal conceived and implemented a negotiating strategy that established leverage for the seller and brought a sales price from a "highest, best and final" high bid of \$5,500,000 to \$7,200,000 - a 31% increase. The entire Massey Knakal family sends out its congratulations to Mr. Knakal on winning this prestigious award.



MASSEY KNAKAL BEGINS OPERATIONS IN STATEN ISLAND

In a move that was planned for more than a year, Massey Knakal has established a presence in the borough of Staten Island. The firm recently hired Joseph Sitt and Paul Rich to be its first salespeople working exclusively in the Staten Island market. "We're extremely excited and enthusiastic about the prospects for a strong building sales presence in Staten Island," said Timothy D. King, a partner at Massey Knakal who runs the Brooklyn operations and will also be oversee the company's Staten Island initiatives. "We believe that Staten Island has been a generally overlooked borough from a brokerage perspective and it will now be given the attention that it deserves," Chairman Robert Knakal said. "We are highly confident that Tim will follow up his outstanding job establishing our operations in Brooklyn with similar tenacity in the Staten Island market," Founding Parnter Paul Massey said. Massey Knakal plans on opening an office in Staten Island in early 2005.

Massey Knakal Retained to Sell \$25,000,000 Budget Mortgage Properties (The Rabizadeh Portfolio)

Massey Knakal has been retained on an exclusive basis to arrange for the sale of the Rabizadeh Portfolio, a package of 54 properties of various sizes of vacant land and properties throughout Northern Manhattan, the Bronx, Brooklyn and Queens.

The sellers, Albert and Joseph Rabizadeh of Budget Mortgage, are major developers in the boroughs. The sellers are involved in purchasing larger properties, mostly in the Northern Manhattan area with the intention of developing condominiums and commercial properties.

"We managed to purchase several properties that are well-positioned on major avenues or suitable for residential conversion, and we decided to retain Massey Knakal to sell our smaller size development sites because of Massey Knakal's territory system," Albert Rabizadeh said. "Massey Knakal allocated 10 salespeople, each an expert in a submarket where my properties are located. The process is efficient and I get written reports every 10 days about the marketing progress. It is a highly professional system."

Massey Knakal was hired to sell the portfolio based on its unique territory coverage of sub-segments of the New York real estate market in each of the boroughs. The Massey Knakal team that will handle the portfolio consists of 10 salespeople and their teams throughout the different boroughs. This structure allows an efficient process of selling such a package where the experts in each sub-market implement the marketing program for the specific properties in each territory, and achieve a substantial number of offers almost immediately.

Thus far, half of the portfolio is sold or under contract with the remaining half in active negotiations with various potential buyers.



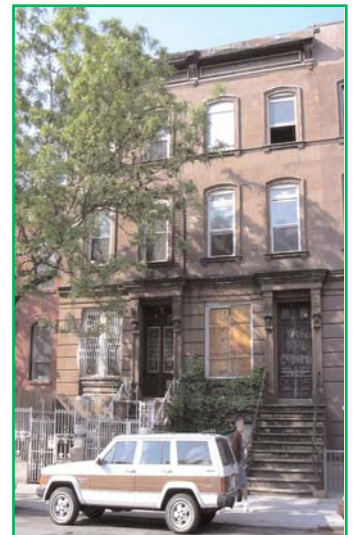
1980 Park Avenue



229 Lenox Avenue



119 West 130th Street



326 East 120th Street

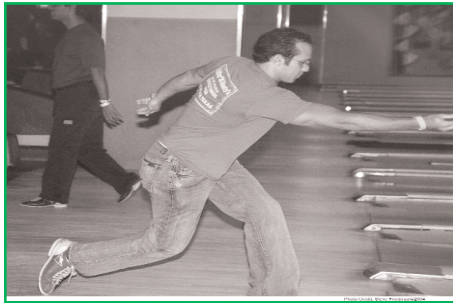
MASSEY KNAKAL'S ANNUAL BOWLING OUTING RAISE

Larry Norman

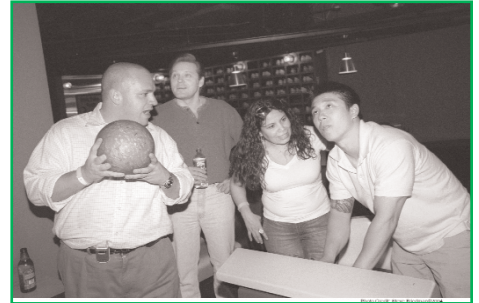
During this year's Massey Knakal bowling outing, the guest of honor who has provided tremendous benefit to the company during his tenure at JDF is Larry Norman, who has provided tremendous benefit to the company during his tenure at JDF. "Larry has been a loyal and valuable part of the work he has done to support JDF and we are happy to support the



Kevin Hawkins, Thomas Donovan, Gia LaMarca, Mahmed Wazihullah, Lori Stokel



Robert Shapiro showing his form.



