

GREYSTONE



SPRING ISSUE

2021

MARKET INSIGHT REPORT



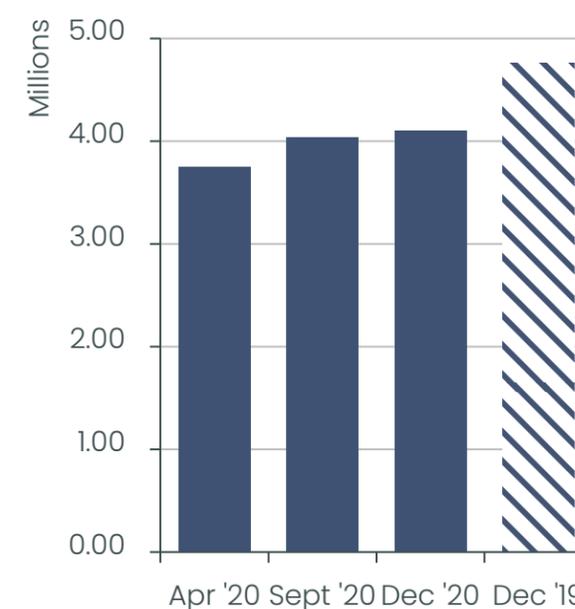
New York City

Employment / Unemployment

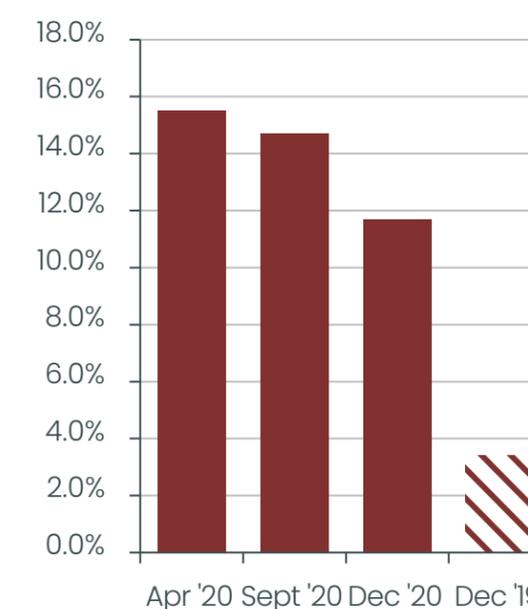
New York City faced a disproportionate loss of jobs as compared to most urban centers across the U.S. as it became the epicenter of the pandemic at its early stages. Employment was down 13.8% YoY as of December 2020. The city's leisure and hospitality super sector, down 52.5%, was especially impacted, at a percentage job loss level more than 2.5 times higher than the national average. New York's unemployment rate was also elevated, at 11.7% in December as compared to 6.7% for the U.S. With the COVID-19 vaccination rollout, New York is in lock-step with the nation, with roughly 33,000 doses administered per 100,000 residents as of mid-March 2021. The current Moody's Analytics forecast for New York shows employment surging 6.7% in 2021 and by 3.9% in 2022, igniting strong demand for apartments. Following positive absorption in 2020, New York's apartment market is expected to see net absorption surge to 11,154 units in 2021 and 8,800 units in 2022.

A number of companies have announced new leases and/or progress on development efforts including Apple TV, which leased 90,000 square feet of soundstage space at Kaufman Astoria studios in Queens; Beam Suntory securing 100,000 square feet for its new global headquarters; and trading firm, Robinhood, which is looking for space in Manhattan. Leases and expansions by tech firms include Facebook, Amazon, Google, and Apple - which extended its subleased space at 11 Penn Plaza in November. The Penn Plaza area will soon be home to a large presence of tech firms with Facebook at the newly unveiled Farley Post Office building (760,000 SF) along with 1.5 million square feet in Hudson Yards; and Amazon at the former Lord & Taylor building (630,000 SF) as well as 335,000 square feet in Hudson Yards. To the south, Google is growing in Hudson Square with a \$1 billion investment for a new campus, and Disney, which paid \$650 million for rights to develop 4 Hudson Square into a new 19-story company headquarters and more, is moving forward with development.

