



TERRACRG
COMMERCIAL REALTY GROUP

Brooklyn Market Report

Commercial Sales in the Brooklyn Market | 2016 Year-End Report

TerraCRG analyzed Brooklyn commercial sales categorized into seven regions, color coded throughout the report. Each abbreviated region name includes the below listed neighborhoods.

In 2016, our team verified a total of 1,504 commercial sales in Brooklyn with a total consideration of approximately \$7.8B, an approximate 18% decrease in dollar volume from 2015. The Watchtower Portfolio assets represented approximately 11% of 2016's total dollar volume. The properties, 25 Columbia Heights, 124 Columbia Heights, 85 Jay Street and 61-77 Adams Street, combined for approximately \$855M.

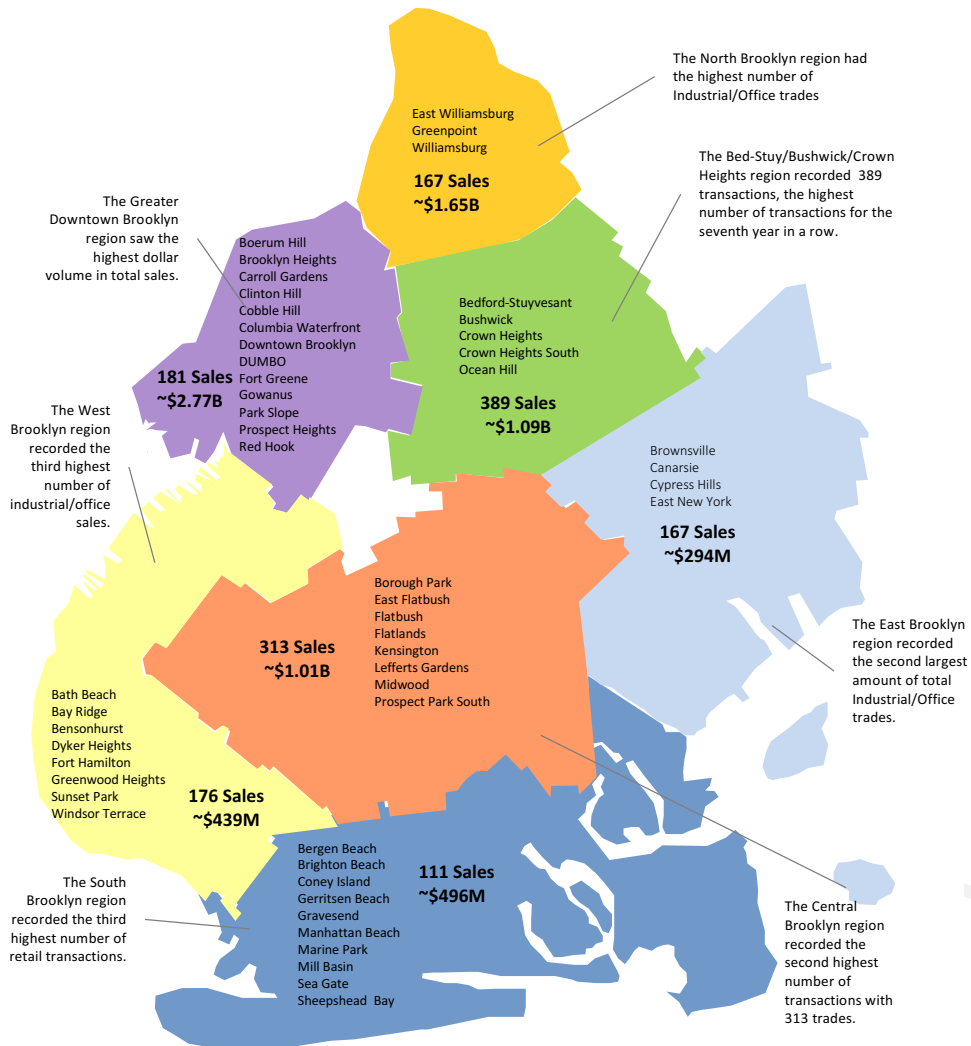
Although the total dollar volume of transactions dropped in 2016 compared to 2015, the average price per SF increased in every asset category due to the lack of available inventory and continued investor interest in the Brooklyn market.

