

Yardi® Matrix

MULTIFAMILY REPORT

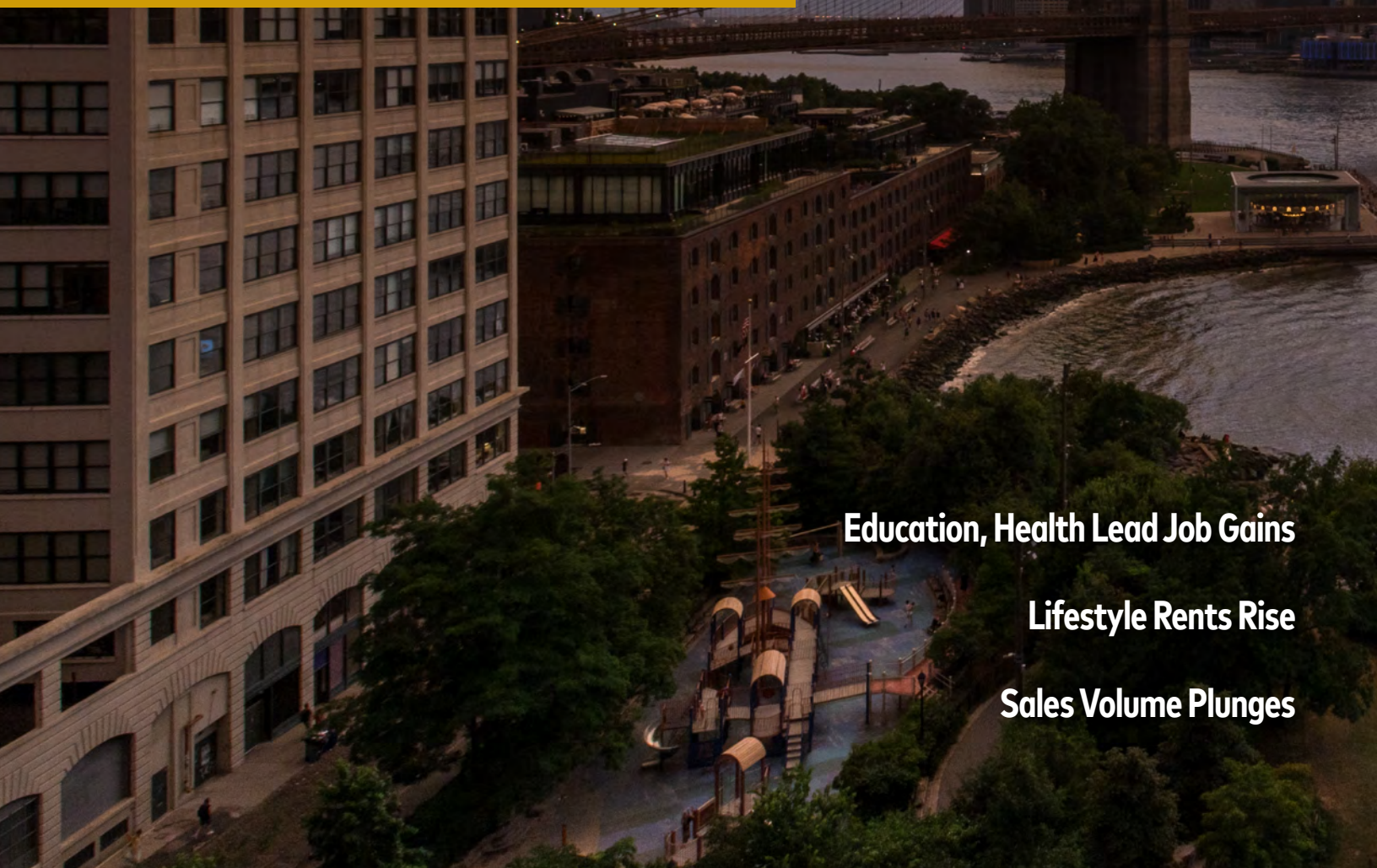
Brooklyn's Still Got It

Winter 2020

Education, Health Lead Job Gains

Lifestyle Rents Rise

Sales Volume Plunges



BROOKLYN MULTIFAMILY

Yardi® Matrix

Brooklyn's Enduring Rent Growth

The Brooklyn multifamily market continued to perform well in 2019, backed by job gains and its close proximity to Manhattan. Following 2018's cycle high of 5,129 new units delivered, the borough's housing stock expansion softened last year, pushing occupancy rates to 98.9% as of November, 400 basis points above the national rate.

New York City's education and health services sector led employment growth in the 12 months ending in November, accounting for three-quarters of the 77,300 new jobs. Several large mixed-use projects in submarkets close to Manhattan are underway. Dock 72—a 16-story office building within the 300-acre Brooklyn Navy Yard project—opened in October, following a \$400 million investment. As office development and expansions increase residents' mobility needs, the city council passed a \$1.7 billion plan to extend protected bike lanes during the next five years.

Since the announcement of new landlord restrictions and extended rent regulations, multifamily sales in Brooklyn have been on a downward trajectory. Only four assets traded last year for a combined \$343 million, the lowest transaction volume since 2013. With almost 11,000 units underway as of December, rental stock will continue to expand. The more moderate level of deliveries is likely to fuel rent growth in the first half of 2020.

Market Analysis | Winter 2020

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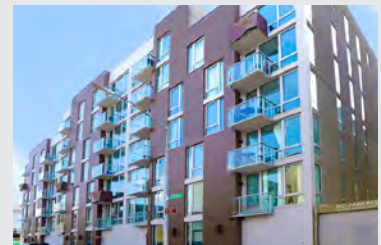
Laura Calugar

Senior Associate Editor

On the cover: Photo by 400tmax/iStockphoto.com

Recent Brooklyn Transactions

Leonard Pointe



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

The Frederick



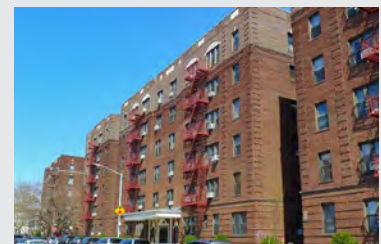
City: New York City
Buyer: Harbor Group International
Purchase Price: \$117 MM
Price per Unit: \$606,218

The Chocolate Factory



City: New York City
Buyer: Meadow Partners
Purchase Price: \$67 MM
Price per Unit: \$546,748

1701 W. Third St.



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