TOTAL EMPLOYMENT



UNEMPLOYMENT



NEW YORK CITY EMPLOYMENT (THOUSANDS)	DECEMBER 2020	PERCENT CHANGE FROM DECEMBER 2019
Total Nonfarm	4,100.2	-13.8%
Mining, Logging, and Construction	139.8	-13.0%
Manufacturing	53.4	-20.5%
Trade, Transportation, and Utilities	545.0	-17.9%
Information	204.5	-9.2%
Financial Activities	465.7	-4.6%
Professional and Business Services	701.1	-11.2%
Education and Health Services	1,023.0	-6.4%
Leisure and Hospitality	224.8	-52.5%
Other Services	154.3	-22.0%
Government	588.6	-1.3%

Sources: New York State Department of Labor, Current Employment Statistics

Rental Market

- Asking rent within New York City is projected to fall 7.0% YoY in 2021, to \$3,103, as compared to a U.S. average 1.7% loss
- In this near-term outlook, rent growth is forecast to grow annually from 2022-2026, at 1.6% in 2022, 2.8% in 2023, and strengthening on up to 3.9% by 2026
- Vacancy rate will trend up 120 basis points to 5.7% in 2021 - a zenith in this cycle, before receding to 5.1% in 2022
- A robust pipeline of 15,601 new completions - marking the highest total in over a decade, will be met with absorption of over 11,000 units





-11.8%

Average Rent Decrease
From \$3,783 to \$3,337
YoY

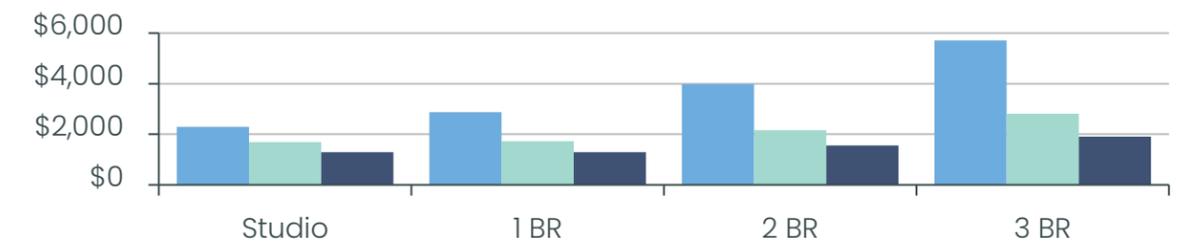
YEAR BUILT	ASKING RENT	VACANCY RATE
Before 1970	\$2,760	3.2%
1970-1979	\$4,117	3.7%
1980-1989	\$4,153	5.0%
1990-1999	\$4,178	4.7%
2000-2009	\$3,886	5.3%
2010-2019	\$3,785	6.6%
After 2019*	\$3,865	5.6%

