



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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