The total number of transactions in Brooklyn has remained relatively consistent over the last four years.

While multifamily transactions have decreased by approximately 25%, the average price per SF increased by 17%. Multifamily buildings continued to represent the asset class with the highest dollar volume, totaling over \$2.69B.

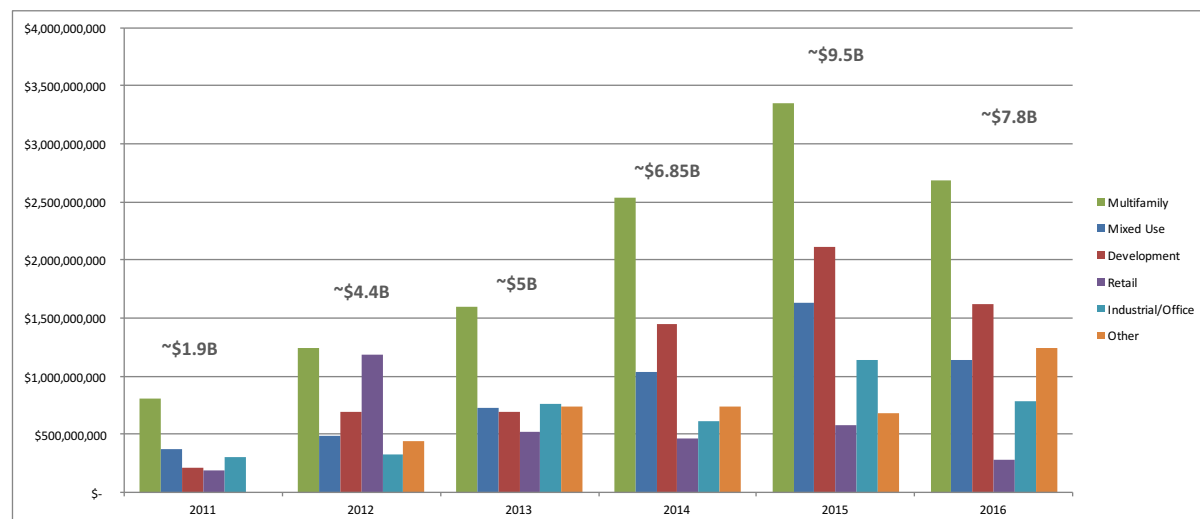
The Greater Downtown Brooklyn region had the highest dollar volume, with sales totaling over \$2.8B from 181 sales, up from \$2.6B in 2015.

* In target categories, see Methodology



Brooklyn Commercial Property Sales Dollar Volume

By Asset Type* (2011-2016)



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Multifamily Building Sales

The below study shows Brooklyn commercial multifamily building sales for 2016, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of sales, average sale price, total number of units, average price per unit, total square footage sold and average price per SF.