*Includes Properties in Lease-Up

AVERAGE RENT / VACANCY



ASKING RENT COMPARISON



ASKING RENT PSF

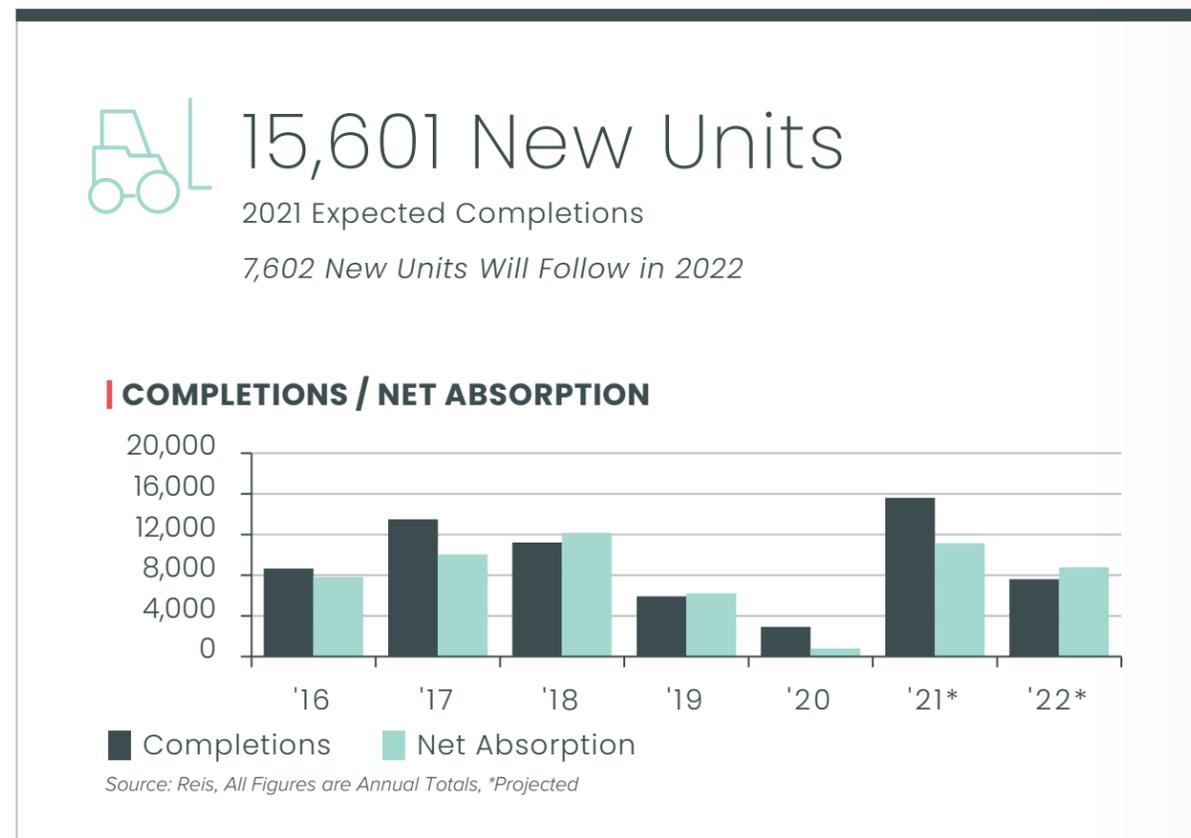


Multifamily Construction

The New York City apartment market has a cumulative apartment inventory growth forecast of 6.5% for 2021, above that of the U.S. average of 2.4% and representing a remarkable total of 15,601 units, the highest delivery count in recent history.

Market Rate Units Under Construction as of 1/2021:

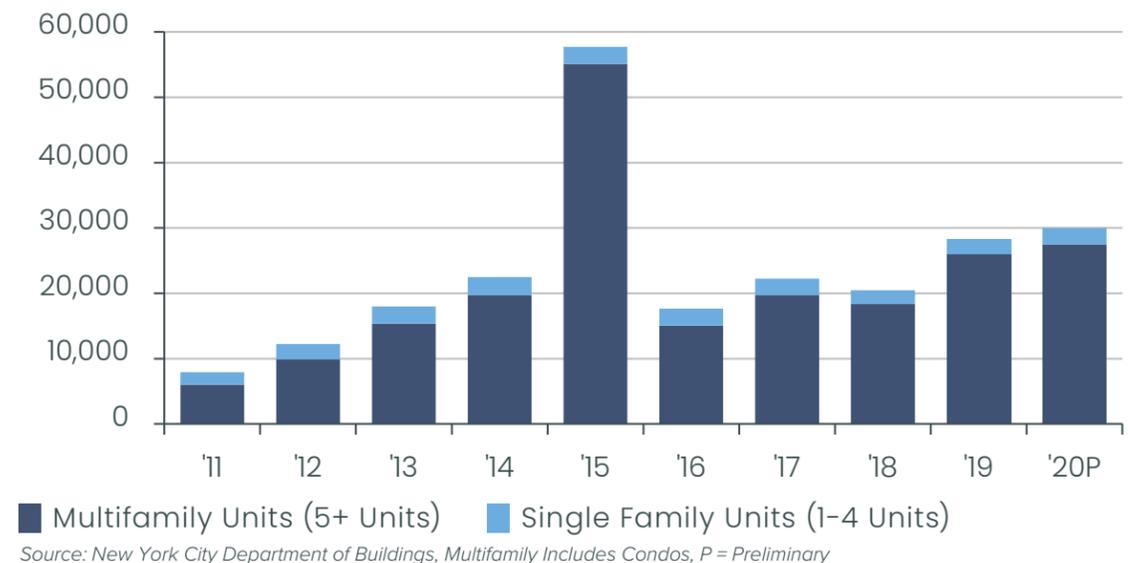
- Brooklyn - 8,023 Units
- Queens - 5,263 Units
- Bronx - 2,877 Units
- Midtown West - 930 Units
- Morningside Heights / Washington Heights - 599 Units
- West Village / Downtown - 516 Units



Permits

- Single family sold volume decreased 23.1% YoY in 2020, to 25,279 closed transactions.
- Proposed New Residential Units (All Types) in 2020:
 - Brooklyn - 10,526
 - Queens - 8,728
 - Bronx - 8,298
 - Manhattan - 3,862
 - Staten Island - 894

