



## MULTIFAMILY REPORT

# Brooklyn's Comeback

January 2024

**Occupancy Improves to Record Levels**

**Construction Starts on Par With 2022**

**Rent Growth Outperforms US**

# BROOKLYN MULTIFAMILY



## Fundamentals Hold, For Now

Through the second half of the year, most multifamily markets felt the blow of a slower economy, with overall national rent growth at 0.4% year-over-year as of November. Brooklyn, however, managed to maintain a steadier pace, with rent development on a trailing three-month basis at 0.2% and year-over-year improvement at 4.9%, up to an average of \$3,524. Occupancy rates point to demand for more housing, with averages for stabilized assets at 99.0% in October, up 30 basis points since last year.

New York City's unemployment rate stood at 5.4% as of October, according to preliminary data from the Bureau of Labor Statistics. The city's labor pool expanded by 2.7% on a 12-month basis through September, above the nation's 2.4%. Of the 161,500 jobs added during this period, 122,500 were in the education and health services sector. Betting on the sector's future growth, authorities unveiled a master-planned life sciences career and education hub, the Science Park and Research Campus at Kips Bay, estimated to create more than 3,000 permanent jobs for the sector and provide a \$42 million boost to New York City's economy by 2030.

Multifamily development in Brooklyn cooled, with developers bringing 1,654 units online year-to-date through November, down 43.3% since last year. On the upside, the borough had 19,419 units under construction and an additional 39,500 units in the planning and permitting stages.

### Recent Brooklyn Transactions

#### 7 Dekalb



City: Brooklyn, N.Y.  
Buyer: Avanath Capital  
Management  
Purchase Price: \$101 MM  
Price per Unit: \$405,000

## Market Analysis | January 2024

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