

CPEX Real Estate Research

"Keeping Abreast of a Changing Market"

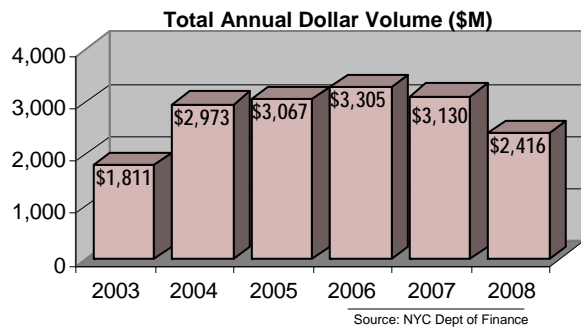
New York Market: Queens Investment Sales Study

Issue: 4, March 2009

NY Research Group 718-687-4201

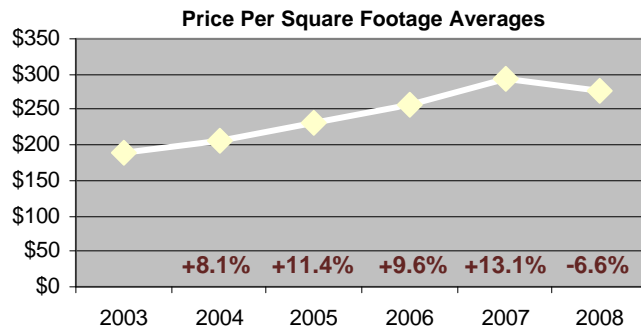
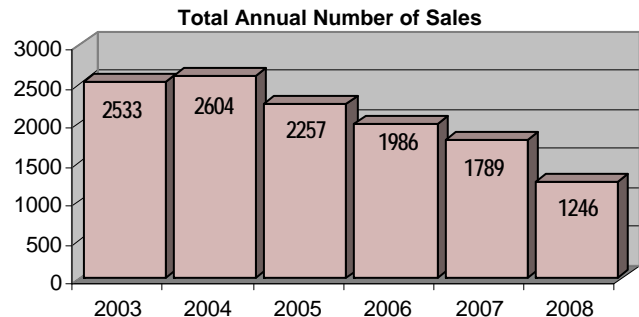
Queens Commercial Real Estate Year-to-Year Review

Mar. 15th (NYC) – Queens continues to be a vital part of the economic engine that drives New York. It is the largest NYC borough in geographical area, the second largest borough in population and considered the most diverse borough population-wise: Despite its reputation for being a "suburban" borough with sections that mirror the look and feel of Nassau County, Queens is home to many urban neighborhoods and several central business districts. With its myriad of transportation alternatives, Queens provides its fair share of retail centers, industrial neighborhoods, and other diverse zoning areas.



◀ The last six years have been relatively stable in terms of overall Annual Sales in Queens. Considering the downturn in the commercial real estate market, 2008 saw a drop off of 23% in overall market volume. Expect 2009 to provide a continued drop in volume, but possibly deliver lowered volume levels close to what occurred in 2003.

➤ Despite the relative stability in dollar volume, the actual number of sales dropped significantly. The chart indicates earlier historical figures at the 2500 sales-per-year level. Upon review of the recent data, the drop off has been consistent: the average drop-off each year shows an annual 13% drop since the 2600 sales high in 2004.



◀ The price-per-square footage numbers tells a different and compelling story for overall commercial sales in Queens. Looking over the last six years, the pricing clearly has increased steadily and consistently, until the relatively minor drop in sales prices occurred in 2008. We do expect a slight but continued drop in pricing for 2009: consider an additional 8%-12% drop in pricing, with market prices coming in at around \$250/square foot across the board.

For a more detailed Queens analysis across all product types, please review the following data which analyzes the market through the various product-types, including: Office, Retail, Mixed-Use, Multifamily, Industrial & Land categories.