Region	Neighborhood	Dollar Volume	Total Sales	Avg. Sale	Total Units	Avg. P/Unit**	Total SF	Avg. PPSF*
Bed Stuy/Bushwick/Crown Heights	Bedford-Stuyvesant	\$ 192,036,626	44	\$ 4,364,469	533	\$ 305,855	452,326	\$ 398
	Bushwick	\$ 136,607,698	72	\$ 1,897,329	558	\$ 235,911	454,186	\$ 306
	Crown Heights	\$ 131,230,000	27	\$ 4,860,370	448	\$ 274,093	377,719	\$ 378
	Crown Heights South	\$ 130,960,000	12	\$ 10,913,333	441	\$ 313,035	379,306	\$ 372
	Ocean Hill	\$ 10,820,000	7	\$ 1,545,714	43	\$ 253,810	34,575	\$ 310
	Bed Stuy/Bushwick/Crown Heights Total		\$ 601,654,324	162	\$ 3,713,916	2,023	\$ 267,758	1,698,112
Central Brooklyn	Borough Park	\$ 32,950,000	11	\$ 2,995,455	141	\$ 269,605	113,102	\$ 343
	East Flatbush	\$ 182,910,129	33	\$ 5,542,731	1,119	\$ 164,133	1,099,454	\$ 194
	Flatbush	\$ 103,823,520	15	\$ 6,921,568	483	\$ 212,245	463,375	\$ 232
	Kensington	\$ 82,854,000	10	\$ 8,285,400	288	\$ 254,252	260,037	\$ 273
	Lefferts Gardens	\$ 60,375,487	8	\$ 7,546,936	263	\$ 245,972	229,173	\$ 271
	Midwood	\$ 22,900,000	3	\$ 7,633,333	163	\$ 255,253	90,336	\$ 286
	Prospect Park South	\$ 44,112,500	5	\$ 8,822,500	168	\$ 252,630	170,828	\$ 251
Central Brooklyn Total		\$ 529,925,636	85	\$ 6,234,419	2,625	\$ 213,581	2,426,305	\$ 243
East Brooklyn	Brownsville	\$ 32,371,562	3	\$ 10,790,521	173	\$ 140,957	293,363	\$ 149
	Cypress Hills	\$ 8,495,000	7	\$ 1,213,571	52	\$ 165,402	32,315	\$ 262
	East New York	\$ 25,814,250	16	\$ 1,613,391	181	\$ 116,957	137,409	\$ 165
East Brooklyn Total		\$ 66,680,812	26	\$ 2,564,647	406	\$ 132,769	463,087	\$ 189
Greater Downtown Brooklyn	Boerum Hill	\$ 17,031,434	4	\$ 4,257,859	41	\$ 409,941	31,845	\$ 533
	Brooklyn Heights	\$ 37,900,000	5	\$ 7,580,000	55	\$ 720,548	42,142	\$ 902
	Carroll Gardens	\$ 14,000,000	5	\$ 2,800,000	49	\$ 298,667	44,236	\$ 322
	Clinton Hill	\$ 129,647,499	11	\$ 11,786,136	276	\$ 359,802	262,260	\$ 485
	Cobble Hill	\$ 18,965,000	6	\$ 3,160,833	41	\$ 475,946	32,544	\$ 603
	Columbia Street Waterfront	\$ 3,200,000	1	\$ 3,200,000	16	\$ 200,000	12,000	\$ 267
	Downtown Brooklyn	\$ 154,250,000	1	\$ 154,250,000	271	\$ 569,188	228,246	\$ 676
	Fort Greene	\$ 6,465,270	3	\$ 2,155,090	19	\$ 359,074	12,090	\$ 537
	Gowanus	\$ 32,675,000	3	\$ 10,891,667	54	\$ 455,868	41,440	\$ 615
	Park Slope	\$ 91,385,000	20	\$ 4,569,250	203	\$ 489,553	162,131	\$ 635
	Prospect Heights	\$ 75,530,000	8	\$ 9,441,250	150	\$ 474,964	125,033	\$ 620
	Red Hook	\$ 910,000	1	\$ 910,000	8	\$ 113,750	5,548	\$ 164
	Greater Downtown Brooklyn Total		\$ 581,959,203	68	\$ 8,558,224	1,183	\$ 448,057	999,515
North Brooklyn	East Williamsburg	\$ 98,917,000	10	\$ 9,891,700	145	\$ 414,661	138,893	\$ 511
	Greenpoint	\$ 158,541,000	14	\$ 11,324,357	242	\$ 393,823	265,601	\$ 500
	Williamsburg	\$ 329,375,000	13	\$ 25,336,538	441	\$ 579,370	384,690	\$ 732
North Brooklyn Total		\$ 586,833,000	37	\$ 15,860,351	828	\$ 464,647	789,184	\$ 584
South Brooklyn	Bergen Beach	\$ 49,550,000	2	\$ 24,775,000	144	\$ 344,097	167,900	\$ 295
	Brighton Beach	\$ 43,835,000	4	\$ 10,958,750	216	\$ 138,615	195,823	\$ 227
	Coney Island	\$ 30,925,000	2	\$ 15,462,500	248	\$ 134,598	249,796	\$ 152
	Gravesend	\$ 23,053,150	5	\$ 4,610,630	93	\$ 219,806	91,131	\$ 263
	Sheepshead Bay	\$ 48,075,000	10	\$ 4,807,500	201	\$ 210,145	183,816	\$ 247
South Brooklyn Total		\$ 195,438,150	23	\$ 8,497,311	902	\$ 204,884	888,466	\$ 243
West Brooklyn	Bath Beach	\$ 20,680,000	4	\$ 5,170,000	100	\$ 186,979	82,078	\$ 250
	Bay Ridge	\$ 17,605,000	11	\$ 1,600,455	87	\$ 204,045	69,345	\$ 253
	Bensonhurst	\$ 20,780,000	13	\$ 1,598,462	101	\$ 206,137	86,016	\$ 248
	Dyker Heights	\$ 17,400,000	2	\$ 8,700,000	73	\$ 254,423	71,610	\$ 267
	Greenwood Heights	\$ 5,075,000	3	\$ 1,691,667	17	\$ 292,778	11,050	\$ 457
	Sunset Park	\$ 41,628,000	19	\$ 2,190,947	183	\$ 234,347	140,464	\$ 312
West Brooklyn Total		\$ 123,168,000	52	\$ 2,368,615	561	\$ 221,384	460,563	\$ 285
Brooklyn Wide		\$ 2,685,659,125	453	\$ 5,928,607	8,528	\$ 284,632	7,725,232	\$ 361