Thomas Donovan, Robert Knakal, Yolanda Vega, Tommy Lin



Stephen Costigan, Michael Soleimani, David Kalish



John Ciraulo, Paul Massey, Larry Norman, Robert Knakal



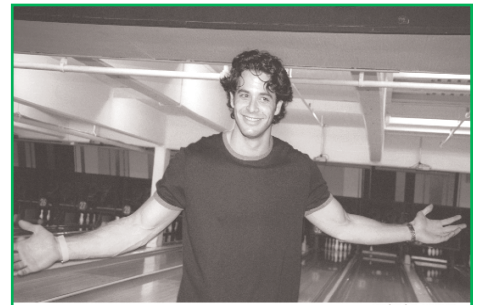
Blanca Gonzalez, Joane Pritchard, Thomas Donovan, Lori Stokel, Gia LaMarca, Yolanda Vega



Kenneth Freeman, Chris Brodhead, Michael Soleimani



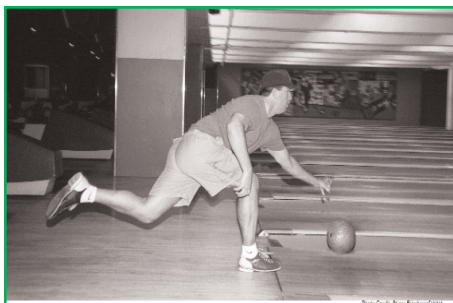
Robert Knakal, Kevin Holmes



Andrew Salomon thinks it's just too easy.



Larry Norman, Stephen Norman



Mark Massey with a Bostonian's approach.



Mark Lively, Phil Baffuto, Christy Moyle, Stephen Costigan

ES FUNDS FOR JUVENILE DIABETES FOUNDATION

n Honored

was Lawrence Norman, an eight-year veteran of Massey Knakal
ure. In Larry's honor, this year's bowling event supported the
part of the Massey Knakal family for many years. We are proud of
his very worthy cause," said Paul J. Massey, founding partner.



Guy Barretta, Chad Castle, Peter Schubert



Cory Rosenthal, Mindy Liu, Shimon Shkury, David Simone



Robert Knakal, Paul Massey, Larry Norman



Liz Jager, Tori Roberson, Erin Mitchell



Joseph Sitt, Marco Lala, Thomas Donovan



Michael Harari, Mark Lively - looking on in dismay,
Matthew Rudert



Paul Massey, Jonathan Hageman, Mark Lively



Dennis Gesumaria, Michael Desjaden, Cory Rosenthal, Paul Massey



Michael DeCheser posing for the camera.



Chad Castle, Chris Brodhead



Mahmed Wazihillah, Maurice Hallivis, Clint Olsen,
Mark Massey



John Ciraulo, Thomas Donovan, Paul Massey,
Christy Moyle, Larry Norman, Robert Knakal, Shimon Shkury

MASSEY KNAKAL NEWS - NORTHERN MANHATTAN

MASSEY KNAKAL SELLS HARLEM APARTMENT BUILDING



In an all cash transaction valued at approximately \$1,700,000, the property at 245 East 110th Street has been sold. The property is located on the north side of 110th Street between Second and Third Avenues. The building is a 37-foot wide, six-story plus basement walk-up apartment containing 29 residential apartments and the super's apartment. The

building produces a gross revenue of approximately \$204,000 per annum and a net operating income of approximately \$73,000. This transaction occurred at a capitalization rate of 4.27% and a gross rent multiple of 8.32. Massey Knakal Realty Services was the sole broker in this transaction.

HARLEM DEVELOPMENT SITE SOLD

In an all cash transaction valued at approximately \$1,175,000 the property at 324 East 112th Street has been sold. The property is located on East 112th Street between First and Second Avenues. The property is a 50' x 100' vacant parking lot.



Given its location, the site has tremendous potential for development into a residential building or non profit property. The site is zoned R7A, which would allow for construction of approximately 20,184 square feet of multi-family. This transaction occurred at a price per buildable square foot of approximately \$58.21. Massey Knakal Realty Services was the sole broker in this transaction.

