

# The **RPG** Office Condominium Report

First Half 2024



## First Half of 2024 Office Condominium Sales

### At a Glance

- **Sales Velocity is 55% Below the Five-Year Average:** In the first half of 2024 there was \$48 million in office condominium sales compared to the five-year average of \$107 million in sales.
- **Pricing Rises, Barely:** Office condominium pricing was \$700 per square foot in the first half of 2024, up 10% from the \$639 per square foot of the second half of 2023 and 5% lower than the five-year average of \$734 per square foot.
- **Office Condo Prices Set to Decline:** The report's average pricing overlooks the bargain prices at which office condominiums are currently being negotiated.

## Market Overview

The Manhattan office condominium market is made up of 113 buildings, occupying a total of 12.5 million square feet. The Midtown submarket is comprised of 6.3 million square feet; Midtown South is comprised of 4.1 million square feet; and Downtown is comprised of 2.1 million square feet. There are 3.6 million square feet of Class A office condominiums, 6.2 million square feet of Class B, and 2.7 million square feet of Class C.

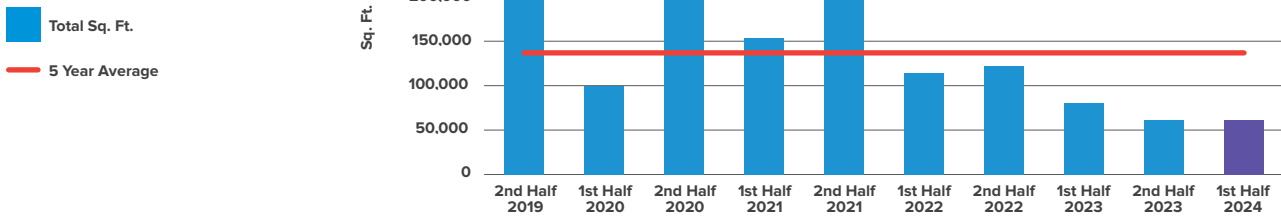
### First Half of 2024 Office Condominium Sales:

In the first half of 2024, there were 68,791 square feet of office condominium sales in Manhattan totaling \$48,164,129. There were 18 office condominium sales, averaging 3,822 square feet per sale, at an average of \$700 per square foot.

# Market Overview (continued)

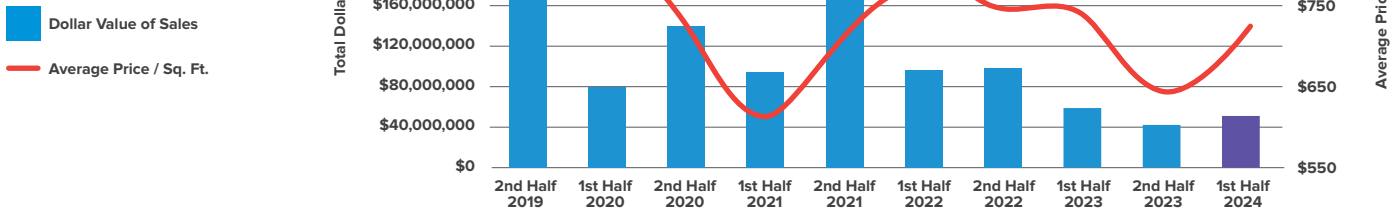
**Square Footage of Sales:** The 68,791 square feet sold in the first half of 2024 is 2% more than the 67,165 square feet sold in the second half of 2023 and 52% lower than the five-year average of 142,025 square feet sold. Out of the 18 sales, only one sale was larger than 6,800 RSF.

## Sq. Ft. Sold per Half Year



**Dollar Value of Sales:** In the first half of 2024, office condominium sales totaled \$48,164,129 which is 12% more than the \$42,912,773 in sales for the second half of 2023. The dollar value of sales is 55% less than the five-year average of \$107,087,041.

## Dollar Value of Sales per Half Year



**Average Price Per Square Foot:** In the first half of 2024, the average price per square foot was \$700. This is 10% higher than the second half of 2023 average of \$639 per square foot and 5% lower than the five-year average of \$734 per square foot.

**Number of Sales:** There were 18 sales in the first half of 2024, one sale less than the second half of 2023. The number of office condominiums sold in the first half of 2024 was three less than the five-year average of 21 sales.

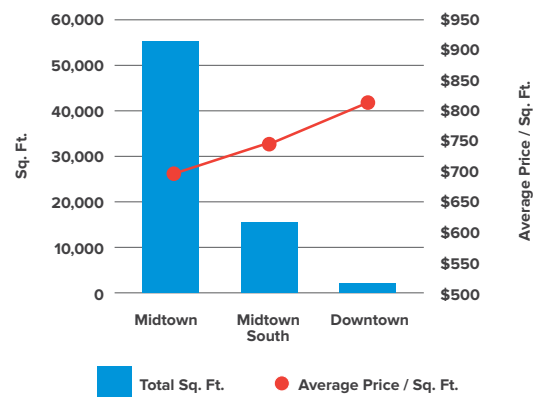
# Submarket Statistics

**The Midtown submarket** is Manhattan’s largest office condominium submarket, comprised of approximately 6.3 million square feet. In the first half of 2024, there were 14 sales totaling 50,788 square feet. The dollar value of these sales totaled \$34,474,129, averaging \$679 per square foot.