* Price per Square Foot

** Price per Unit

In the multifamily category, we have verified 453 transactions with a total of 8,528 units and approximately 7.7M SF. The total dollar volume was approximately \$2.69B, 21% decrease from 2015. The average multifamily transaction was approximately \$5.93M.

The highest priced multifamily sale was 236 Livingston Street in Downtown Brooklyn, which sold for approximately \$154.3M in December. The second highest priced multifamily sale was 246 North 8th Street in Williamsburg, which sold for approximately \$125M.

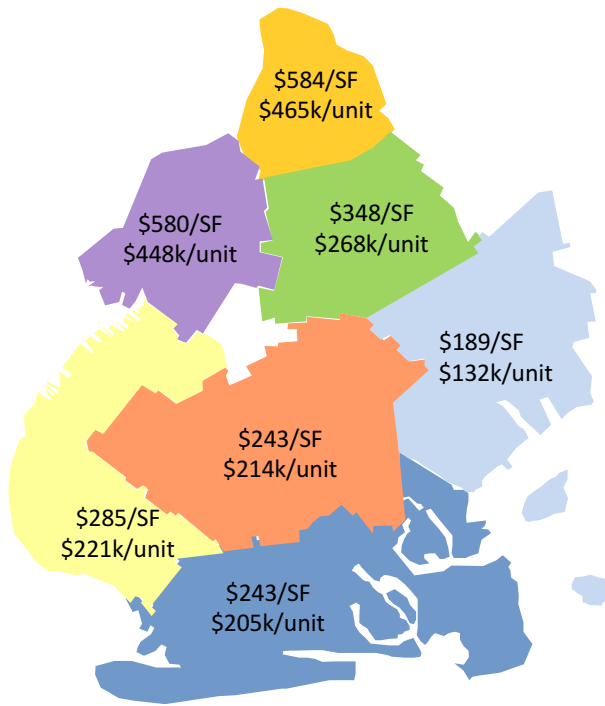


Price Per SF and Price Per Unit

The average price per SF of multifamily buildings in 2016 in Brooklyn was \$361, up slightly from 2015's average of \$308. The average price per unit for multifamily buildings was approximately \$285K, up 14% from approximately \$249K in 2015. The North Brooklyn region achieved the highest average price per SF at \$584.