TWO APARTMENT BUILDINGS IN NORTHERN MANHATTAN SOLD



In an all cash transaction valued at approx. \$1,750,000, the buildings at 312 West 133rd Street and 456 St. Nicholas Avenue have been sold. 312

West 133rd Street is a 25-foot wide, five-story walk-up apartment building containing nine one-bedroom units and one studio apartment. 456 St. Nicholas Avenue is a 26.3-foot wide, five-story walk-up apartment building containing 10 two-bedroom units. All the units in both buildings are rent stabilized. The buildings had a combined annual rent roll of approximately \$175,000. This transaction occurred at a capitalization rate of 7.37% and a gross rent multiple of 10.0. Massey Knakal Realty Services was the sole broker in this transaction

MASSEY KNAKAL SELLS TOWNHOUSE ON WEST 152ND STREET

In an all cash transaction valued at approximately \$425,000, the property at 517 West 152nd Street has been sold. The property is located on the north side of 152nd Street between Amsterdam and Broadway. The property, which affectionately has become known as the "haunted house," is a 22-foot wide, three-story



townhouse on a 30-foot wide lot. The building was in an excessive state of disrepair and had been sealed up for many years. The purchaser of the property plans on demolishing the building for new construction. Massey Knakal Realty Services was the sole broker in this transaction.

MASSEY KNAKAL NEWS - BRONX

PORTFOLIO OF VACANT LOTS SOLD IN THE BRONX



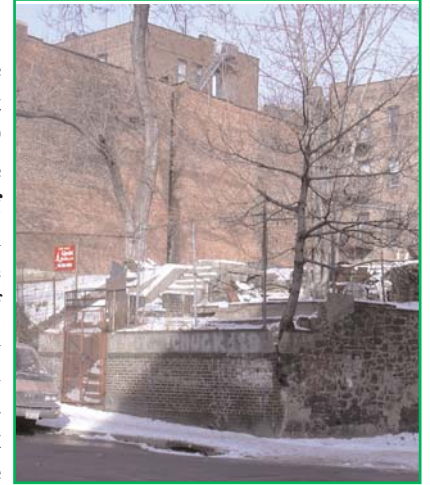
In an all cash transaction valued at approximately \$450,000, a portfolio of six vacant lots has been sold. The lots were located at 1903 Harrison Avenue, 1409 Bryant Avenue, 927 Bruckner Blvd., 1053 Failey Street, 1410 Longfellow Avenue and 1094 Franklin Avenue. The lots ranged from 2,000 square feet to 4,600 square feet and the total land area was approximately 15,560 square feet. Small development parcels in the Bronx are selling very briskly as the end user market for two-, three- and four-family homes is extremely active at the moment. **These transactions occurred at an average of approximately \$10 per buildable square foot. Massey Knakal Realty Services was the sole broker in this transaction.**

BRONX WALK-UP APARTMENT BUILDING SOLD



In an all cash transaction valued at approximately \$3,575,000 the property at 3021 Holland Avenue in the Olinville section of the Bronx has been sold. The property is located on Holland Avenue between Adee and Burke Avenues. The property is a 116-foot wide, five-story, walk-up apartment building containing 55 apartments. The property contained a total of 50,800 square feet. The revenue of the property was approximately \$477,000, with a net operating income of approximately \$262,000. **This transaction occurred at a capitalization rate of 7.3% and a gross rent multiple of 7.49. Massey Knakal Realty Services was the sole broker in this transaction.**

MASSEY KNAKAL SELLS BRONX DEVELOPMENT SITE



In an all cash transaction valued at approximately \$250,000, the two adjacent vacant lots at 27 & 29 Buchanan Place in the East Tremont section of the Bronx have been sold. Located on the northwest corner of Buchanan Place and Davidson Avenue, each lot is 25' x 100' for a combined size of 50' x 100', or 5,000 square feet. The properties are situated in an R7-1 zoning district, allowing for an FAR of 3.44. Approximately 17,200 square feet could be constructed on the site. Development land in the Bronx is very highly sought after today from the development community. Land in the Bronx is relatively inexpensive compared with the other boroughs. **This transaction occurred at a price per buildable square foot of approximately of \$14.53. Massey Knakal Realty Services was the sole broker in this transaction.**

MASSEY KNAKAL SELLS BRONX APARTMENT BUILDING



In an all cash transaction valued at approximately \$815,000, the property at 3046 Holland Avenue in the Olinville section of the Bronx has been sold. The property is located on Holland Avenue between Adee and Burke Avenues. The building is a 35-foot wide, four-story walk-up building containing 13 apartments and consists of approximately 8,524 square feet. The building was producing a gross revenue of \$123,000 and a net operating income of approximately \$70,000. **This transaction occurred at a gross rent multiple of 6.59 and a capitalization rate of 8.7%. Massey Knakal Realty Services was the sole broker in this transaction.**