Research Director
Ira Krivit
ikrivit@cpexre.com
718-935-1800, x231

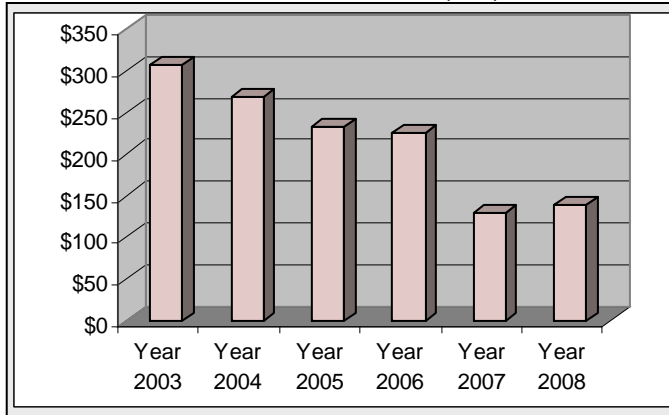
*Data Source: New York City Department of Finance

CPEX Real Estate Research

Queens: Land Sales

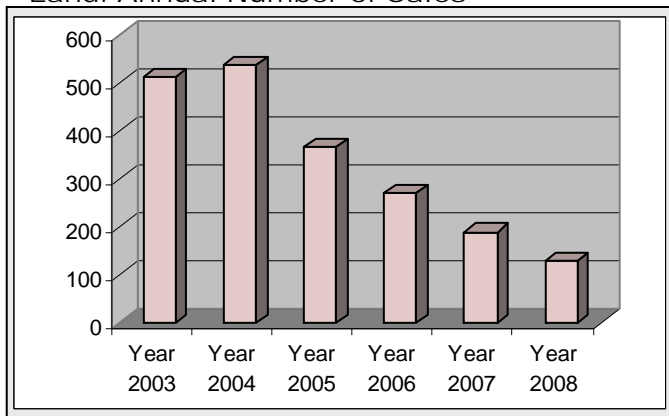
Issue: 4
March 2009

Land: Annual Dollar Volume (\$M)



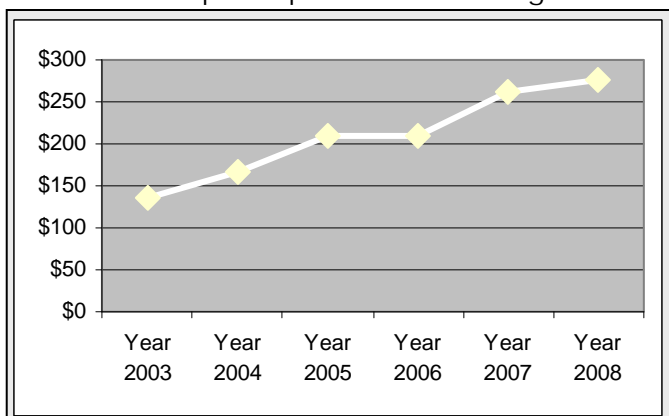
Land	Total \$
Year 2003	\$307,997,896
Year 2004	\$269,188,783
Year 2005	\$232,858,174
Year 2006	\$225,304,446
Year 2007	\$129,196,256
Year 2008	\$138,400,742

Land: Annual Number of Sales



Land	# of Sales
Year 2003	513
Year 2004	536
Year 2005	368
Year 2006	271
Year 2007	190
Year 2008	129

Land: Price per Square Foot Averages



Land	\$/Sq Ft Avg
Year 2003	\$136
Year 2004	\$166
Year 2005	\$210
Year 2006	\$210
Year 2007	\$261
Year 2008	\$277

Summary

The Land Development market in Queens saw a dramatic drop in number of sales over the last six years. The lack of available supply and the inevitable increased pricing shows in the continued rising \$/sqft for buildable sites in the years that followed the expansion that occurred in 2003 & 2004. While the amount of land deals decreased substantially over the last four years, the reduction in supply added pressure to the prices paid on a square footage basis.