The multifamily sale with the highest price per SF was 239 North 9th Street in Williamsburg, which sold for approximately \$1,011 per SF.



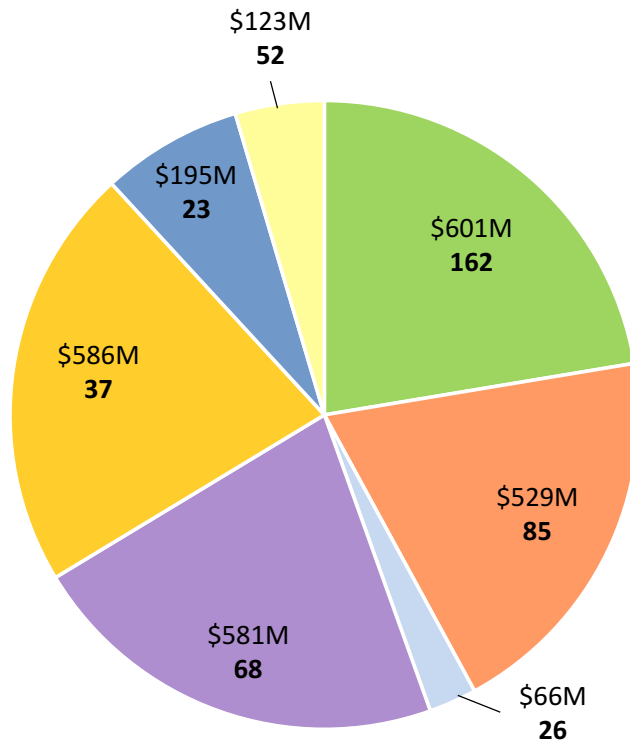
Price Per SF & Price Per Unit

Transaction and Dollar Volume

In 2016, there was a total of 453 multifamily sales in Brooklyn, representing 8,528 units and totaling approximately \$2.69B. In 2015, there was a total of 601 multifamily sales totaling approximately \$3.3B. The Bed-Stuy/Bushwick/Crown Heights region had the highest number of multifamily sales with 162 transactions and had the highest dollar volume totaling approximately \$602M. In 2015, the Bed-Stuy/Bushwick/Crown Heights region also had the highest number of multifamily sales but was surpassed by Central Brooklyn for highest dollar volume.



The largest multifamily transaction in 2016 was 236 Livingston Street, which sold for approximately \$154.3M. Also known as The Addison, the 271-unit property is comprised of two residential towers in Downtown Brooklyn.



Approx. Total \$ Volume in Millions
Total Transactions

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Mixed-Use Building Sales

The below study shows Brooklyn commercial mixed-use building sales for 2016, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of sales, average sale price, total units sold, total square footage sold and average price per SF. The below data represents all buildings with residential plus commercial use.