MASSEY KNAKAL NEWS - MANHATTAN

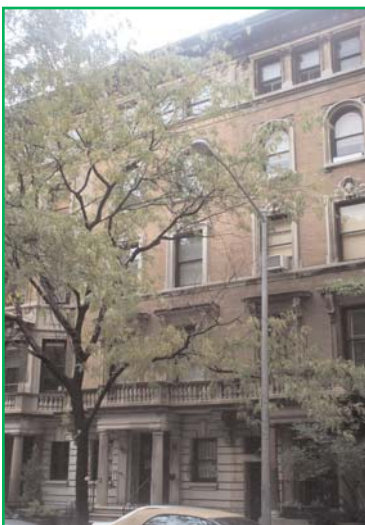
LOWER EASTSIDE MIXED-USE BUILDING SOLD



In an all cash transaction valued at approximately \$2,000,000, the property at 34 Avenue A has been sold. The property is located on the east side of Avenue A between Second and Third Streets. The property is a 22-foot wide, five-story mixed-use building containing approximately 5,764 square feet. The property

was delivered vacant at the time of sale. East Village properties today are attracting as much demand as properties in the most prime areas of Manhattan. This transaction occurred at a price per square foot of approximately \$335. Massey Knakal Realty Services was the sole broker in this transaction.

UPPER EASTSIDE BROWNSTONE SOLD



In an all cash transaction valued at approximately \$5,050,000, the property at 49 East 74th Street has been sold. The property is located on the north side of 74th Street between Madison and Park Avenues. The building is a 20-foot wide, five-story elevated townhouse. The ground floor consists of the entry way and a two-bedroom floor through apartment. The second through fifth floors each

contain two one-bedroom apartments. Thus, a total of nine units exist in the building. The property was delivered vacant and perfect for conversion to single-family residence. Demand for properties of this type is at an all time high and we were thrilled to receive over \$675 per square foot for this property. Massey Knakal represented the seller in this transaction.

MASSEY KNAKAL SELLS WEST SIDE DEVELOPMENT SITE

In an all cash transaction valued at \$5,900,000, the property at 572-578 11th Avenue has been sold. The property is located on the northeast corner of West 43rd Street and 11th Avenue. It is a 100' x 100' lot with a 6,000 square foot diner on it.



The lease on the diner was set to expire at the time of sale. The lot was zoned M1-5, which carries a 5 FAR along with it. Thus, approximately 50,000 square feet were buildable on this site. This transaction occurred at a price of approximately \$118 per buildable square foot. Massey Knakal Realty Services was the sole broker in this transaction.

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Gia LaMarca (718) 275-3400x117
glamarca@masseyknakal.com



MASSEY KNAKAL NEWS

MASSEY KNAKAL SELLS YONKERS APARTMENT BUILDINGS



In an all cash transaction valued at approximately \$640,000, the properties at 16, 18 and 20 Sycamore Street in Yonkers have been sold. The properties are located on Seymour Street just off Ashburton Avenue. Two of the properties were three-story walk-up buildings totaling 11 units. The third property is a vacant lot providing on-site parking for the

tenants in the two buildings. The Yonkers market has been very active recently and we are seeing more investment capital seeking investments here. The properties produced a gross revenue of \$92,000 per annum and a net operating income of approximately \$59,000 per annum. **This transaction occurred at a capitalization rate of 9.35% and a gross rent multiple of 6.93. Massey Knakal was the sole broker in this transaction.**

MASSEY KNAKAL SELLS UPTOWN DEVELOPMENT SITE



In an all cash transaction valued at \$425,000, the property at 753 St. Nicholas Avenue in the Hamilton heights section of Manhattan has been sold. The property is located on the west side of St. Nicholas Avenue between 147th and 148th Streets. **The property is a 25' x 100' vacant lot on a very busy block near the subway entrance. It has a commercial FAR of 2 and a total buildable footage of**

8,600. This transaction occurred at a price per buildable foot of approximately \$50. The purchaser of the property plans on constructing condominiums on the site. Demand from condominium developers has been very evident within the past several months in uptown locations. **Massey Knakal Realty Services was the sole broker in this transaction.**

