

Yardi® Matrix

Brooklyn's Hot Hand

Multifamily Report Winter 2019

Rent Growth Picks Up

Completions Hit Cycle Peak

Borough Tops US Occupancy Rates

BROOKLYN MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Record Year for Kings County

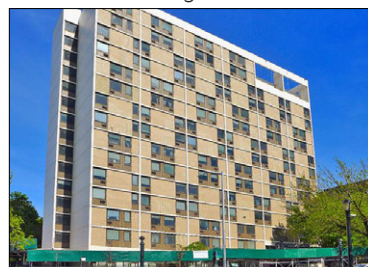
Continuing to benefit from Manhattan's proximity and spillover effect, Brooklyn's multifamily stock expansion reached a new cycle peak in 2018, with most of the supply geared toward high-income residents. Although the metro added 4,651 units last year, demand remained high, pushing Lifestyle rents up 3.4% in the 12 months ending in January.

Adding 46,600 jobs year-over-year, education and health services led New York City employment growth. Meanwhile, professional and business services and leisure and hospitality added 33,200 positions combined. Brooklyn's appeal as an 18-hour destination continues to grow and tourism is evolving as an increasingly relevant economic driver. Meanwhile, Gov. Cuomo's \$1.4 billion Vital Brooklyn initiative, which includes \$700 million for community-based health care and more than \$550 million for affordable housing, is moving forward. Meanwhile, the borough ranked second on the list of most desirable places to invest in, per PricewaterhouseCoopers and Urban Land Institute's 2019 Emerging Trends in Real Estate report.

With roughly 12,150 apartments estimated to come online across New York City this year and factoring in the area's prolonged housing crisis and regulatory uncertainties, we expect the average rent in the metro to advance 0.7% in 2019.

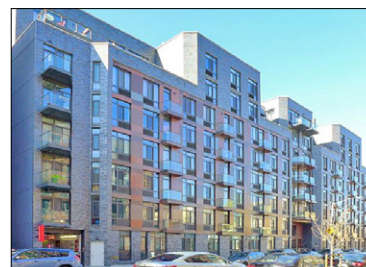
Recent Brooklyn Transactions

Shore Hill Housing



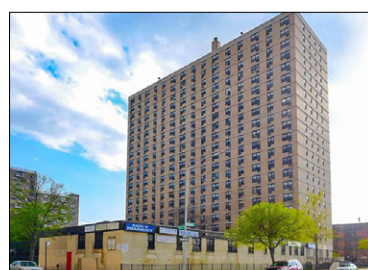
City: New York City
Buyer: Jonathan Rose Cos.
Purchase Price: \$149 MM
Price per Unit: \$267,281

Kestrel



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

Friendset



City: New York City
Buyer: Spencer Equity Group
Purchase Price: \$50 MM
Price per Unit: \$193,050

Berkshire



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