



## MULTIFAMILY REPORT

# Brooklyn Stays Solid

January 2023

**Rent Growth Outperforms National Trend**

**Inventory Expansion Poised to Continue**

**Investment Resurgence Endures**

# BROOKLYN MULTIFAMILY



## Brooklyn: Outlier In Cooling Rental Market

Brooklyn's multifamily market recorded strong performance at a time when most U.S. markets began seeing the effects of a slowing economy. Anchored by a New York City market that has proved more resilient than expected following pandemic-induced struggles, the borough's average rent rose 0.3% on a trailing three-month basis as of November, as the national rate contracted 0.1%. Meanwhile, occupancy was at one of the highest rates in the nation, with the average rate in stabilized assets at 98.6%.

New York City's job market is still recovering positions lost during the early stages of the pandemic, having added 359,200 jobs in the 12 months ending in September, up 5.8% year-over-year. That's well above the 4.2% national rate of employment growth. The \$1.2 billion redevelopment of the Brooklyn Development Center campus in East New York will add some 2,400 units of affordable housing to the borough, further boosting the local economy.

While heavily oscillating in average sales prices, Brooklyn's investment volume has had a fairly consistent 24 months, as 2022 kept pace with the prior year. Development in the borough has slowed down, with 2,067 units delivered in the first 11 months of the last year, accounting for 1.4% of existing rental inventory. Brooklyn has a mix of housing inventory including condos, co-ops and apartment buildings of fewer than 50 units, so trends will likely fluctuate due to the smaller sample size.

## Market Analysis | January 2023

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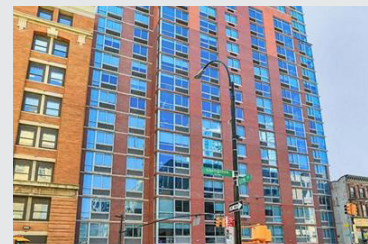
### Recent Brooklyn Transactions

#### 250 Gold



City: New York City  
Buyer: Kohlberg Kravis Roberts & Co.  
Purchase Price: \$225 MM  
Price per Unit: \$2,616,279

#### The Addison



City: New York City  
Buyer: Dermot Co.  
Purchase Price: \$142 MM  
Price per Unit: \$525,092

#### Tilden Hall



City: New York City  
Buyer: Signature Investment Group  
Purchase Price: \$46 MM  
Price per Unit: \$392,308