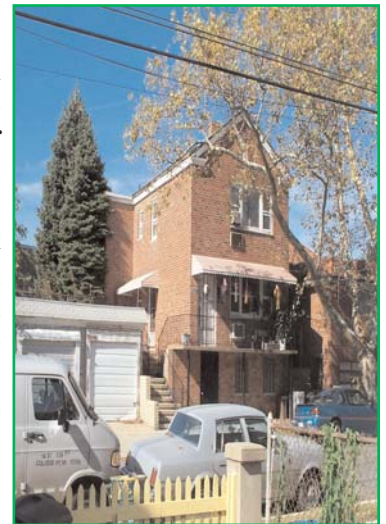
FREEPORT WALK-UP APARTMENT BUILDING SOLD



In an all cash transaction valued at approximately \$1,200,000, the property at 95 Broadway in Freeport, New York has been sold. The property is located on the north side of

Broadway between Mountain Street and Graffing Place. **The building sits on a 125' x 134' lot and is a walk-up apartment building containing 18 residential units.** The property contains three two-bedroom apartments and 15 one-bedroom, as well as a laundry facility and indoor parking. The average monthly rent was \$789, which offered a buyer tremendous upside. The property was fully occupied at the time of sale and produced a gross revenue of \$184,000 per year, with a net operating income of \$85,000 per year. **This transaction occurred at a capitalization rate of 7.07% and a gross rent multiple of 6.52. Massey Knakal was the sole broker in this transaction.**

DEVELOPMENT PROPERTY IN QUEENS SOLD



In an all cash transaction valued at approximately \$550,000, the property at 18-20 128th Street in the College Point section of Queens has been sold. The property is located on the north side of 128th Street between 14th and 20th Avenues. The building is a three-story, mixed-use building containing two residential units and one commercial space. Also, the property is located in a manufacturing zone and can be

converted to industrial use. Current zoning would allow for construction of approximately 4,900 square feet. The property was delivered vacant at closing. The purchaser of the property, Prete Construction, plans on reconstruction of the property. **Massey Knakal Realty Services was the sole broker in this transaction.**

MASSEY KNAKAL NEWS - BRONX

MASSEY KNAKAL SELLS UPTOWN DEVELOPMENT SITE



In an all cash transaction valued at approximately \$120,000, the property at 454 East 165th

Street in the Morrisania section of the Bronx has been sold. The property is located on the south side of East 165th Street between Washington and Brook Avenues. It is a 67' x 43.5' vacant lot in an MX-7 zone, which has an R7-2 equivalent. As-of-right zoning would allow for construction of approximately 9,910 square feet. This property had an M1-1 overlay associated with its zoning, so commercial uses on the ground floor will be possible. **This transaction occurred at a price of approximately \$12.11 per buildable square foot. Massey Knakal Realty Services was the sole broker in this transaction.**

BRONX DEVELOPMENT SITE SOLD

In an all cash transaction valued at approximately \$55,000, the property at 316 East 164th Street in the Morrisania section of the Bronx has been sold. It is a vacant lot located on the south side of 164th Street between College and Teller Avenues. The lot is 22' x 86' and the zoning of the property is R7-1, allowing for a 3.44 FAR. The as-of-right zoning would allow for the construction of approximately 6,508 square feet. The purchaser of this property plans on constructing a multi-family building on the site. **This transaction occurred at a price of approximately \$8.43 per buildable square foot. Massey Knakal Realty Services was the sole broker in this transaction.**



MASSEY KNAKAL SELLS BRONX APARTMENT BUILDING



In an all cash transaction valued at approximately \$1,250,000, the property at 693 East 189th Street in the Little Italy section of the Bronx has been sold. The property is located on the northwest corner of Beaumont and East 189th Street. **The building was a five-**

story, 67.5-foot wide walk-up apartment building containing 20 units. The building produced a gross revenue of \$184,000 and a net operating income of \$106,000. The number of investors that are currently interested in purchasing Bronx buildings is at an all time high. **This transaction occurred at a capitalization rate of 8.52% and a gross rent multiple of 6.79. Massey Knakal Realty Services was the sole broker in this transaction.**

