

BROWNSTONER

brooklyn inside and out

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Report: Brooklyn's Industrial Market Staying Strong



A new commercial brokerage called TerraCRG recently released a (warning: PDF!) report showing that demand for warehouses, factories, and garages in Brooklyn remained fairly healthy despite the credit crunch. The firm researched industrial property sales in 2006 and 2007, and determined that while the volume of transactions was more or less the same both years (105 in 2006 versus 101 last year), the average price per square foot on industrial sites jumped from a little below \$175 a foot to almost \$200 a foot from '06 to '07. The median price per square foot rose 15 percent in 2007, to \$181. At the same time, the study found that the aggregate value of transactions dipped to around \$270,000,000 in '07 from \$375,000,000 in '06, and there was a tad less turnover. "It's almost a secret that industrial buildings are asset properties on their own," says Ofer Cohen, who used to cover Sunset Park for Massey Knakal and is the managing director of TerraCRG, which started doing business this year. "For a long time people were looking at things only on a residential development level, but that's slowing down." Cohen says his company excluded sales from the report that seemed destined to be development sites, and he notes that the small number of transactions each year, and the dip in aggregate value of deals in '07 signifies, in part, that "there's not much industrial supply left in the city...While inventory gets tighter and the volume of trades lower, demand is holding, which keeps pushing prices higher, or, at the very least, keeping them at the same levels." Properties in Gowanus/Park Slope, Williamsburg, and Sunset Park fetched the highest prices last year. Of course, what we'd like to know is how the numbers stack up in '08.

[PDF Report on Brooklyn Industrial Space](#) [TerraCRG]

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