

2024 YEAR-END SALES REPORT

T H E B R O N X



253
TRADES

\$818 M
VOLUME

\$3.2 M
AVG DEAL
PRICE

CURRENT TRENDS AND OPPORTUNITIES IN INVESTMENT SALES

By Marco Lala, Managing Director at RM Friedland

The Bronx real estate market in 2024 has been shaped by several key trends, challenges, and opportunities. As we've navigated rising costs, evolving regulations, and fluctuating interest rates, the resilience of certain asset types has stood out.

GENERAL MARKET TRENDS

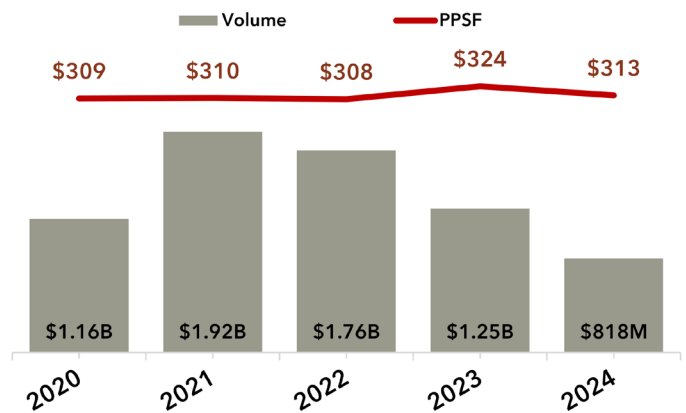
Over the last quarter, the Federal Reserve's rate cuts—two 25-basis-point decreases—sparked optimism. However, the reality of rising 10-year Treasury rates dampened expectations. This dynamic drove borrowing costs upward, putting downward pressure on property prices. Sellers' expectations adjusted, though not always quickly, leading to a lag in aligning with buyers' realistic offers.

Free-market apartments remained the asset class in highest demand, with notable transactions on Bruner Avenue reflecting cap rates of 6.5%–7%. As Jack Lala, my teammate, noted, "Rent-stabilized sellers have begun to accept today's realities, where buyers demand returns that reflect new challenges." Jack also added, "Year after year, free-market properties consistently attract attention. Throughout 2024, developments in both residential and retail sectors have seen a significant rise in popularity."

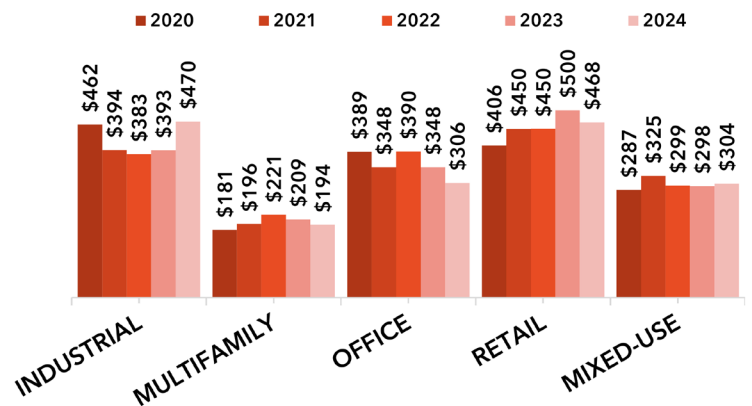
FINANCING

Tighter lending conditions persisted throughout the year. Non-traditional lenders began entering the market, but these alternative sources maintained stringent underwriting standards. For many Bronx property owners, refinancing remained difficult. I observed firsthand how maturing loans compounded issues from prior aggressive financing strategies.

