

# The **RPG** Office Condominium Report

Second Half 2024



## Second Half of 2024 Office Condominium Sales

### At a Glance

- **Sales Velocity is 57% Below the Five-Year Average:** In the second half of 2024 there was \$36 million in office condominium sales compared to the five-year average of \$84 million in sales.
- **Pricing Continues to Fall:** Office condominium pricing was \$537 per square foot in the second half of 2024, 23% lower than the five-year average of \$693 per square foot.
- **A Call for Conversion:** The office condominium market faces record-low availability, fueling demand for conversions to meet ownership needs.

## 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.

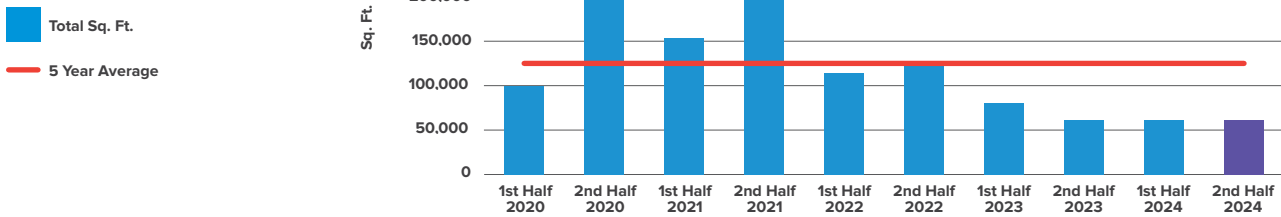
### Second Half of 2024 Office Condominium Sales:

In the second half of 2024, there were 67,290 square feet of office condominium sales in Manhattan totaling \$36.2 million. There were 16 office condominium sales, averaging 4,206 square feet per sale, at an average of \$537 per square foot.

# Market Overview (continued)

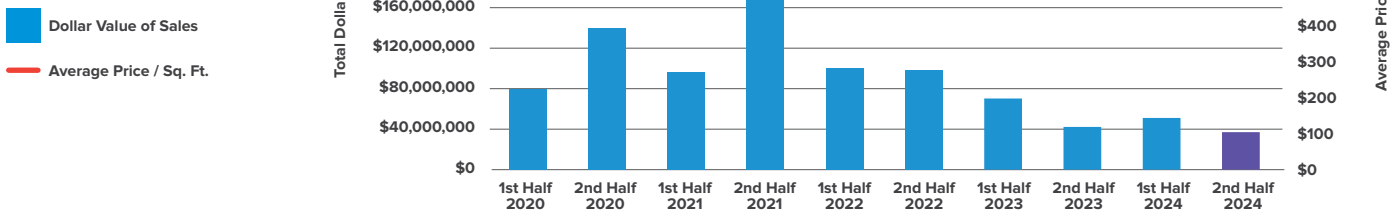
**Square Footage of Sales:** The 67,290 square feet sold in the second half is 2% less than the 68,991 square feet sold in the first half of 2024 and 45% lower than the five-year average of 121,323 square feet sold. Out of the 16 sales, there were no sales over \$4,100,000.

## Sq. Ft. Sold per Half Year



**Dollar Value of Sales:** In the second half of 2024, office condominium sales totaled \$36.2 million which is 25% less than the \$48.2 million in sales for the first half of 2024. The dollar value of sales is 57% less than the five-year average of \$84.1 million.

## Dollar Value of Sales per Half Year



**Average Price Per Square Foot:** In the second half of 2024, the average price per square foot was \$537. This is 23% lower than the first half of 2024 average of \$698 per square foot and 23% lower than the five-year average of \$693 per square foot.

**Number of Sales:** There were 16 sales in the second half of 2024, two sales less than the first half of 2024. The number of office condominiums sold in the second half of 2024 was five less than the five-year average of 21 sales.

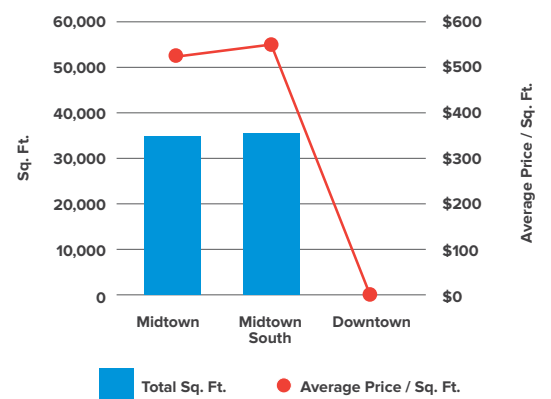
# Submarket Statistics

**The Midtown submarket** is Manhattan’s largest office condominium submarket, comprised of approximately 6.3 million square feet. In the second half of 2024, there were 9 sales totaling 32,978 square feet. The dollar value of these sales totaled \$17.2 million, averaging \$521 per square foot.

**The Midtown South submarket** is comprised of approximately 4.1 million square feet of office condominiums. In the second half of 2024, there were 7 sales totaling 34,312 square feet. The dollar value of these sales was \$19 million, averaging \$553 per square foot.

**The Downtown submarket** is comprised of approximately 2.1 million square feet of office condominiums. In the second half of 2024, there were no sales in the Downtown submarket.

