

Yardi® Matrix

# High-Octane Brooklyn

Multifamily Report Summer 2019

Rent Growth Decelerates

Transaction Activity Slows Down

Developers Eye Northern Submarkets



# BROOKLYN MULTIFAMILY

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## Market Analysis

Summer 2019

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## Demand Keeps Absorption Healthy

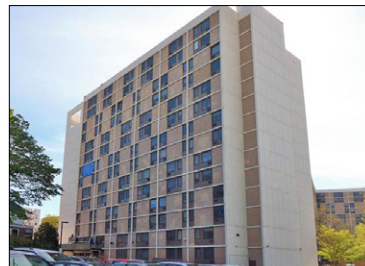
Brooklyn's multifamily market continued to perform well going into 2019. Although deliveries ramped up last year, the borough's occupancy rate in stabilized properties, at 98.7% as of March, remained one of the highest in the country.

New York City's education and health services sector led employment growth in the 12 months ending in March, accounting for more than half of the 103,300 new jobs. Professional and business services followed, with the addition of 20,800 positions. Tech giants are quickly filling up office space left empty by financial company relocations. In downtown Brooklyn, Tishman Speyer is working on a 10-story office property at 422 Fulton St., very close to Extell Development's upcoming 57-story condo tower, the borough's tallest high-rise. With buildings producing nearly 70 percent of the city's gas emissions, officials introduced new legislation that sets emissions caps. The state is also considering introducing a green component to the Brooklyn-Queens Expressway revamp project.

Developers added 5,010 units in Brooklyn last year and deliveries reached a new cycle high, but absorption kept up pace. With supply and demand in relative balance and new rent regulations on the horizon, we expect the average overall New York City rent to advance 0.7% in 2019.

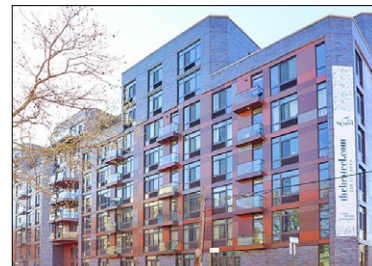
## Recent Brooklyn Transactions

### Shore Hill Housing



City: New York City  
Buyer: Jonathan Rose Cos.  
Purchase Price: \$149 MM  
Price per Unit: \$267,281

### Kestrel



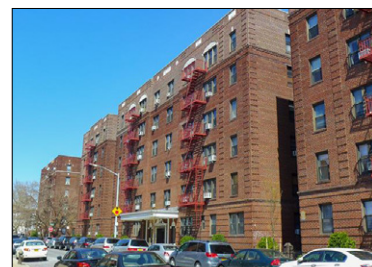
City: New York City  
Buyer: Dermot Co.  
Purchase Price: \$75 MM  
Price per Unit: \$592,857

### Berkshire



City: New York City  
Buyer: Jonas Equities  
Purchase Price: \$32 MM  
Price per Unit: \$263,636

### 1701 W. Third St.



City: New York City  
Buyer: Parkoff Organization  
Purchase Price: \$28 MM  
Price per Unit: \$261,945