

Yardi® Matrix

High-on-the-Hog Brooklyn

Multifamily Report Fall 2019

Construction
Pace Moderates

Transaction Activity
Slows Down

Lifestyle Rent Growth
Hits New High

BROOKLYN MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2019

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

Senior Associate Editor

Rent Growth Accelerates Again

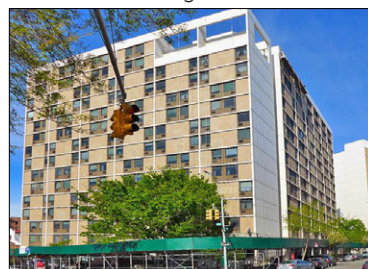
Backed by solid employment gains across the metro and by Manhattan's spillover effect, Brooklyn's multifamily market continued to perform well, with rent growth still strong despite last year's development peak.

New York City gained 111,500 jobs in the 12 months ending in August, with education and health services leading growth (70,800). Developers focus on Brooklyn submarkets close to Manhattan, with several large mixed-use projects under construction. Meanwhile, the New York City Department of Design and Construction is working on a \$62 million project that would upgrade street conditions and infrastructure in Bergen Beach. Furthermore, the city intends to expand its green infrastructure as part of a \$20 billion strategy to address climate change. Construction has begun on more than 5,000 curbside rain gardens in Brooklyn, the Bronx and Queens.

Between 2013 and 2017, roughly \$150 billion was spent on construction starts in New York City, according to Dodge Data & Analytics. Brooklyn was the only place where more than half of construction spending was used to build residential projects. Some 2,400 rental units had already been delivered across the borough this year through August, with an additional 11,905 units underway. With supply and demand in a somewhat relative balance, we expect the average New York City rent to rise just 1.3% this year.

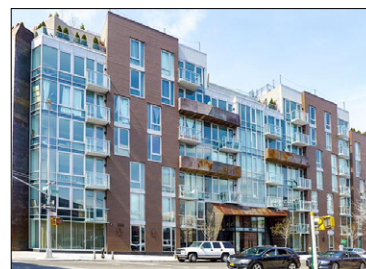
Recent Brooklyn Transactions

Shore Hill Housing



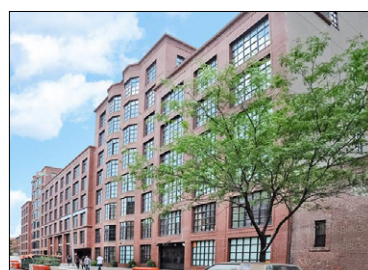
City: New York City
Buyer: Jonathan Rose Cos.
Purchase Price: \$149 MM
Price per Unit: \$267,281

Leonard Pointe



City: New York City
Buyer: UDR
Purchase Price: \$130 MM
Price per Unit: \$693,842

The Frederick



City: New York City
Buyer: Harbor Group International
Purchase Price: \$117 MM
Price per Unit: \$606,218

1701 W. Third St.



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