## 2H 2024 Sales by Submarket



# Availability

There are currently 2,147,507 square feet of office condominiums available in Manhattan (264 units are currently for sale across 87 buildings) with an average asking price of \$760 per square foot. This equates to a 17.14% availability rate which is a 20% increase from the first half of 2024. In the Midtown submarket, 1,347,705 square feet are for sale with an average asking price of \$748 per square foot. In the Midtown South submarket, 336,580 square feet are for sale with an average asking price of \$808 per square foot. In the Downtown submarket, 463,222 square feet are for sale with an average asking price of \$758 per square foot.

The report's office condominium availability rate may not show the true amount of sellable space available. With over 1 million square feet that is untransactable due to varying degrees of foreclosure or unrealistic sellers, the market is much smaller than one might think. This opportunity sparks opportunities for purchasers and office condominium conversions alike.



# Notable Office Condominium Sales



## 32 WEST 39TH STREET

**12th Floor:** 4,690 Sq. Ft.  
**Price:** \$1,829,100 (\$390/Sq. Ft.)  
**Sale Date:** 11/19/24  
**Purchaser:** New Frontier Church  
**Seller:** R&B Realty Group



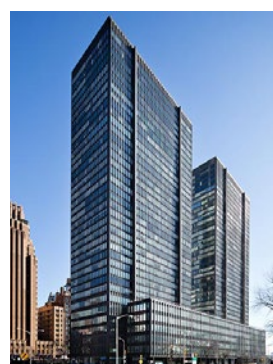
## 12 WEST 32ND STREET

**7th Floor:** 3,300 Sq. Ft.  
**Price:** \$1,570,000 (\$476/Sq. Ft.)  
**Sale Date:** 10/30/24  
**Purchaser:** Paris Forino Holdings  
**Seller:** Chamber Music America



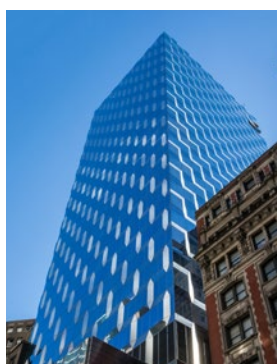
## 137 WEST 25TH STREET

**5th Floor:** 7,690 Sq. Ft.  
**Price:** \$3,845,000 (\$500/Sq. Ft.)  
**Sale Date:** 9/30/24  
**Purchaser:** Sawyer Falduto Asset Management  
**Seller:** Bernard Daskal



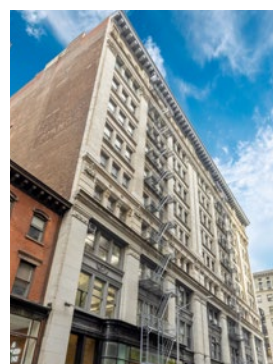
## 866 UN PLAZA

**Unit 540:** 5,659 Sq. Ft.  
**Price:** \$1,960,844 (\$347/Sq. Ft.)  
**Sale Date:** 9/9/24  
**Purchaser:** 540 866 UNP  
**Seller:** The Carlyle Group



## 50 WEST 47TH STREET

**Unit 20LM:** 4,200 Sq. Ft.  
**Price:** \$2,960,000 (\$705/Sq. Ft.)  
**Sale Date:** 09/05/24  
**Purchaser:** Forever Creations USA  
**Seller:** Sahar-Atid Properties



## 5 WEST 19TH STREET

**6th Floor:** 7,200 Sq. Ft.  
**Price:** \$4,000,000 (\$556/Sq. Ft.)  
**Sale Date:** 7/31/24  
**Purchaser:** GreenLake Asset Management  
**Seller:** Robert Barclay



## Record Low Office Condominium Availability Spurs Demand for Conversions

The Manhattan office condominium market is at a historic low, with only 995,000 square feet of space truly available for sale—an 8% availability rate compared to more than 1 million square feet before Covid.

While 2.1 million square feet are technically on the market, another 1.1 million square feet of office condominiums are effectively “untransactable” due to the owners' debt issues, further tightening supply. Many available units have debt levels that are higher than what purchasers would pay in today's market. Meanwhile, the office leasing sector has over 100 million square feet of available space, a stark contrast to the for-sale inventory.

### Limited Inventory Slows Sales Velocity

The lack of quality listings has contributed to a significant 78% drop in office condominium transaction volume, comparing 2024 to 2019. While the value of office condominiums has declined sharply since pre-Covid levels—meaning units now sell for far less—many businesses still want to own and occupy their offices but are unable to find suitable options.

### Recent Full-Building Sales Show Resilient Demand

Despite the scarcity of available inventory, recent full-building transactions highlight enduring interest in office ownership. Fortinet, a technology firm, purchased 548 West 22nd Street for \$50.5 million (\$1,100 per square foot). Other notable deals include Haddad Brand's acquisition of 2 Park Avenue for \$357 million (\$300 per square foot), Gourmet Home Products' purchase of 148 Madison Avenue for \$31.3 million (\$391 per square foot), and Bloomberg's purchase of 980 Madison Avenue for \$560 million (\$5,600 per square foot). These transactions reflect robust demand at varying price points, though smaller buyers continue to face challenges finding available units.

### The Need for More Conversions

Only one new office condominium conversion, at 32 West 39th Street, has come to market in the past five years. Converting underutilized office leasing buildings into office condominiums could help address the persistent shortage, increase sales velocity, and normalize pricing. By creating more ownership opportunities, additional inventory would energize the Manhattan office condominium market, meet the demands of businesses seeking to own their space, and support the sector's recovery.

## 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.

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