Region	Neighborhood	Dollar Volume	Total Sales	Avg. Sale	Total Units	Total SF	Avg. PPSF*
Bed Stuy/Bushwick/Crown Heights	Bedford-Stuyvesant	\$ 70,145,865	37	\$ 1,895,834	184	175,450	\$ 395
	Bushwick	\$ 74,403,570	38	\$ 1,957,989	195	182,378	\$ 417
	Crown Heights	\$ 80,917,500	20	\$ 4,045,875	204	200,464	\$ 312
	Crown Heights South	\$ 3,400,000	2	\$ 1,700,000	6	8,267	\$ 412
	Ocean Hill	\$ 14,472,127	15	\$ 964,808	59	63,205	\$ 233
	Bed Stuy/Bushwick/Crown Heights Total		\$ 243,339,062	112	\$ 2,172,670	648	629,764
Central Brooklyn	Borough Park	\$ 36,826,229	27	\$ 1,363,934	94	98,860	\$ 383
	East Flatbush	\$ 52,569,687	45	\$ 1,168,215	235	212,064	\$ 233
	Flatbush	\$ 15,951,000	13	\$ 1,227,000	62	58,545	\$ 271
	Flatlands	\$ 3,312,000	5	\$ 662,400	15	15,602	\$ 226
	Kensington	\$ 7,335,000	5	\$ 1,467,000	18	23,500	\$ 308
	Lefferts Gardens	\$ 18,429,302	17	\$ 1,084,077	56	60,406	\$ 307
	Midwood	\$ 42,498,750	21	\$ 2,023,750	130	129,533	\$ 354
	Prospect Park South	\$ 4,100,000	3	\$ 1,366,667	13	14,200	\$ 319
Central Brooklyn Total		\$ 181,021,968	136	\$ 1,331,044	623	612,710	\$ 299
East Brooklyn	Brownsville	\$ 16,124,921	16	\$ 1,007,808	72	82,279	\$ 204
	Canarsie	\$ 6,368,000	9	\$ 707,556	24	27,218	\$ 261
	Cypress Hills	\$ 12,286,300	12	\$ 1,023,858	57	54,779	\$ 227
	East New York	\$ 14,019,549	21	\$ 667,598	78	75,276	\$ 188
	East Brooklyn Total		\$ 48,798,770	58	\$ 841,358	231	239,552
Greater Downtown Brooklyn	Boerum Hill	\$ 39,160,000	11	\$ 3,560,000	43	44,068	\$ 913
	Brooklyn Heights	\$ 31,975,000	5	\$ 6,395,000	38	34,685	\$ 919
	Carroll Gardens	\$ 33,290,000	9	\$ 3,698,889	33	39,190	\$ 855
	Clinton Hill	\$ 26,968,000	7	\$ 3,852,571	27	41,185	\$ 761
	Cobble Hill	\$ 5,000,000	2	\$ 2,500,000	8	7,252	\$ 796
	Columbia Street Waterfront	\$ 5,430,000	2	\$ 2,715,000	8	11,834	\$ 451
	Crown Heights	\$ 6,217,500	3	\$ 2,072,500	9	9,589	\$ 645
	Downtown Brooklyn	\$ 51,266,000	2	\$ 25,633,000	38	33,647	\$ 1,272
	Fort Greene	\$ 12,712,500	4	\$ 3,178,125	20	20,927	\$ 631
	Gowanus	\$ 3,700,000	2	\$ 1,850,000	9	6,400	\$ 567
	Park Slope	\$ 29,634,000	8	\$ 3,704,250	31	31,485	\$ 956
	Prospect Heights	\$ 12,484,000	5	\$ 2,496,800	18	16,048	\$ 773
	Greater Downtown Brooklyn Total		\$ 257,837,000	60	\$ 4,297,283	282	296,310
North Brooklyn	East Williamsburg	\$ 101,883,340	27	\$ 3,773,457	196	193,005	\$ 636
	Greenpoint	\$ 49,350,000	11	\$ 4,486,364	68	65,505	\$ 816
	Williamsburg	\$ 85,501,980	11	\$ 7,772,907	123	109,902	\$ 705
North Brooklyn Total		\$ 236,735,320	49	\$ 4,831,333	387	368,412	\$ 692
South Brooklyn	Brighton Beach	\$ 2,100,000	1	\$ 2,100,000	9	6,624	\$ 317
	Coney Island	\$ 1,715,000	2	\$ 857,500	8	9,332	\$ 199
	Gravesend	\$ 12,907,800	12	\$ 1,075,650	36	36,387	\$ 378
	Manhattan Beach	\$ 1,375,000	1	\$ 1,375,000	3	4,869	\$ 282
	Marine Park	\$ 1,125,000	1	\$ 1,125,000	4	4,032	\$ 279
	Mill Basin	\$ 1,025,000	1	\$ 1,025,000	1	3,500	\$ 293
	Sheepshead Bay	\$ 10,165,000	7	\$ 1,452,143	24	28,465	\$ 374
	South Brooklyn Total		\$ 30,412,800	25	\$ 1,216,512	85	93,209
West Brooklyn	Bath Beach	\$ 15,541,000	11	\$ 1,412,818	42	49,215	\$ 371
	Bay Ridge	\$ 50,260,000	28	\$ 1,795,000	97	124,903	\$ 417
	Bensonhurst	\$ 27,880,000	15	\$ 1,858,667	76	71,484	\$ 416
	Dyker Heights	\$ 10,843,000	9	\$ 1,204,778	30	30,133	\$ 374
	Greenwood Heights	\$ 2,775,000	2	\$ 1,387,500	6	5,335	\$ 604
	Sunset Park	\$ 27,983,500	16	\$ 1,748,969	89	85,728	\$ 365
	Windsor Terrace	\$ 2,460,000	2	\$ 1,230,000	6	7,856	\$ 298
	West Brooklyn Total		\$ 137,742,500	83	\$ 1,659,548	346	374,654
Brooklyn Wide		\$ 1,135,887,420	523	\$ 2,171,869	2,602	2,614,611	\$ 419

