

Yardi® Matrix

High-Octane Brooklyn

Multifamily Report Summer 2019

Rent Growth Decelerates

Transaction Activity Slows Down

Developers Eye Northern Submarkets

BROOKLYN MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Demand Keeps Absorption Healthy

Brooklyn's multifamily market continued to perform well going into 2019. Although deliveries ramped up last year, the borough's occupancy rate in stabilized properties, at 98.7% as of March, remained one of the highest in the country.

New York City's education and health services sector led employment growth in the 12 months ending in March, accounting for more than half of the 103,300 new jobs. Professional and business services followed, with the addition of 20,800 positions. Tech giants are quickly filling up office space left empty by financial company relocations. In downtown Brooklyn, Tishman Speyer is working on a 10-story office property at 422 Fulton St., very close to Extell Development's upcoming 57-story condo tower, the borough's tallest high-rise. With buildings producing nearly 70 percent of the city's gas emissions, officials introduced new legislation that sets emissions caps. The state is also considering introducing a green component to the Brooklyn-Queens Expressway revamp project.

Developers added 5,010 units in Brooklyn last year and deliveries reached a new cycle high, but absorption kept up pace. With supply and demand in relative balance and new rent regulations on the horizon, we expect the average overall New York City rent 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

Berkshire



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

1701 W. Third St.



City: New York City
Buyer: Parkoff Organization
Purchase Price: \$28 MM
Price per Unit: \$261,945