

Yardi® Matrix

# Brooklyn's On a Roll

Multifamily Report Winter 2019

Job Gains Fuel Rental Demand

Property Values Escalate to Cycle Peak

Development Activity Targets Williamsburg

# BROOKLYN MULTIFAMILY

Yardi® Matrix

## Market Analysis

Winter 2019

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## Supply-Heavy Kings County

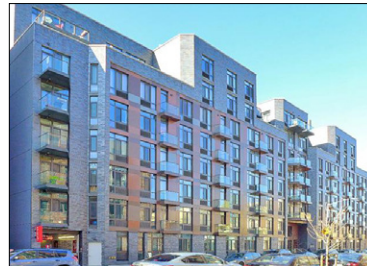
The Brooklyn multifamily market continued to grow at a strong rate, reaching a new cycle high for deliveries. More than 4,400 units had been delivered in the borough as of November, with almost all of the new inventory geared toward the upscale segment. Despite significant deliveries, rents for Lifestyle assets grew 3.4% and the occupancy rate in stabilized high-end assets stayed at 98.1%, among the highest in the U.S.

New York City added 93,000 jobs year-over-year through September, with education and health services continuing to lead employment growth. Roughly \$664 million is set to be invested in a 32-site ambulatory care network and hospital improvements, meaning the sector is likely to remain an anchor for the borough's economy. Major projects such as the 6.5 million-square-foot Industry City and Williamsburg's Domino redevelopment, which features 2,800 units across four buildings and 800,000 square feet of commercial space, are likely to further bolster development in the borough.

Multifamily transaction activity intensified in Brooklyn, with the total investment level reaching \$1.5 billion in the first 11 months of 2018. Investors favored value-add product, so per-unit prices contracted significantly. With 11,600 units underway, stock should further expand in 2019, tempering rent growth and appeasing rental demand.

### Recent Brooklyn Transactions

Kestrel



City: Brooklyn, N.Y.  
Buyer: Dermot Co.  
Purchase Price: \$75 MM  
Price per Unit: \$592,857

Berkshire



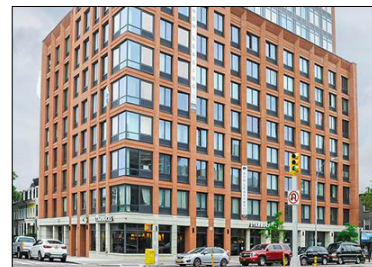
City: Brooklyn, N.Y.  
Buyer: Jonas Equities  
Purchase Price: \$32 MM  
Price per Unit: \$263,636

Friendset



City: Brooklyn, N.Y.  
Buyer: Spencer Equity Group  
Purchase Price: \$50 MM  
Price per Unit: \$193,050

237 11th St.



City: Brooklyn, N.Y.  
Buyer: Trinity Place Holdings  
Purchase Price: \$81 MM  
Price per Unit: \$773,714