* Price per Square Foot

In the mixed-use category, we have verified 523 transactions with a total consideration of over \$1.1B, a slight decrease from \$1.6B from 605 transactions in 2015. The average mixed-use transaction borough-wide was approximately \$2.2M, compared to \$2.7M in 2015. The Central Brooklyn region had the highest number of sales recorded with 136 transactions, followed by the Bed-Stuy/Bushwick/Crown Heights region with 112 transactions. The Greater Downtown Brooklyn region saw the highest dollar volume of mixed-use sales totaling approximately \$257.8M from only 60 sales.

The highest priced mixed-use sale in 2016 was 341 Eastern Parkway in Crown Heights, which sold for approximately \$52M.

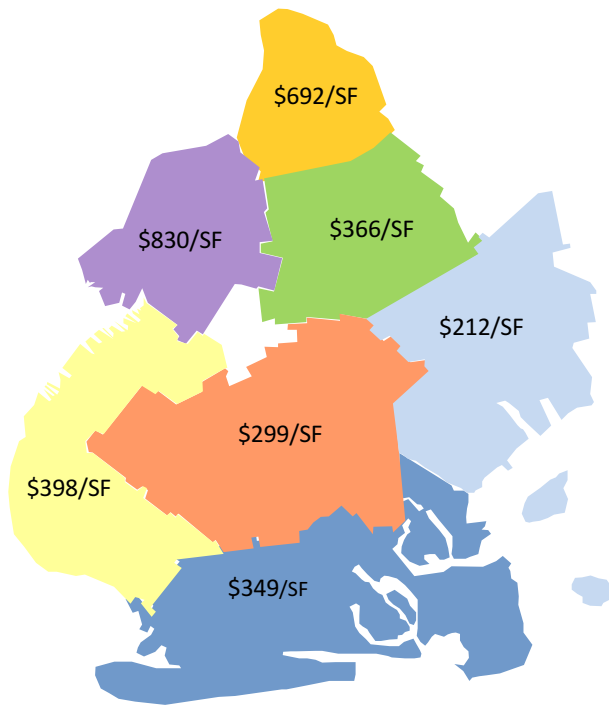


Price Per SF

The average price per SF of mixed-use buildings in 2016 in Brooklyn was \$419, up 15% from 2015's average of \$363. The Greater Brooklyn region had the highest average price per SF at \$830, followed by the North Brooklyn region with an average price per SF of \$692.



