

Yardi® Matrix

Brooklyn's Blistering Pace

Multifamily Report Summer 2018



**Education, Health Sector
Leads Job Growth**

**Developers Focus on
Luxury Assets**

**Affordability
Issues Linger**

BROOKLYN MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Laura Calugar

Associate Editor

Kings County Braces for Banner Year

Brooklyn's multifamily market is set to reach a new cycle peak this year, with most of the upcoming supply geared toward the upscale market. This will likely make the already severe affordability crisis even more acute. Home prices in the borough are quickly nearing high-priced Manhattan levels.

New York City added almost 98,000 jobs year-over-year through May, with education and health services accounting for almost half. The development of new public ferry routes is encouraging construction activity on East River shores: A 1,200-foot-long esplanade now runs along the river in Williamsburg. Industry City is in the process of reshaping the South Brooklyn waterfront, where a joint venture intends to create 3.6 million square feet of retail space, storage units, warehouses and hotels. Moreover, submarkets that grant quick commutes to employment centers in Manhattan, such as Prospect Heights and Downtown Brooklyn, are attracting developer interest. Office demand is high, as investors see the borough as a viable alternative to Manhattan's exorbitant prices.

At \$1.1 billion year-to-date through July, transaction volume was mainly influenced by the \$870 million sale of the largest subsidized property in the U.S. With roughly 14,000 units expected to come online in the metro this year, New York City rents are bound to drop 0.1% in 2018.

Recent Brooklyn Transactions

Spring Creek Towers



City: Brooklyn, N.Y.
Buyer: Rockpoint Group
Purchase Price: \$870 MM
Price per Unit: \$147,934

921 Washington Avenue



City: Brooklyn, N.Y.
Buyer: GRJ
Purchase Price: \$53 MM
Price per Unit: \$406,489

787 E. 46th Street



City: Brooklyn, N.Y.
Buyer: Coney Realty & Management
Purchase Price: \$27 MM
Price per Unit: \$207,031