*Data Source: New York City Department of Finance

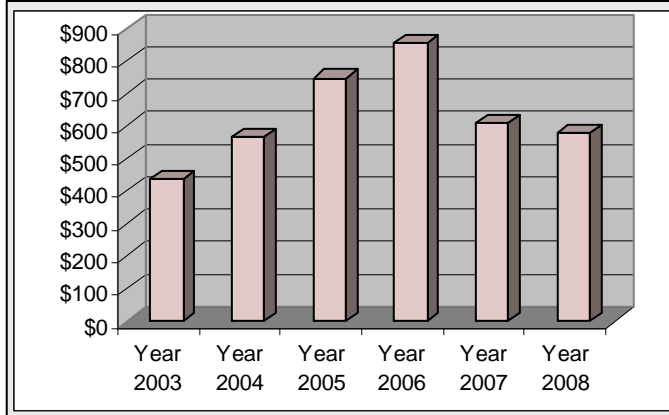


CPEX Real Estate Research

Queens: Industrial Sales

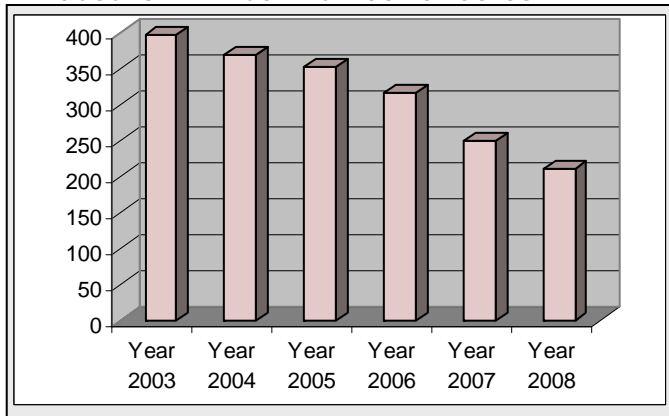
Issue: 4
March 2009

Industrial: Annual Dollar Volume (\$M)



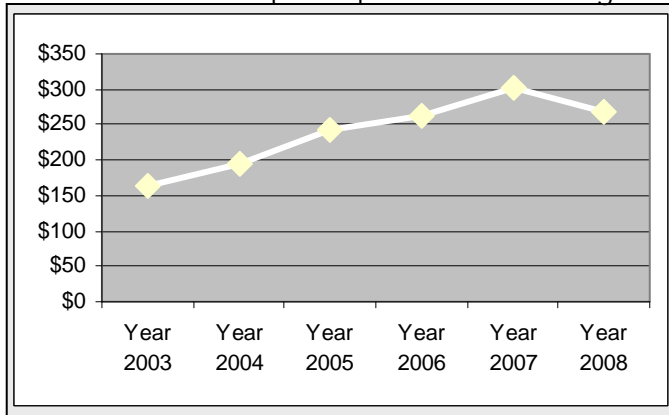
Industrial	Total \$
Year 2003	\$436,431,915
Year 2004	\$568,174,220
Year 2005	\$748,203,290
Year 2006	\$856,374,295
Year 2007	\$607,572,763
Year 2008	\$577,972,360

Industrial: Annual Number of Sales



Industrial	# of Sales
Year 2003	398
Year 2004	370
Year 2005	352
Year 2006	318
Year 2007	249
Year 2008	210

Industrial: Price per Square Foot Averages



Industrial	\$/Sq Ft Avg
Year 2003	\$165
Year 2004	\$193
Year 2005	\$242
Year 2006	\$262
Year 2007	\$303
Year 2008	\$269

Summary

The Industrial market in Queens mimics other product types that have seen their inventory decrease: a resulting increase in prices. As the quantity of deals slowed over the last six years, this property type showed resiliency in pricing through 2007, until its average price per square foot dropped in 2008 to earlier levels seen in 2006.



