

NEW YORK CITY REAL ESTATE REPORT Q2 2009



7/1/2009

Cap Rates | Rents | Vacancies | Distressed

Identifying trends, recent transactions & economic opportunities in the five boroughs of New York City.

NEW YORK CITY ECONOMIC OVERVIEW

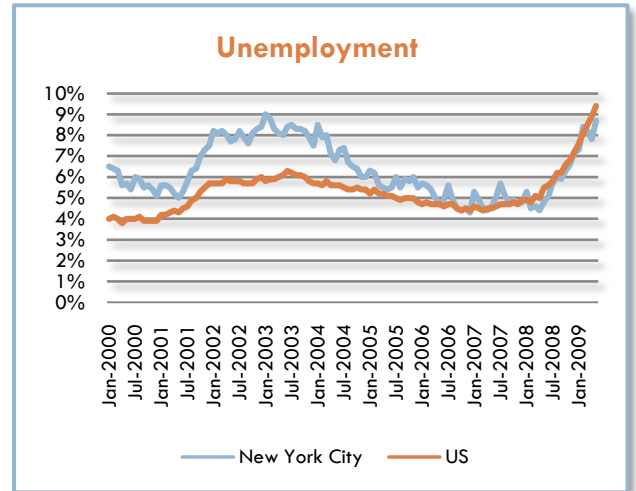
Unemployment

New York City unemployment rates are historically higher than those of the greater US economy. While the unemployment rate in NYC is still relatively high compared with the pre-recession era, national unemployment rates have surpassed those of NYC for the first time in a decade.

Population Growth

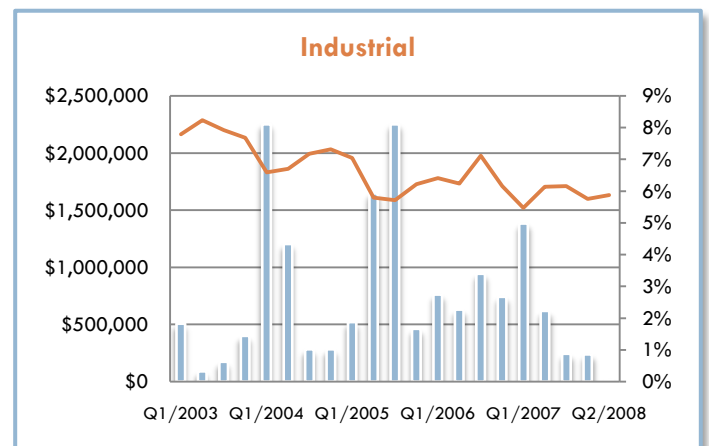
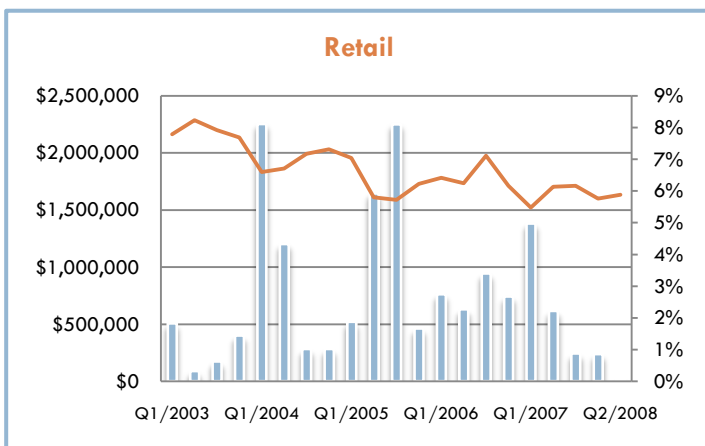
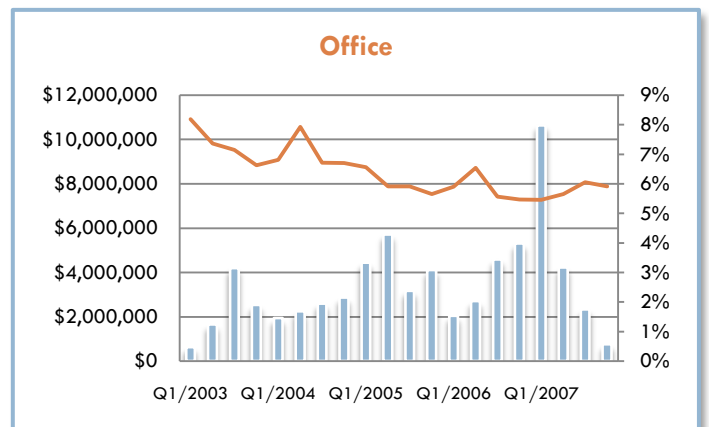
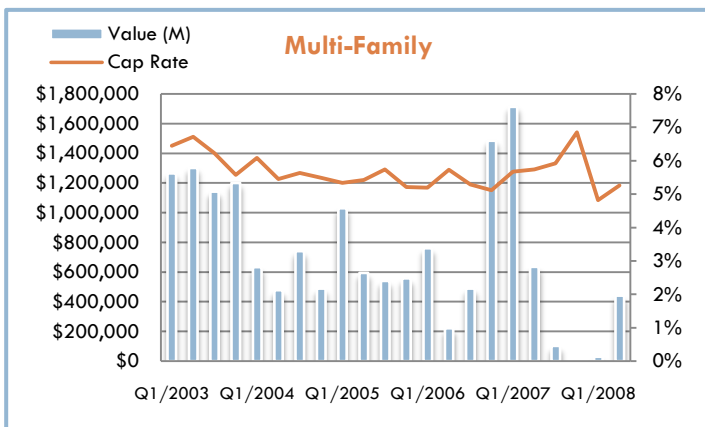
According to a yearly estimate from the U.S. Census, New York City grew by more than 53,000 residents for the 12-month period ending July 2008, the biggest numerical increase of any city in the country.