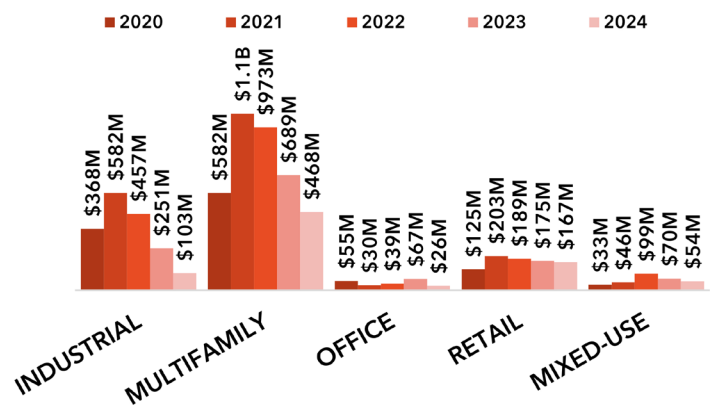
AVERAGE PPSF & TOTAL VOLUME ^{1 2}



MARKET SEGMENTS: AVERAGE PPSF ¹



MARKET SEGMENTS: VOLUME ¹



1) Bronx Investment/Building Sales
2) Data Excludes Known Development Sites & Specialty Use Properties

CURRENT TRENDS AND OPPORTUNITIES IN INVESTMENT SALES

Landlords with high debt were forced to either renegotiate terms or consider equity paydowns. Another valued teammate, Michelle Lala, noted, “Many investors I speak to assume that market trends will shift dramatically following election results, anticipating immediate changes in rates and property prices. However, the reality tends to be more gradual, influenced by persistent factors such as strict local regulations and increasing expenses.”

OPERATING CHALLENGES

Rising insurance costs have been a significant hurdle for Bronx property owners, with premiums in some cases doubling or tripling. As I’ve advised clients, shopping for quotes well in advance and proactively addressing violations have become essential strategies.

Jack Lala highlighted how maintenance and operational inefficiencies further affected financing: “Lenders are steering clear of properties with high violations or poor conditions, making it critical to present assets in the best light.”

OPPORTUNITIES AND RISKS

Despite challenges, opportunities have emerged for well-capitalized investors. Foreclosures and distressed sales have become a core strategy for some. Michelle pointed out, “Investors are actively seeking these deals, creating new opportunities as pricing adjusts.”

Additionally, the new 485x tax abatement has breathed life into vacant land and development opportunities, though its impact on solving the housing crisis remains limited.

REFLECTIONS AND PREDICTIONS

One of the biggest surprises of 2024 was the market’s reaction to rate cuts. Instead of easing pricing, rising operational expenses and regulatory burdens offset any relief. Moving into 2025, I foresee increased investor interest in well-located free-market properties and mixed-use assets with under-market rents.

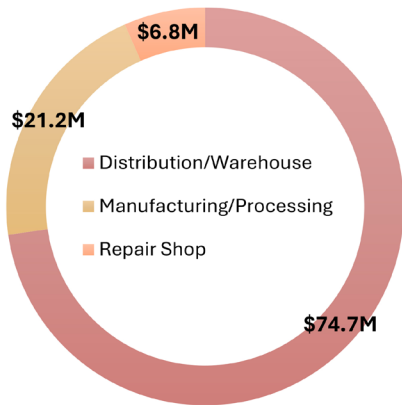
Owners considering a sale should prepare their documentation meticulously. As Michelle Lala observed: “Proper documentation and DHCR backups remain non-negotiable for successful transactions.”

In one case study, we began marketing a 38-unit property in the North Bronx, acquired for \$4.2 million in 2014. We listed it for \$3.2 million in the early 4th quarter of 2024. The property had a loan of approximately \$2.5 million, and loan quotes were coming in below the loan balance. The offer accepted will pay off the loan and cover most closing costs, leaving only limited equity. Many may not be so lucky in 2025.