BRONX ELEVATORED BUILDING SOLD

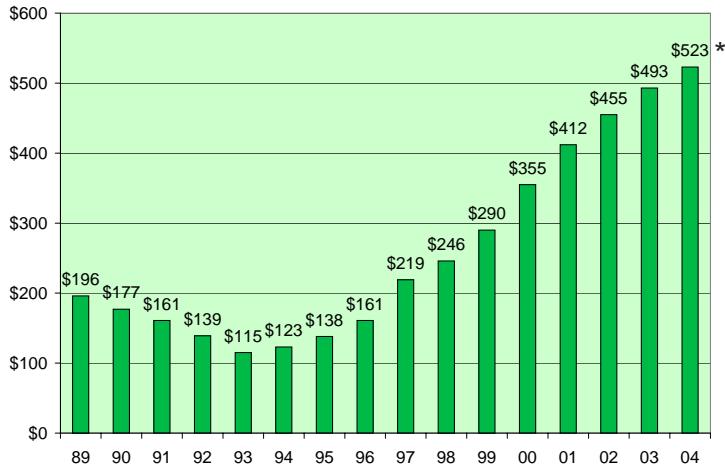
In an all cash transaction valued at approximately \$3,700,000, the property at 3200-04 Rochambeau Avenue in the Norwood section of the Bronx has been sold. The property is located at the corner of Rochambeau Avenue and Van Cortlandt East. **The building is a 131 foot wide, six-story, elevatore apartment building containing 54 units.** The building featured new roof, replacement windows, circuit breakers in the basement and many renovated apartments. The building is a tutor style elevatore apartment building. It produced a gross annual income of \$443,000 per year and a net operating income of approximately \$251,000 per year. **This transaction occurred at a capitalization rate of 6.79% and a gross rent multiple of 8.35. Massey Knakal Realty Services was the sole broker in this transaction.**



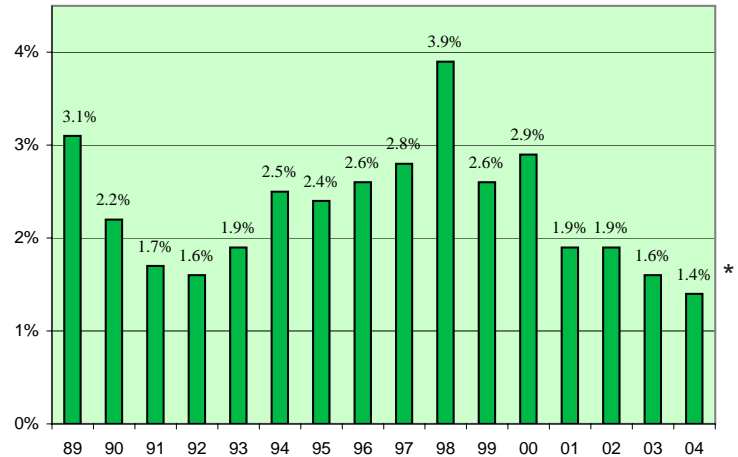
Massey Knakal's Market Statistics

This page of market statistics deals with the Manhattan market south of 96th Street. Our statistical sample includes all buildings under 100,000 square feet in this market. The total number of buildings in our survey is 27,301. Data on the values used in the Last 12 Months Rolling averages are based on prices per square foot. The next two pages contain breakdowns of different product types with sale prices broken down by price per square foot, capitalization rate, gross rent multiple and prices per unit. If you have any questions about any of the data included in this section, please feel free to contact your Massey Knakal broker for a more detailed explanation of current market dynamics.