The city's population was estimated at more than 8.36 million people, up from about 8.31 million in July 2007. That makes it by far the most populous city in the country, more than double Los Angeles' estimated population of 3.83 million.



CAP RATES BY PROPERTY TYPE

Source: Bloomberg LP | NY-Northern NJ-Long island, NY-NJ-PA



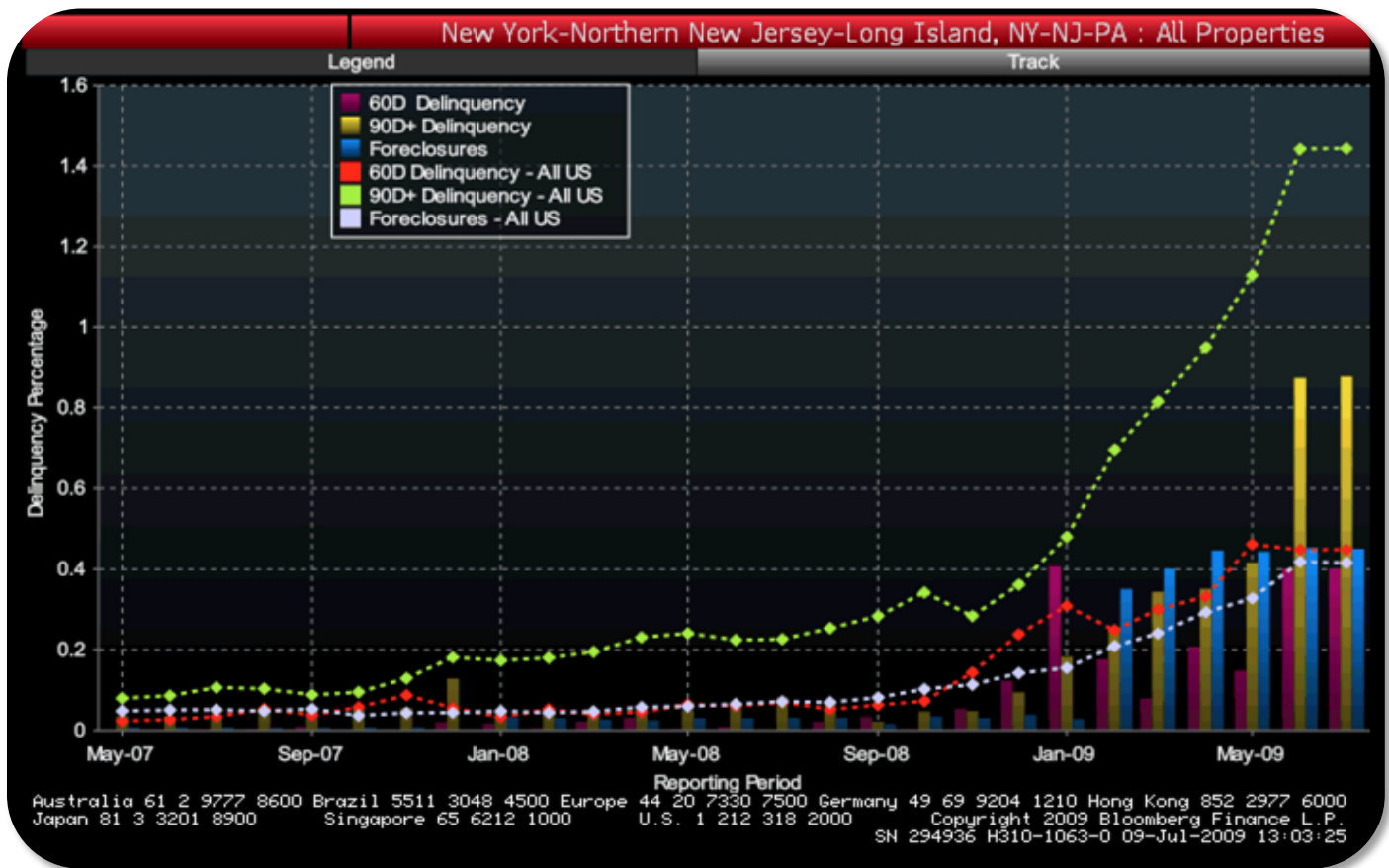
INVENTORY, VACANCY RATES & RENTS

Source: IRR Viewpoint Q1 | 5 boroughs of New York

	Multi-Family	Office	Retail	Industrial
Inventory	153,000 Units	352 M Sq Ft	13.3 M Sq Ft	37.8 M Sq Ft
Vacancy	3.4%	10.2%	6.4%	9.2%
Rents (Avg Monthly Rent)	\$2,830	\$61.62/SqFt	\$117 Net/ Sq Ft	\$13.80/Sq Ft

NEW YORK CITY DISTRESSED

Source: Bloomberg LP | NY-Northern NJ-Long island, NY-NJ-PA



30 day delinquency and foreclosure rates continue to steadily increase in New York City as well as the nation as a whole. The 90 day+ national delinquency rates are significantly higher as banks try to hold on to delinquent assets and hope for a turnaround in real estate values.

KPP anticipates the 90 day+ delinquency rate to begin to normalize as banks ramp up their efforts to sell underlying assets through short-sales and increased foreclosures.

THERE ARE CURRENTLY 1,010 REAL ESTATE LOANS ON THE BLOOMBERG TROUBLED WATCH LIST FOR THE NEW YORK CITY AREA

NYC RECENT TRANSACTIONS UNDER \$5 MILLION

Source: *The Real Deal*, July 2009

Address	Size	Buyer	Seller	Notes
1585 White Plains Rd (The Bronx)	6-story, 63,750 sf apt. bldg, 59 units total	Jomike Realty Co. LLC	Parkash Realty	The elevator building sold for \$4.6 million, or \$72 per square foot. The price represents a capitalization rate of 8.3 percent and a gross rent multiple of 7.1.
533-543 West 158th St	Three 6-story apt. bldgs, 77 units total	Vigor Realty LLC	Private investor	The adjacent walk-up buildings totaling 49,500 square feet sold for \$4.55 million. The price represents a capitalization rate of 7 percent, a gross rent multiple of 6.5 and a price per unit of \$63,194. The average rent per unit was \$803 per month.
