



MULTIFAMILY REPORT

Brooklyn Readies For A Comeback

January 2022

Employment Market Rebounds

Heightened Interest in Lifestyle Segment

Construction on Par With Pre-Pandemic Levels

BROOKLYN MULTIFAMILY



Multifamily Market Finds Stability

Brooklyn's multifamily rental market seems ready for a rebound, after a tough interval for New York City overall. Rents were up 0.7% on a trailing three-month (T3) basis through November, to \$3,012, almost double the national figure. Demand for Lifestyle assets resurged after a decline in 2020, while the RBN segment kept its footing throughout the slowest periods. Submarkets such as Greenpoint and Downtown Brooklyn led both rent gains and development activity.

Brooklyn added 221,800 net jobs over a 12-month period ending in September, representing a 7.8% uptick. In October, New York City's unemployment rate reached its lowest point since the onset of the crisis—6.3%—according to preliminary data from the Bureau of Labor Statistics. The figure was 170 basis points below the national average. More than \$145 million has been awarded by the state to preserve or create some 1,178 affordable homes across New York, of which \$26.6 million was directed toward Brooklyn developments.

New construction amounted to 596 units added year-to-date through November—14.5% of the prior five-year average. Some 14,327 units were under construction in the borough as of November, with developers and investors sharing a heightened interest in the Lifestyle segment, which accounted for 65.4% of the pipeline.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Jack Kern

Director of Research
and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author**Tudor Scolca**

Associate Editor