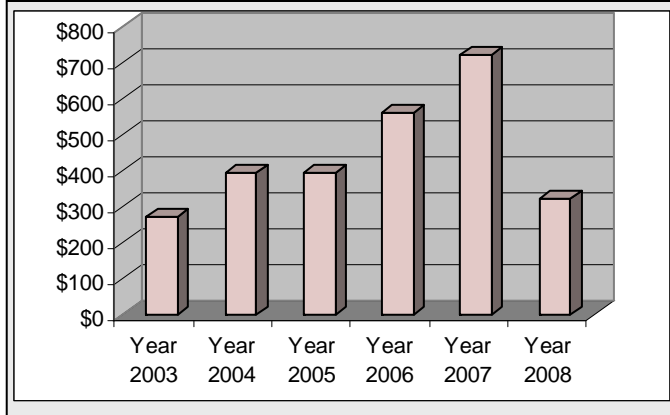
*Data Source: New York City Department of Finance

CPEX Real Estate Research

Queens: Mixed-Use Sales

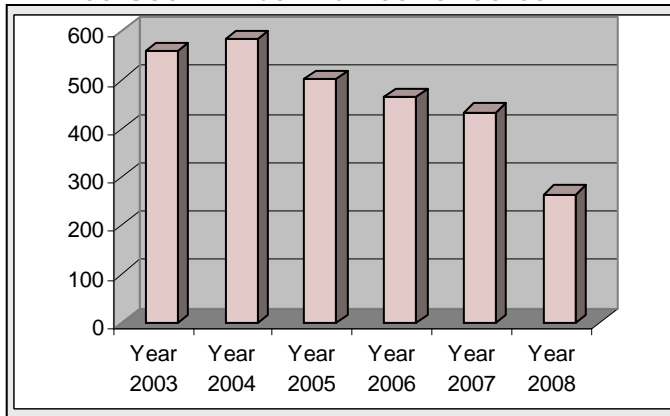
Issue: 4
March 2009

Mixed-Use: Annual Dollar Volume (\$M)



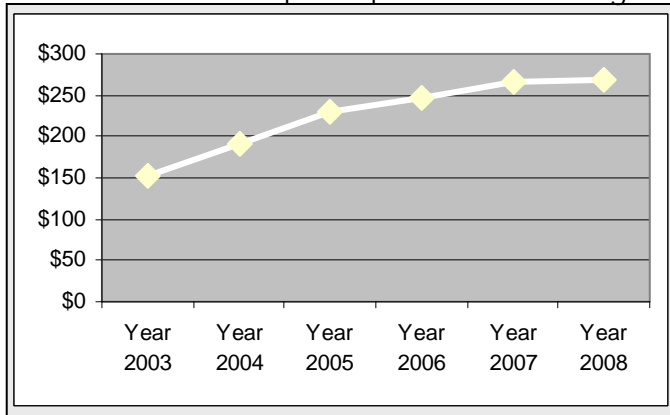
Mixed-Use	Total \$
Year 2003	\$274,124,908
Year 2004	\$396,076,728
Year 2005	\$392,447,651
Year 2006	\$563,775,524
Year 2007	\$724,612,208
Year 2008	\$319,672,358

Mixed-Use: Annual Number of Sales



Mixed-Use	# of Sales
Year 2003	558
Year 2004	584
Year 2005	503
Year 2006	465
Year 2007	434
Year 2008	265

Mixed-Use: Price per Square Foot Averages



Mixed-Use	\$/Sq Ft Avg
Year 2003	\$152
Year 2004	\$191
Year 2005	\$229
Year 2006	\$246
Year 2007	\$266
Year 2008	\$268

Summary

The Mixed-Use Market in Queens also showed a remarkable ability to hold value: in this slowing NY market, the pricing of Mixed-Use properties in Queens remained aggressive. Prices continued to climb, a reflection we believe in the stability of this property type and the interests in small business owners to own the properties in which they do business. Even though the number of transactions has decreased sharply, the value of this unique product type remains strong and is likely to stay strong for the foreseeable future.