**The Midtown South submarket** is comprised of approximately 4.1 million square feet of office condominiums. In the first half of 2024, there were 3 sales totaling 15,548 square feet. The dollar value of these sales was \$11,650,000, averaging \$749 per square foot.

**The Downtown submarket** is comprised of approximately 2.1 million square feet of office condominiums. In the first half of 2024, there was 1 sale totaling 2,455 square feet. The dollar value of this sale was \$2,040,000, averaging \$831 per square foot.

## 1H 2024 Sales by Submarket



# Availability

There are currently 1,786,728 square feet of office condominiums available in Manhattan (240 units are currently for sale across 87 buildings) with an average asking price of \$781 per square foot. This equates to a 14.26% availability rate which is a 13% increase from the second half of 2023. In the Midtown submarket, 994,937 square feet are for sale with an average asking price of \$777 per square foot. In the Midtown South submarket, 345,652 square feet are for sale with an average asking price of \$822 per square foot. In the Downtown submarket, 446,139 square feet are for sale with an average asking price of \$757 per square foot.



# Notable Office Condominium Sales



## 866 UN PLAZA

**Units 492 / 494:** 6,733 Sq. Ft.  
**Price:** \$4,200,000 (\$624/Sq. Ft.)  
**Sale Date:** 05/05/24  
**Purchaser:** Dame Jillian & Dr Arthur M Sackler Foundation  
**Seller:** The Carlyle Group



## 633 THIRD AVENUE

**Unit 19D:** 2,991 Sq. Ft.  
**Price:** \$2,392,000 (\$800/Sq. Ft.)  
**Sale Date:** 02/27/24  
**Purchaser:** Fettaya Properties  
**Seller:** Ivan Babenko



## 520 WEST 27TH STREET

**Unit 702:** 2,782 Sq. Ft.  
**Price:** \$2,150,000 (\$773/Sq. Ft.)  
**Sale Date:** 04/12/24  
**Purchaser:** Danny Forster & Architecture  
**Seller:** Hariri & Hariri Architecture



## 25 WEST 31ST STREET

**10th Floor:** 5,930 Sq. Ft.  
**Price:** \$4,200,000 (\$708/Sq. Ft.)  
**Sale Date:** 02/06/24  
**Purchaser:** Trade Lines Inc.  
**Seller:** Century Development & Leasing



## 420 FIFTH AVENUE

**15th Floor:** 18,003 Sq. Ft.  
**Price:** \$13,750,000 (\$764/Sq. Ft.)  
**Sale Date:** 04/05/24  
**Purchaser:** Luxottica Group  
**Seller:** Argento SC



## 50 WEST 47TH STREET

**Unit 16L:** 2,140 Sq. Ft.  
**Price:** \$2,500,000 (\$1,168/Sq. Ft.)  
**Sale Date:** 02/06/24  
**Purchaser:** Veronique Oro Corp Fine Jewelry  
**Seller:** Lali Jewelry





Office Condominiums at 32 West 39th Street

## Bargains Emerging in NYC Office Condominium Market

Office condominium pricing averaged \$700 per square foot in the first half of 2024, just 5% lower than the five-year average of \$734 per square foot. However, this figure may not accurately represent current market conditions for two key reasons.

First, the volume of sales in early 2024 was exceptionally low, making the average price per square foot unrepresentative of broader trends. Notably, a single sale at 420 Fifth Avenue, a Class A building, greatly influenced this average. This 18,000 square foot sale closed at \$764 per square foot, one of the highest prices recorded, skewing the overall average upwards.

Second, these prices are lagging indicators, reflecting agreements negotiated in 2023 before the market's recent downturn. Over the past six months, the value of office buildings and office condominiums has dropped significantly. This shift suggests that sales closing in the latter half of 2024 and beyond will reflect much lower prices.

Rudder Property Group has observed this trend firsthand, with ten contracts currently out on various office condominium buildings, all priced below \$450 per square foot. At 32 West 39th Street, a 16-story office condominium adjacent to Amazon's headquarters at the former Lord & Taylor building, multiple contracts are out at \$400 per square foot. These prices, 46% below the five-year average, more accurately reflect current market conditions.

These attractive prices will boost sales velocity as opportunistic buyers recognize the long-term value of owning office condominiums at such steep discounts.

## Rudder Property Group

Rudder Property Group is a commercial real estate services firm that specializes exclusively in the sale of office condominiums in the New York metropolitan area. With 20 years of experience in this niche market, Rudder Property Group has sold over two million square feet of office condominiums with a dollar value in excess of \$1 billion. In the small, highly specialized field of office condominium sales, Rudder Property Group is the market leader.

### Michael Rudder

Office: (212) 966-3611  
Mobile: (646) 483-2203  
mrudder@rudderpg.com

### Justin Harris

Office: (212) 966-5638  
Mobile: (914) 582-9227  
jharris@rudderpg.com

### Rudder Property Group

36 West 44th Street, Suite 1411  
New York, NY 10036  
www.rudderpg.com

