



MULTIFAMILY REPORT

# Brooklyn's Baby Step Recovery

Summer 2021



Rental Rates on Upward Trend

Hospitality Jobs Steadily Improve

New Construction Jumpstarts Economy

# BROOKLYN MULTIFAMILY



## Long-Awaited Rebound Underway

Compared to a year ago, the Brooklyn multifamily market is in a much better condition. As of June, rents were up 2.1% on a trailing three-month basis to \$2,794, well above the \$1,482 national average. Renters have benefited from long-term government support and increased personal savings rates, enabling them to seek out higher-cost apartments after some of the uncertainty waned.

Leisure and hospitality recorded the sharpest decline last year, but is steadily beginning to rebound, as tourists feel comfortable to travel again. According to data released by the New York state Department of Labor in mid-July, the number of jobs in tourism-related industries is up 46% from last year. However, the sector is experiencing a shortage of labor in the metro, as many former employees were pressed to pivot toward a new career to survive the health crisis.

Only 449 apartments across three Brooklyn properties came online in the first half of 2021, accounting for a fifth of what developers completed over the first six months of last year. Moreover, multifamily transactions were also severely impacted by the pandemic, with no deals completed for properties of 50-plus units in 2021. And the investment market is likely to face new challenges going forward.

## Market Analysis | Summer 2021

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### Recent Brooklyn Transactions

#### Spring Creek Gardens



City: New York City  
Buyer: K&R Preservation  
Purchase Price: \$35 MM  
Price per Unit: \$60,328

#### Chelsea



City: New York City  
Buyer: The Parkoff Organization  
Purchase Price: \$21 MM  
Price per Unit: \$168,699