**Manhattan
Yearly Price Per Square Foot**



**Manhattan
Yearly Volume**



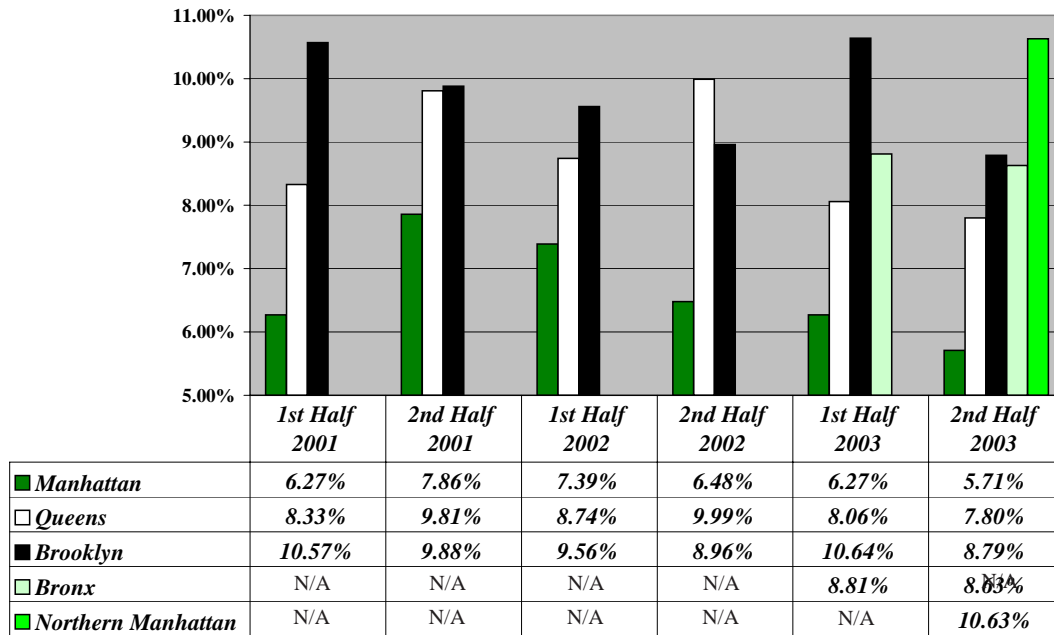
*Projected

Price Per Square Foot - Manhattan Last 12 Months Rolling Through 4th Quarter 2003

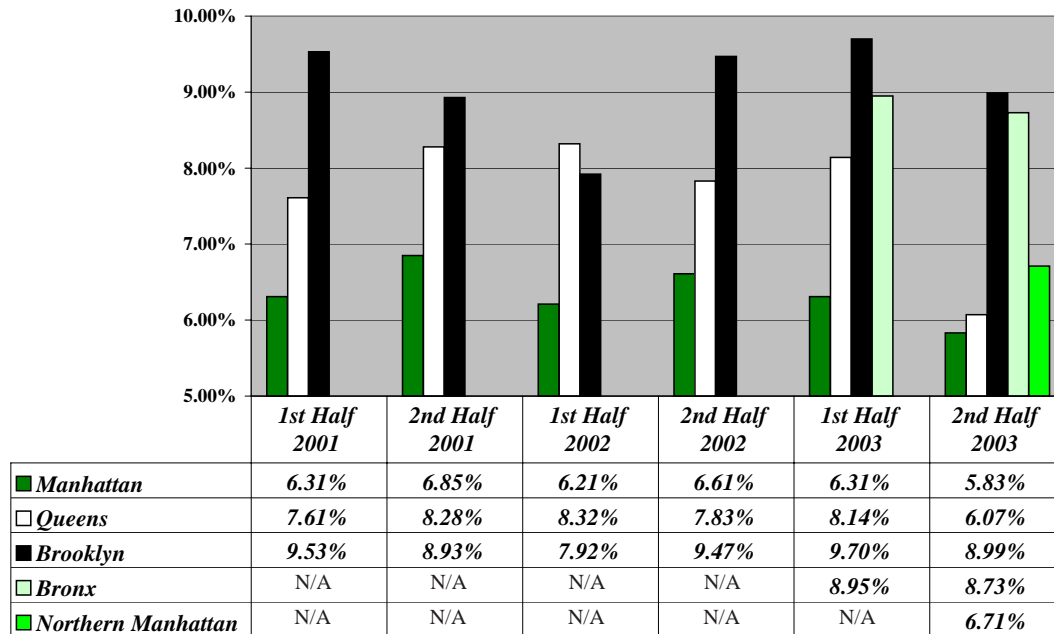
Neighborhood	(T1) Single Family	(T2) 2-5 Units	(T3) 6-20 Units	(T6) Comm.	(T8) Mixed Use	Average
1.) Upper West Side	\$808.79	\$753.43	\$369.71	-	\$209.50	\$493.49
2.) Upper West Side 2	\$977.29	\$378.85	\$365.01	-	\$605.65	\$488.26
3.) Carnegie Hill	\$1,303.11	\$1,147.44	-	\$429.71	-	\$1,155.01
4.) Yorkville	\$992.97	\$697.81	\$287.75	\$544.73	\$638.02	\$723.91
5.) Upper East Side 1	\$1,274.18	\$909.89	\$567.51	\$1,233.33	\$452.49	\$1,091.98
5.) Upper East Side 2	\$1,067.41	\$1,058.96	\$379.56	\$572.35	\$418.90	\$606.57
7.) Midtown West	-	\$808.63	\$232.53	\$695.37	\$293.67	\$436.49
8.) Midtown	-	-	-	\$479.34	-	\$479.34
9.) Midtown East	\$603.30	\$934.12	\$333.88	\$144.93	\$485.03	\$475.65
10.) Penn Station	-	-	-	\$260.51	-	\$260.51
11.) Murray Hill	\$836.70	\$453.84	-	\$322.50	\$346.19	\$394.17
12.) Chelsea	-	\$535.03	\$541.40	\$543.94	\$326.39	\$487.01
13.) Flatiron / Union Sq.	-	\$662.54	-	\$420.47	\$392.38	\$460.46
14.) West Village	\$865.37	\$646.53	\$218.84	\$390.11	\$637.59	\$623.53
15.) Central Village	\$1,064.31	\$501.37	\$358.92	\$332.92	\$441.79	\$500.31
16.) East Village	\$818.42	\$487.01	\$188.78	\$483.78	\$299.04	\$366.77
17.) SoHo	-	-	-	\$314.98	\$234.60	\$306.94
18.) TriBeCa	\$450.00	\$181.82	-	\$388.43	\$333.33	\$378.90
19.) Lower East Side	-	\$380.43	\$180.93	\$285.72	\$176.84	\$206.69
20.) Financial District	-	-	\$130.01	\$358.66	-	\$301.50
Average	\$1,062.98	\$644.66	\$299.52	\$409.96	\$393.89	