26-01/26-15 4th St (Queens)	1-story, 50,000 sf warehouse	AA Holding of Long Island City LLC	26-01/26-15 4th Street LLC	The property sold for \$4.3 million, or \$86 per square foot.
2550-52 University Ave (The Bronx)	5-story, 46,875 sf apt. bldg, 54 units total	Amit Doshi, Besen & Associates	The Morgan Group	The prewar walk-up building sold for \$4 million, or \$85 per square foot. The price represents a capitalization rate of 9 percent, a gross rent multiple of 6.4 and a price per unit of \$74,074.
25 McLean Ave (The Bronx)	6-story, 30,328 sf apt. bldg, 36 units total	M. Lala, D. Raciti, J. Lala, Marcus & Millichap	n/a	The multifamily property sold for \$3.4 million, or \$112 per square foot. The building has eight studios, 20 one-bedrooms and eight two-bedrooms.

NYC RECENT FINANCINGS UNDER \$5 MILLION

Source: *The Real Deal*, July 2009

Address	Size	Borrower	Lender	Notes
20 Continental Ave (Queens)	97-unit apt. bldg	Forest Hill Inn Apartments Ltd.	NCB	A \$2.9 million first mortgage and a \$300,000 line of credit were arranged for the property.
301 East 78th St	115-unit apt. bldg	301 East 78 St. Owners Corp.	NCB	A \$2 million first mortgage and a \$1 million line of credit were arranged for the building.
166 East 35th St	112-unit apt. bldg	Osse Inc.	NCB	A \$2.3 million first mortgage and a \$500,000 line of credit were arranged for the property.
3215 Arlington Ave (The Bronx)	68-unit apt. bldg	3215 Arlington Avenue Owners Corp.	NCB	A \$2 million first mortgage and a \$500,000 line of credit were arranged for the building.
7401 Fourth Ave (Brooklyn)	64-unit apt. bldg	7401 Apt. Corp.	NCB	A \$2.3 million first mortgage was arranged for the building.

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