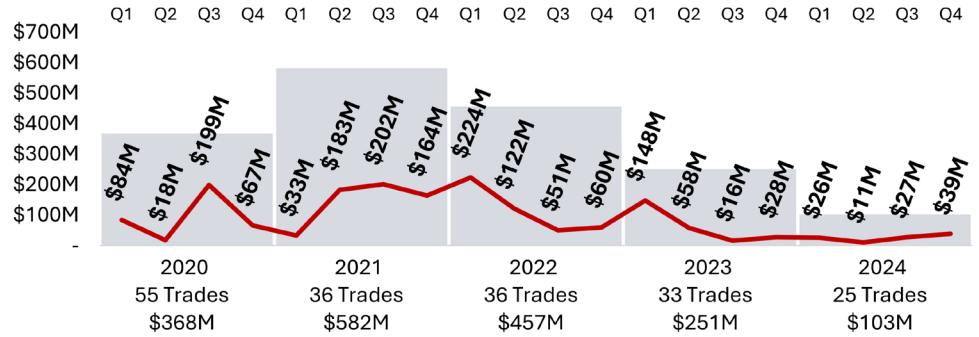
DATA POINTS

	2024	YoY
Total Volume	\$103M	↓ 59%
Velocity	25 Trades	↓ 24%
Avg. Deal Price	\$4.1M	↓ 46%
Avg. Price / SF	\$470	↑ 20%

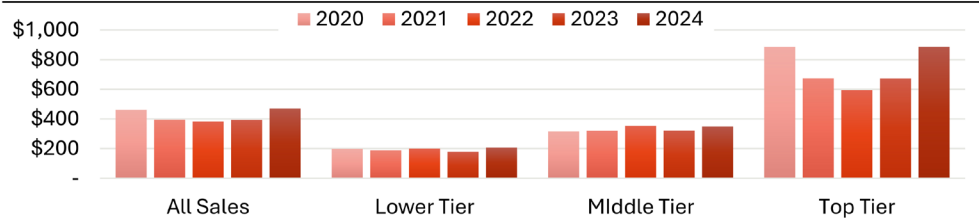
VOLUME BY TYPE: 2024



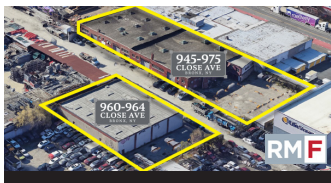
VOLUME HISTORY



AVERAGE PRICE PER SF

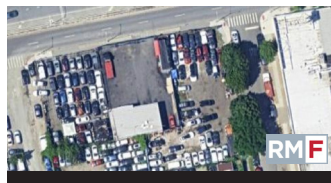


FEATURED TRANSACTIONS



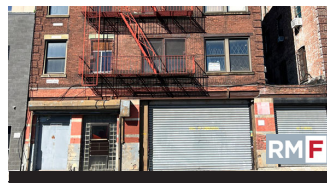
945 & 960 Close Ave | Soundview

SALE PRICE: \$12,325,000
 BUILDING SF: 33,311 SF
 PPSF: \$370



1454 Bruckner Blvd | Soundview

SALE PRICE: \$6,800,000
 LAND SF: 16,267 SF
 PPSF: \$418



11 Canal Place | Soundview

SALE PRICE: \$4,500,000
 BUILDING SF: 20,000 SF
 PPSF: \$225



36 Bruckner Blvd | Port Morris

SALE PRICE: \$9,850,000
 BUILDING SF: 25,000 SF
 PPSF: \$394

VIEWPOINTS

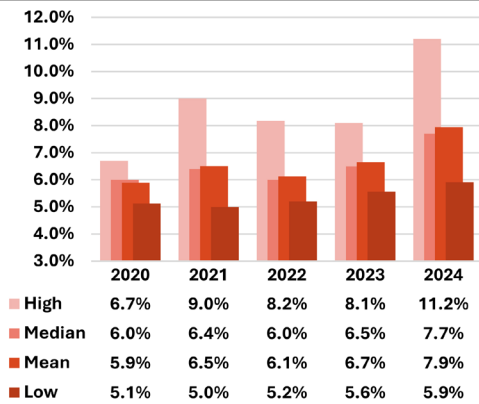
JACK LALA: Industrial properties skyrocketed over the last few years, with many doubling or even tripling in value. In 2024, this particular asset type took a couple of dents along the way, but the popularity is still there.

We are currently working on a 100,000 SF, very well-maintained industrial property in the South Bronx. While the attention is there, a few vacant floors are impacting financing.