*Data Source: New York City Department of Finance

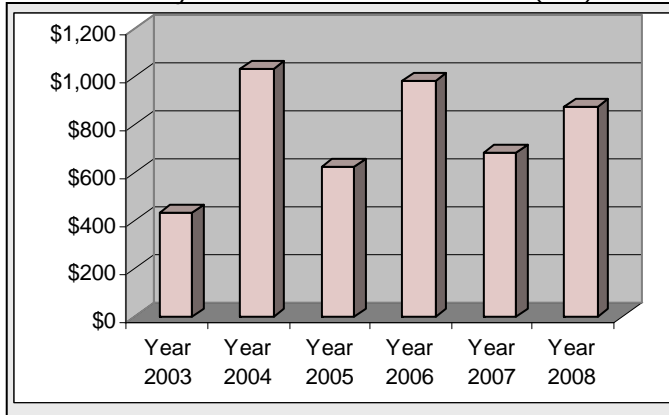


CPEX Real Estate Research

Queens: Multifamily Sales

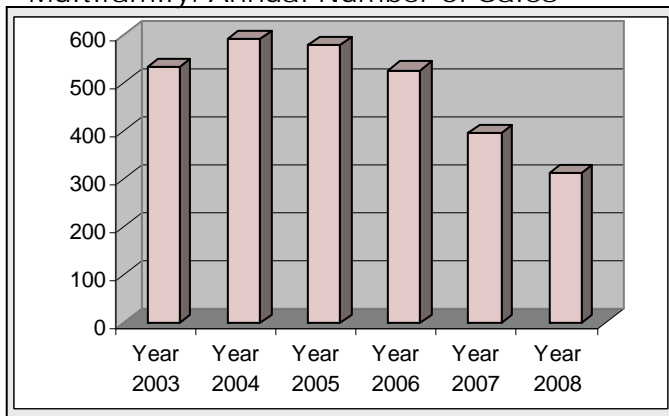
Issue: 4
March 2009

Multifamily: Annual Dollar Volume (\$M)



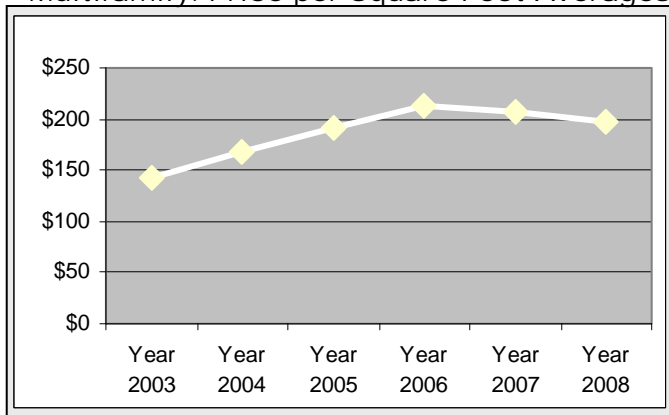
Multifamily	Total \$
Year 2003	\$430,345,912
Year 2004	\$1,033,342,293
Year 2005	\$625,987,111
Year 2006	\$981,781,182
Year 2007	\$683,273,460
Year 2008	\$877,603,709

Multifamily: Annual Number of Sales



Multifamily	# of Sales
Year 2003	534
Year 2004	590
Year 2005	579
Year 2006	526
Year 2007	394
Year 2008	313

Multifamily: Price per Square Foot Averages



Multifamily	\$/Sq Ft Avg
Year 2003	\$142
Year 2004	\$168
Year 2005	\$191
Year 2006	\$212
Year 2007	\$207
Year 2008	\$197

Summary

The Multifamily Market in Queens showed four years of increased pricing, from 2003 through 2006. The next two years saw a drop in pricing, which was slight enough to be almost negligible with an average drop of 3.5% for 2007 & 2008. The question remains for this product type in Queens as it does for all of NYC: Will the drop in city-wide employment have a negative affect on multifamily housing values?



