



MULTIFAMILY REPORT

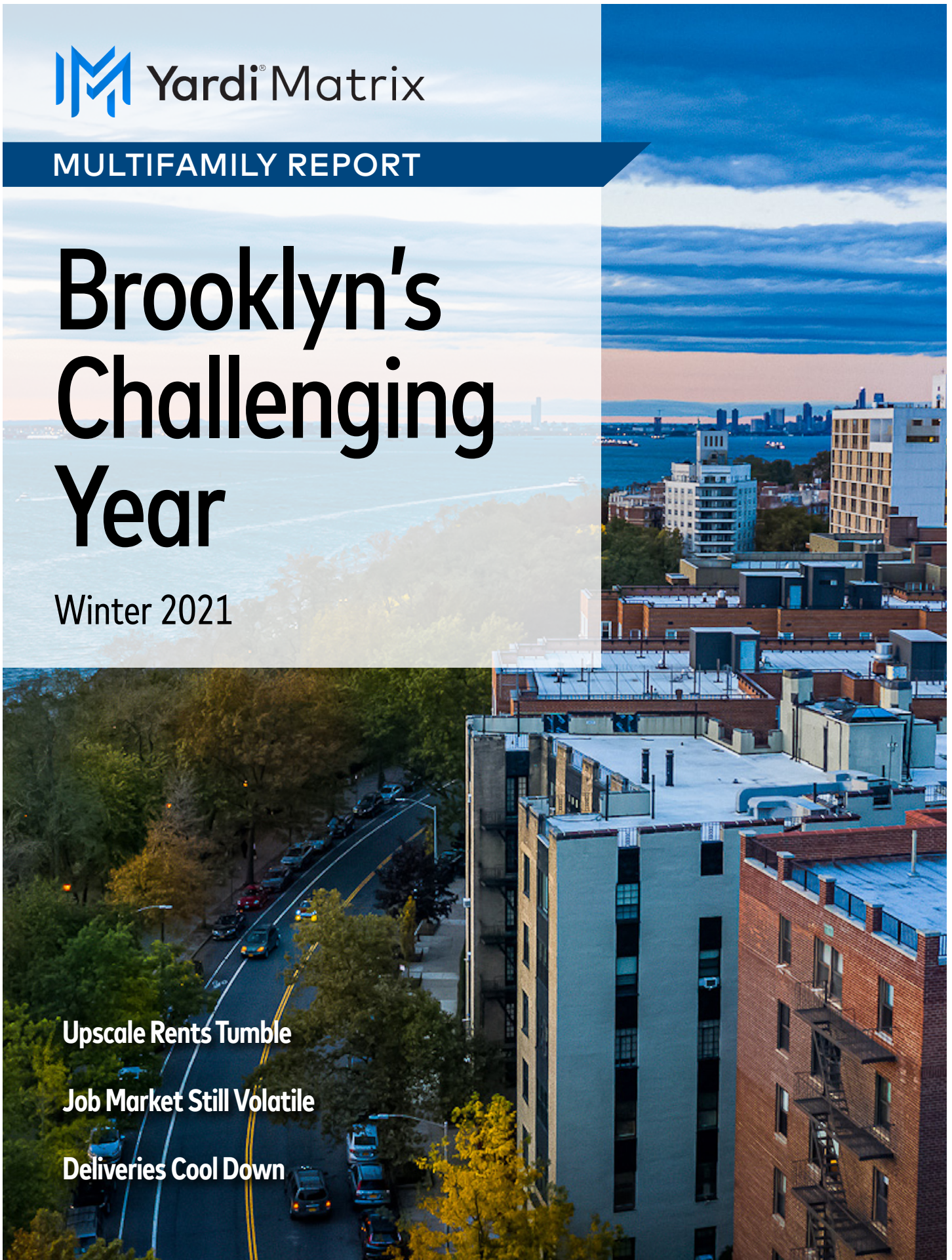
Brooklyn's Challenging Year

Winter 2021

Upscale Rents Tumble

Job Market Still Volatile

Deliveries Cool Down



BROOKLYN MULTIFAMILY



Rents Drop, Completions Stumble

After performing well throughout 2019, Brooklyn's multifamily market recorded significant hardship amid the health crisis and resulting economic volatility. As of November, rents were down 2.0% on a trailing three-month basis, with the overall average at \$2,621, still above the \$1,465 U.S. rate. Meanwhile, the borough's occupancy rate in stabilized communities dropped 30 basis points year-over-year through October, to 98.5%.

New York City employment contracted by more than 800,000 positions in the 12 months ending in September, down 15.3% year-over-year, with all sectors recording drops. Like most U.S. metros, leisure and hospitality took the hardest hit, shedding nearly 300,000 positions. The effects of returning restrictions meant to curb a new rise in COVID-19 infections during the winter months could spell continued volatility for the tri-state area's job market and economy at large. However, the \$900 billion federal relief package negotiated at the end of 2020 should alleviate some of the most serious effects in the short term.

A total of 2,750 units came online this year through November, a more than 30% decline compared to the same interval in 2019. However, with almost 11,000 units under construction as of the fourth quarter—4,500 of which are slated to come online this year—deliveries could record a rebound in 2021.

Market Analysis | Winter 2021

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Recent Brooklyn Transactions

Spring Creek Gardens



City: New York City
Buyer: K&R Preservation
Purchase Price: \$35 MM
Price per Unit: \$60,328

221 Linden Blvd



City: New York City
Buyer: Camber Property Group
Purchase Price: \$31 MM
Price per Unit: \$211,340

Chelsea



City: New York City
Buyer: The Parkoff Organization
Purchase Price: \$21 MM
Price per Unit: \$168,699

Fiesta



City: New York City
Buyer: The Parkoff Organization
Purchase Price: \$20 MM
Price per Unit: \$162,601