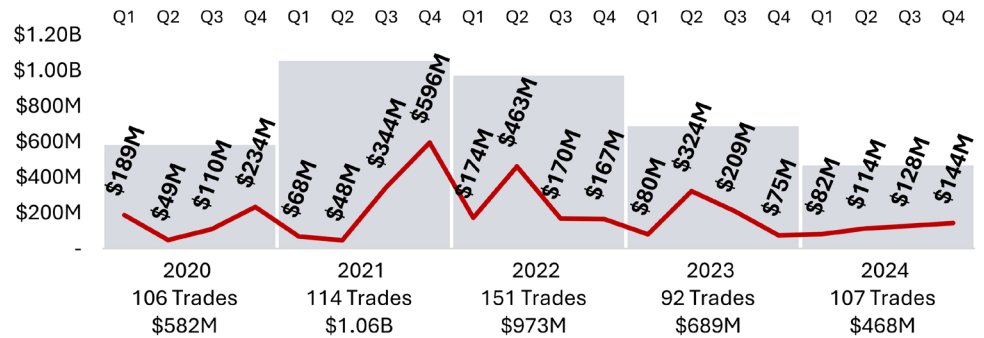
DATA POINTS

	2024	YoY
Total Volume	\$468M	↓ 32%
Velocity	107 Trades	↑ 16.3%
Avg. Deal Price	\$4.4M	↓ 42%
Avg. Price / Unit	\$157K	→ FLAT

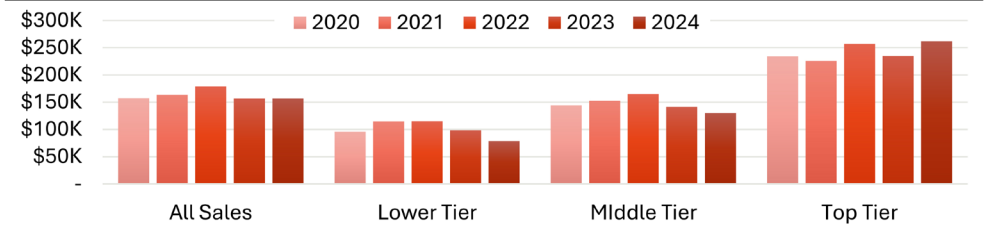
CAPITALIZATION RATES



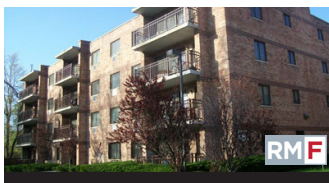
VOLUME HISTORY



AVERAGE PRICE PER UNIT



FEATURED TRANSACTIONS



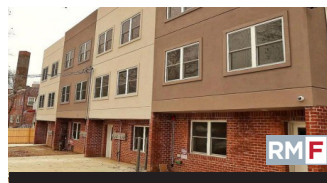
3333 Bruner Ave | Baychester

SALE PRICE: \$5,150,000
UNITS: 23
PPU: \$224K



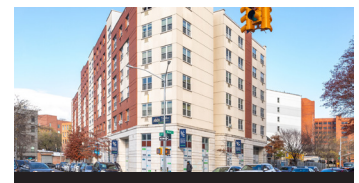
2265 Westchester Ave | Westchester Village

SALE PRICE: \$2,100,000
UNITS: 28
PPU: \$75K



3217 Pearsall Ave | Laconia

SALE PRICE: \$3,725,000
UNITS: 12
PPU: \$310K



250 E 144th St | Mott Haven

SALE PRICE: \$45,750,000
UNITS: 201
PPU: \$228K

VIEWPOINTS

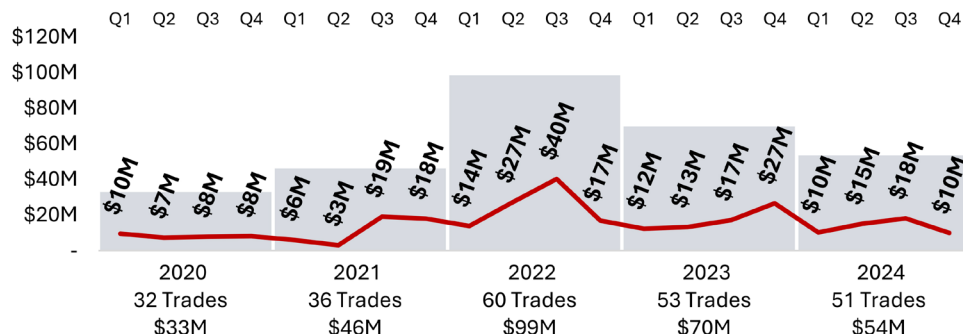
MICHELLE LALA: In 2024, one of the toughest parts of handling multifamily deals was ensuring sellers had all their documentation in perfect order. For rent-stabilized properties, having DHCR backups was crucial. It didn't matter how great the location was or how reasonable the deal looked—what mattered was the documentation.