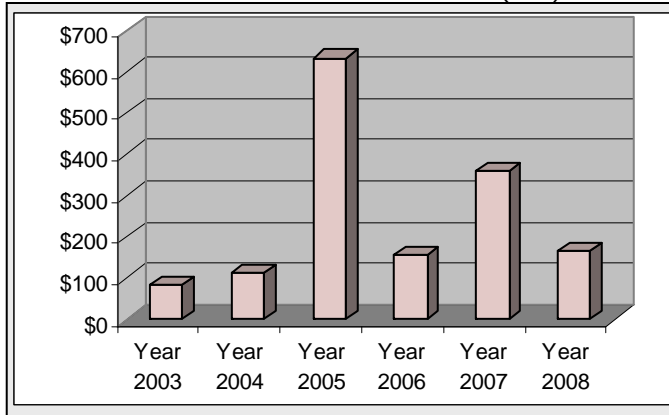
*Data Source: New York City Department of Finance

CPEX Real Estate Research

Queens: Office Market Sales

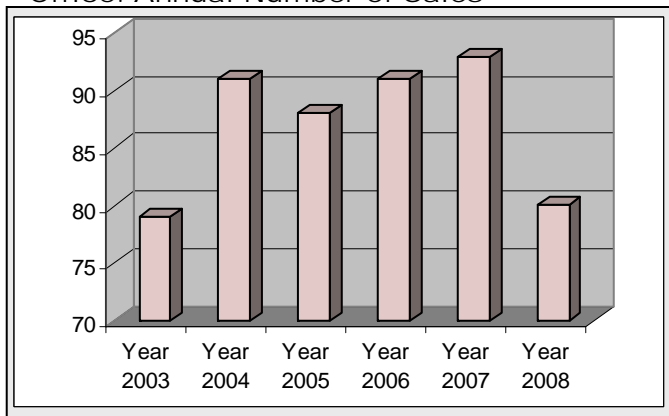
Issue: 4
March 2009

Office: Historical Dollar Volume (\$M)



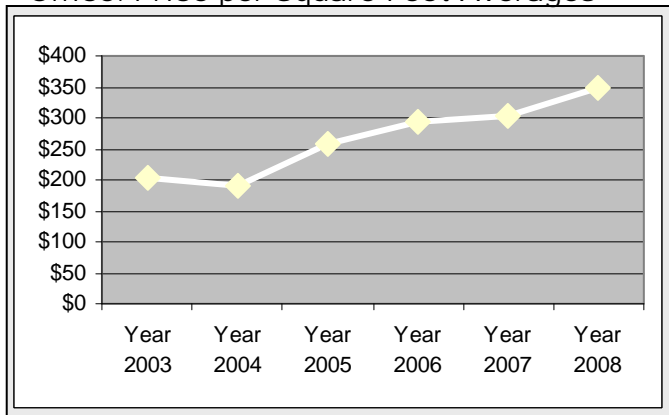
Office	Total \$
Year 2003	\$82,290,517
Year 2004	\$114,287,118
Year 2005	\$633,780,098
Year 2006	\$156,124,044
Year 2007	\$360,899,387
Year 2008	\$164,444,728

Office: Annual Number of Sales



Office	# of Sales
Year 2003	79
Year 2004	91
Year 2005	88
Year 2006	91
Year 2007	93
Year 2008	80

Office: Price per Square Foot Averages



Office	\$/Sq Ft Avg
Year 2003	\$202
Year 2004	\$190
Year 2005	\$259
Year 2006	\$293
Year 2007	\$304
Year 2008	\$349

Summary

The pricing of the Office Market in Queens demonstrates a unique story in this borough: Office Properties provided a strong investment for owners over the last six years. Now with increased economic worries affecting every business line in 2009, buyers may find themselves finally in the driver's seat as sellers see more stabilized pricing levels and adjust their expectations accordingly. 2009 should see a turn-around off of the recent highs that office owners saw in 2008.