Massey Knakal's Market Statistics

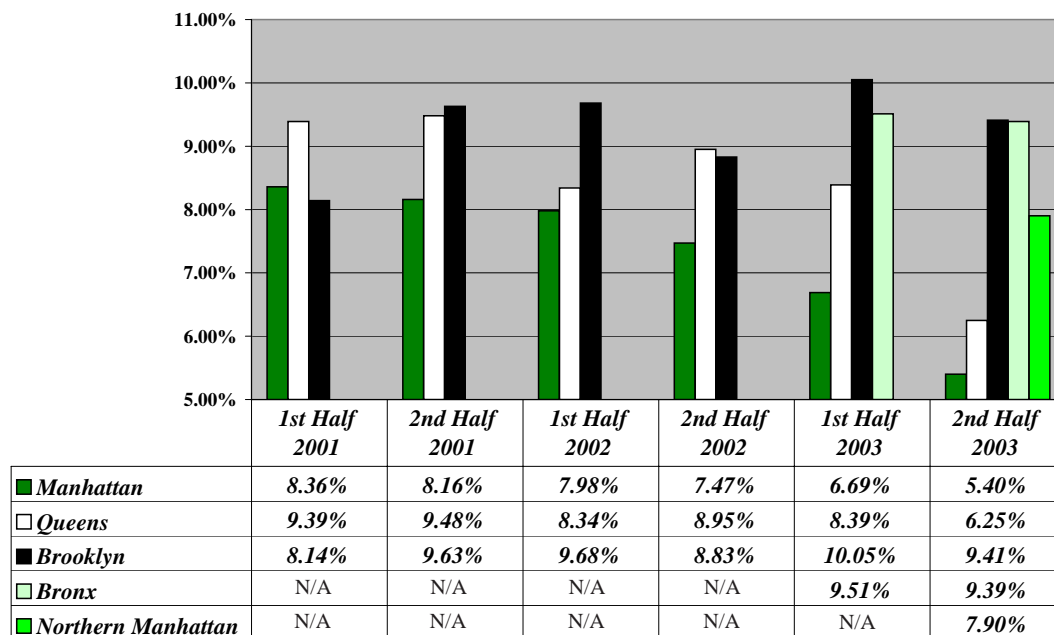
Commercial / Mixed Use Capitalization Rates



Elevated Apartment Capitalization Rates



Walk-Up Apartment Capitalization Rates



Massey Knakal's Market Statistics

2ND HALF 2003 AVERAGES

MANHATTAN

Commercial & Mixed Use Investment Sales

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$385	5.71%	9.74	N/A

Elevated Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$414	5.83%	11.98	\$372,109

Walk-Up Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$385	5.40%	11.56	\$216,019

BROOKLYN

Commercial & Mixed Use Investment Sales

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$160	8.79%	8.28	N/A

Elevated Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$182	8.99%	8.72	\$156,521

Walk-Up Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$124	9.41%	8.03	\$94,106

QUEENS

Commercial & Mixed Use Investment Sales

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$225	7.80%	8.79	N/A

Elevated Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$231	6.07%	8.32	\$137,569

Walk-Up Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$114	6.25%	10.36	\$97,479

BRONX

Commercial & Mixed Use Investment Sales

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$128	8.63%	9.71	N/A

Elevated Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$84	8.73%	7.58	\$73,148

Walk-Up Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$61	9.39%	6.87	\$57,625

NORTHERN MANHATTAN

Commercial & Mixed Use Investment Sales

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$90	10.63%	7.51	N/A

Elevated Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$93	6.71%	10.41	\$93,475

Walk-Up Apartment Buildings

<i>P.P.S.F.</i>	<i>Cap Rate</i>	<i>G.R.M.</i>	<i>Price Per Unit</i>
\$133	7.90%	9.22	\$82,945

P.P.S.F. = Price Per Square Foot

G.R.M. = Gross Rent Multiple

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