This year, we worked with a seller for whom we've sold multiple properties across NYC. Their ability to consistently provide thorough and comprehensive backups was key to successfully closing these deals.

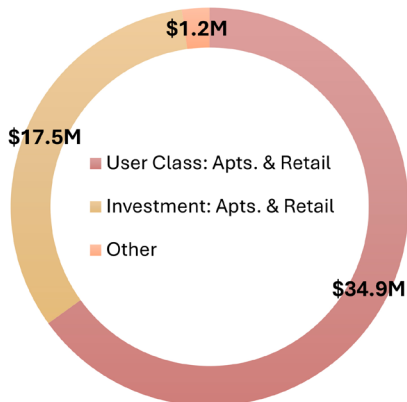
DATA POINTS

	2024	YoY
Total Volume	\$54M	↓ 23%
Velocity	51 Trades	↓ 3.8%
Avg. Deal Price	\$1.1M	↓ 20%
Avg. Price / SF	\$304	↑ 2.1%

VOLUME HISTORY

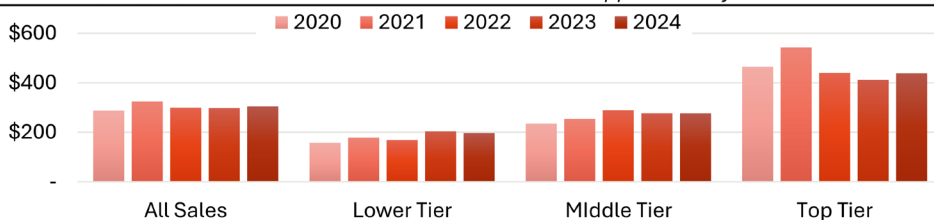


VOLUME BY TYPE: 2024



AVERAGE PRICE PER SF

Each tier is approximately 1/3 of transactions.



FEATURED TRANSACTIONS



3060 3rd Ave | Melrose

SALE PRICE: \$2,000,000
BUILDING SF: 7,905 SF
PPSF: \$253



725 Morris Pk Ave | Van Nest

SALE PRICE: \$2,000,000
BUILDING SF: 5,400 SF
PPSF: \$370



2809 3rd Ave | Mott Haven

SALE PRICE: \$3,075,000
BUILDING SF: 7,248 SF
PPSF: \$424



1803 Parkview Ave | Pelham Bay

SALE PRICE: \$1,225,000
BUILDING SF: 2,160 SF
PPSF: \$567

VIEWPOINTS

JACK LALA: Mixed-use properties have always been popular for the variety of income streams they can generate, whether residential over retail or office over retail. In 2024, the same excitement for this asset type remains.

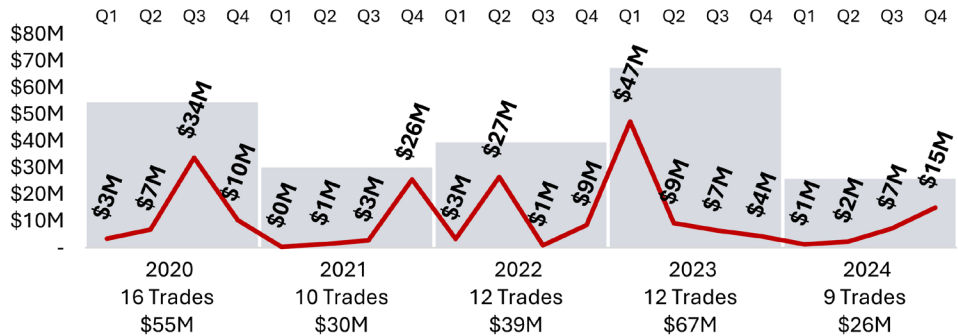
However, when a property has more than six residential units and falls under rent stabilization, it drastically changes the formula. Add a few vacant retail or office spaces, and the bank might steer clear.