TOTAL RESIDENTIAL BUILDING PERMITS



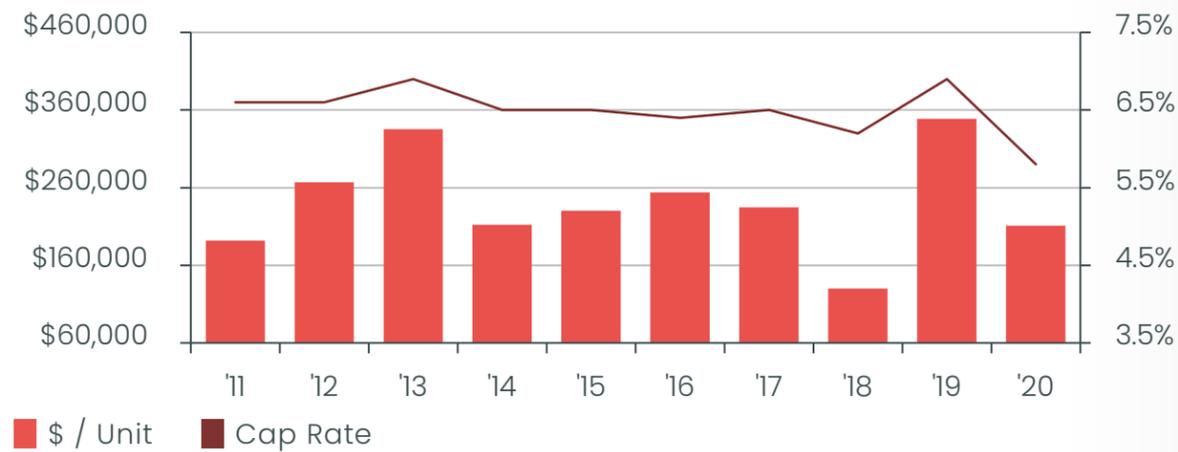
2,551
Single Family Permits
+15.7% YoY

27,485
Multifamily Permits (5+ Units)
+5.7% YoY

\$685K
Median Single Family Price
+5.0% YoY

Multifamily Sales

AVERAGE SALES PPU / CAP RATE



Source: REIS, Based on Sales of \$2 Million and Greater



\$210,851
Avg. Sold Price / Unit
-39.5% YoY



5.8%
Avg. Cap Rate
-110 bps YoY

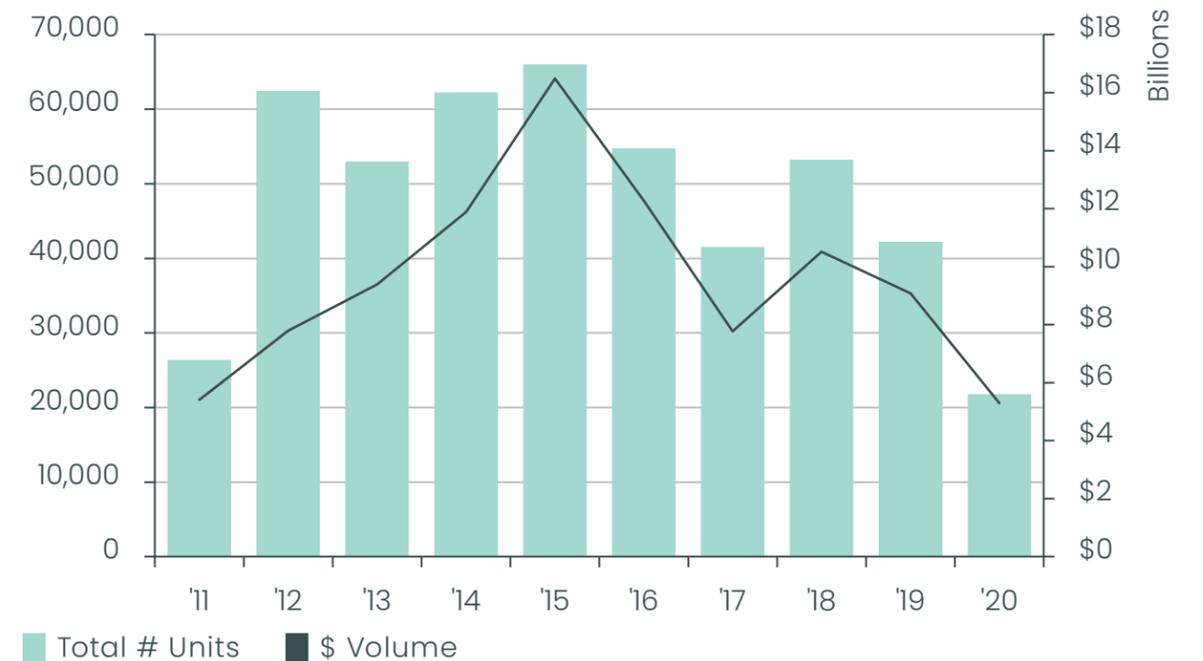




\$5.2B
Sales Volume
-41.0% YoY

21,787
Total # Units Sold
-48.4% YoY

APARTMENT SALES TRANSACTIONS



Source: REIS, Based on Sales of \$2 Million and Greater

Sources: Greystone; Reis; CoStar; U.S. Census; Bureau of Labor; New York State Department of Labor; YIMBY; CDC; CityRealty; NYU Furman Center

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