*Data Source: New York City Department of Finance

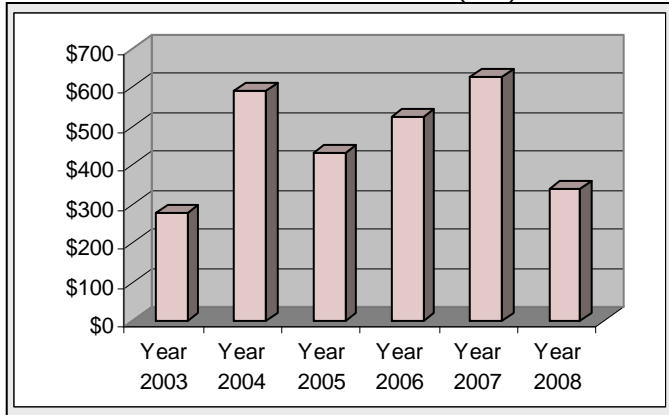


CPEX Real Estate Research

Queens: Retail Sales

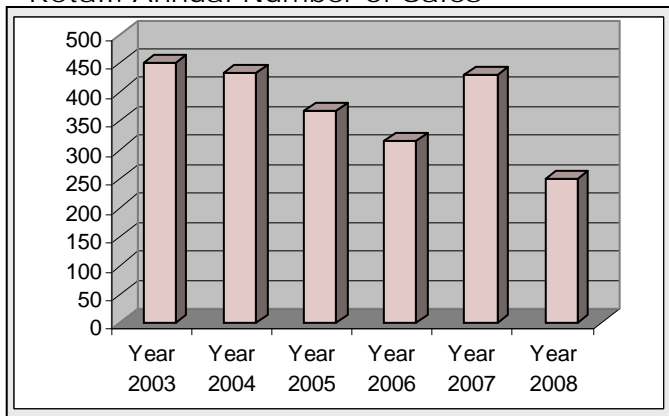
Issue: 4
March 2009

Retail: Annual Dollar Volume (\$M)



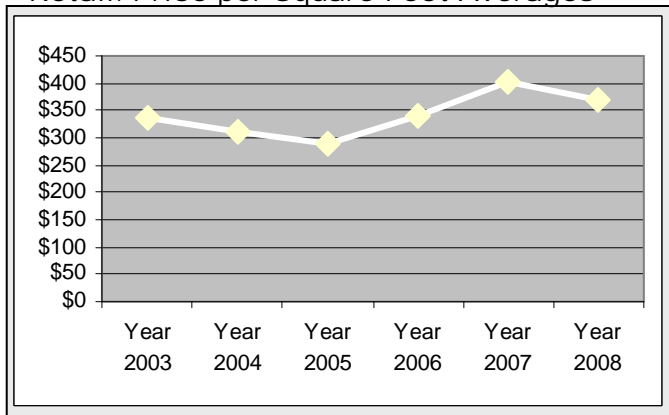
Retail	Total \$
Year 2003	\$279,894,964
Year 2004	\$591,587,161
Year 2005	\$433,352,240
Year 2006	\$521,706,581
Year 2007	\$624,647,842
Year 2008	\$337,913,299

Retail: Annual Number of Sales



Retail	# of Sales
Year 2003	451
Year 2004	433
Year 2005	367
Year 2006	315
Year 2007	429
Year 2008	249

Retail: Price per Square Foot Averages



Retail	\$/Sq Ft Avg
Year 2003	\$337
Year 2004	\$313
Year 2005	\$290
Year 2006	\$341
Year 2007	\$403
Year 2008	\$371

Summary

The Retail Market in Queens has seen a mixed set of returns over last few years. With economic troubles affecting many retailers throughout the city (and the nation), Retail property sales should continue to see pricing levels drop as the economic worries of 2009 become a reality.



*Data Source: New York City Department of Finance