We closed on a two-story vacant mixed-use property in Hunts Point in 2024. This area remains strong due to its accessibility to water and a heavy business presence. The property was 3,750 square feet, zoned for office over retail, with a grandfathered four-bedroom apartment on the second floor. Despite red flags, we successfully marketed the property and found the right buyer.

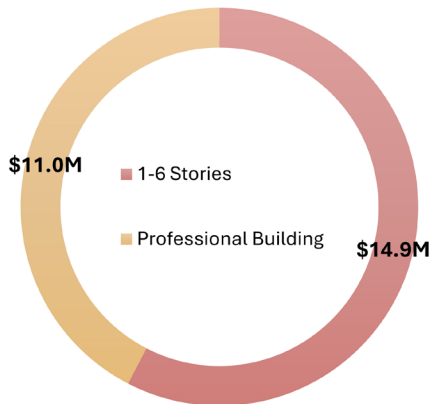
DATA POINTS

	2024	YoY
Total Volume	\$26M	↓ 62%
Velocity	9 Trades	↓ 25%
Avg. Deal Price	\$2.9M	↓ 49%
Avg. Price / SF	\$306	↓ 12%

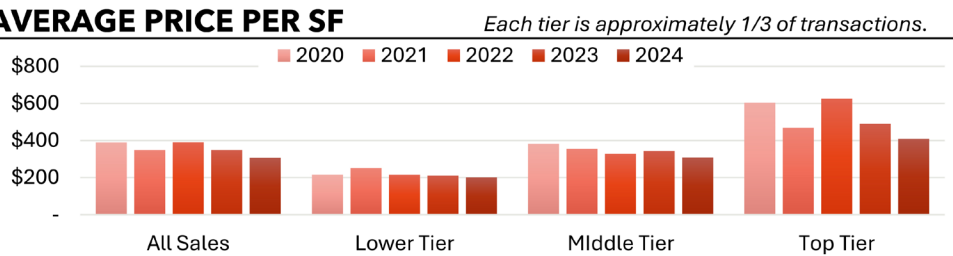
VOLUME HISTORY



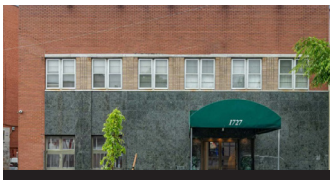
VOLUME BY TYPE: 2024



AVERAGE PRICE PER SF

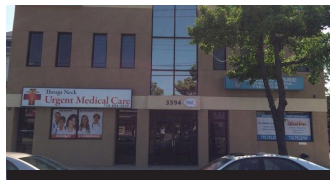


FEATURED TRANSACTIONS



1725 Crosby Ave | Pelham Bay

SALE PRICE: \$2,800,000
BUILDING SF: 8,000 SF
PPSF: \$350



3594 E Tremont Ave | Throggs Neck

SALE PRICE: \$3,805,000
BUILDING SF: 16,225 SF
PPSF: \$235



3117 Buhre Ave | Pelham Bay

SALE PRICE: \$2,325,000
BUILDING SF: 5,000 SF
PPSF: \$465

VIEWPOINTS

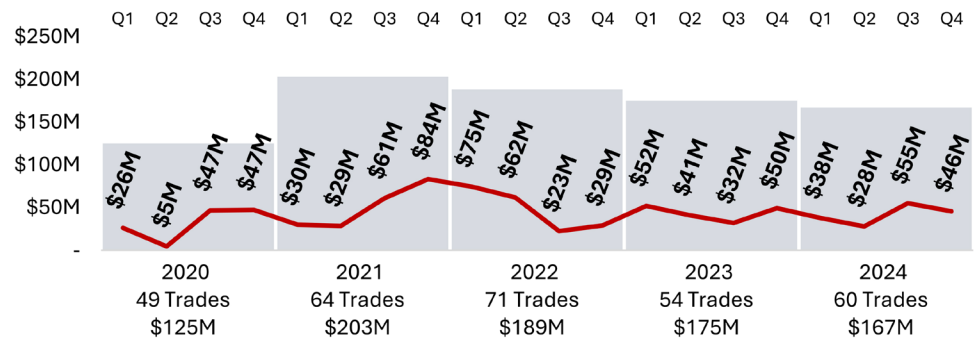
JACK LALA: Over the last four years, I believe office space has been hit the hardest. The pandemic and work-from-home trends left many properties close to vacant. With today's technology, employees can get their jobs done from home, and office tenants are realizing they don't need as much space as before. Downsizing has become common.

We recently sold a medical office building for \$3,000,000 less than what the landlord paid for it. The property was 40–50% vacant, and the amenities were outdated, requiring \$100–\$200 per square foot in upgrades to meet tenants' needs. While there's hope for improvement in this sector, progress will likely be slow.

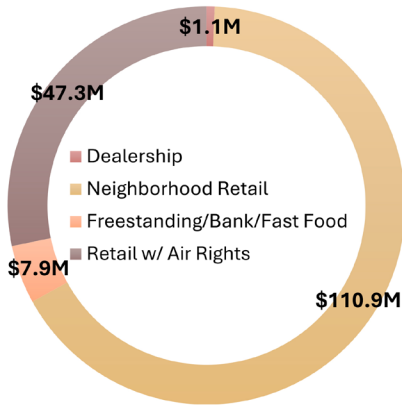
DATA POINTS

	2024	YoY
Total Volume	\$167M	↓ 4.5%
Velocity	60 Trades	↑ 11%
Avg. Deal Price	\$2.8M	↓ 14%
Avg. Price / SF	\$468	↓ 6.5%

VOLUME HISTORY

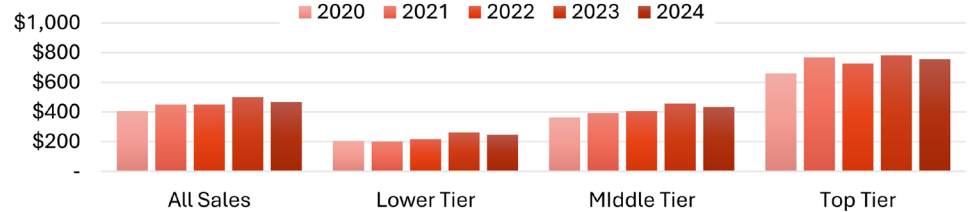


VOLUME BY TYPE: 2024

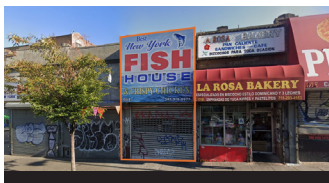


AVERAGE PRICE PER SF

Each tier is approximately 1/3 of transactions.

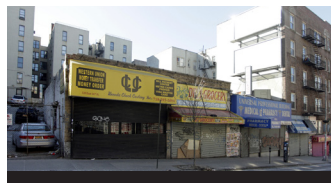


FEATURED TRANSACTIONS



151 E 170th St | Mount Eden

SALE PRICE: \$8,553,068
BUILDING SF: 9,700 SF
PPSF: \$882



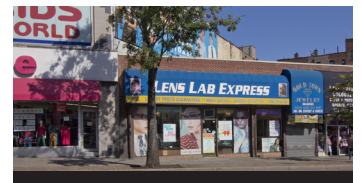
112 E 167th St | Concourse

SALE PRICE: \$10,200,000
BUILDING SF: 9,375 SF
PPSF: \$1,088



1770 Jerome Ave | Mount Hope

SALE PRICE: \$10,200,000
BUILDING SF: 11,150 SF
PPSF: \$915



125 E Fordham Rd | Fordham

SALE PRICE: \$8,000,000
BUILDING SF: 6,400 SF
PPSF: \$1,250

VIEWPOINTS

JACK LALA: Retail took a hit over the last 4–5 years, but slowly and surely, things have started to change in a positive direction. Over the years, banks were reluctant to lend on retail properties due to economic uncertainty, the threat of e-commerce, and inflation.

In 2024, things have begun to shift. Tenants are gaining confidence, giving their businesses a chance, and signing more leases. Although the impact of inflation and the economy remains tight, some business owners are ready to get back out there and give their ventures another try. The retail leasing availability rate is very low which has led to healthy demand and pricing on the sale side.

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