The mixed-use sale with the highest price per SF was 68 Willoughby Street in Downtown Brooklyn, which sold for approximately \$1,634 per SF.



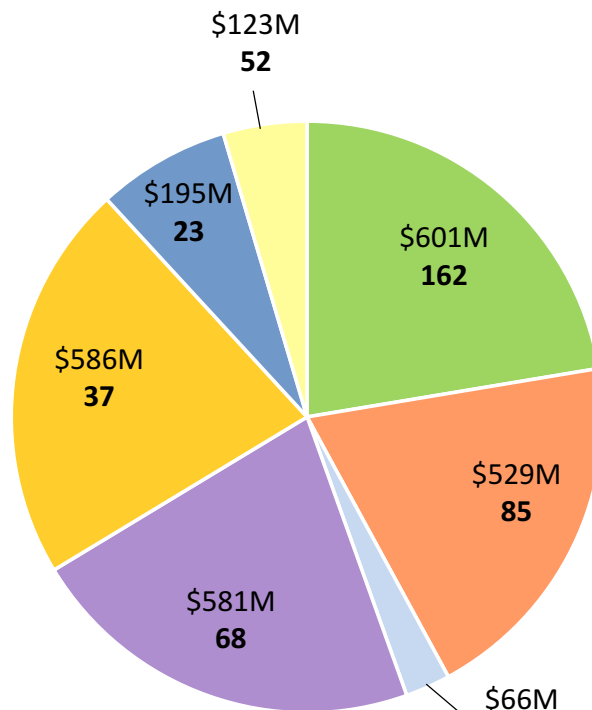
Price Per SF

Transaction and Dollar Volume

In 2016, there was a total of 523 mixed-use sales in Brooklyn totaling approximately \$1.1B. The Central Brooklyn region had the highest number of mixed-use sales with 136 transactions, slightly higher than 2015. The Greater Downtown Brooklyn region had the highest dollar volume totaling approximately \$257.8M, representing 60 sales with an average transaction price of approximately \$4.3M.



The largest mixed-use transaction in 2016 was 341 Eastern Parkway in Crown Heights, which sold for approximately \$52M. The eight-story building contains approximately 86,840 SF and is comprised of 63 units.



Approx. Total \$ Volume in Millions
Total Transactions

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Residentially-Zoned Development Site Sales (Land)

The below study shows sales of residentially-zoned development parcels for the year broken down into region and neighborhood. Considered data points include: total dollar volume, total number of sales, average sale price, total buildable SF and average price per buildable SF.

Region	Neighborhood	Dollar Volume	Total Sales	Avg. Sale	Total BSF**	Avg. PPSF*
Bed Stuy/Bushwick/Crown Heights	Bedford-Stuyvesant	\$ 70,368,100	33	\$ 2,132,367	314,871	\$ 204
	Bushwick	\$ 39,390,497	23	\$ 1,712,630	201,478	\$ 225
	Crown Heights	\$ 27,675,514	8	\$ 3,459,439	121,898	\$ 180
	Crown Heights South	\$ 3,590,000	2	\$ 1,795,000	33,846	\$ 98
	Ocean Hill	\$ 8,957,853	10	\$ 895,785	80,406	\$ 148
	Bed Stuy/Bushwick/Crown Heights Total		\$ 149,981,964	76	\$ 1,973,447	752,498
Central Brooklyn	Borough Park	\$ 52,887,990	10	\$ 5,288,799	407,252	\$ 256
	East Flatbush	\$ 11,845,000	7	\$ 1,692,143	73,912	\$ 161
	Flatlands	\$ 3,100,000	1	\$ 3,100,000	14,862	\$ 209
	Kensington	\$ 9,675,000	5	\$ 1,935,000	62,820	\$ 158
	Lefferts Gardens	\$ 3,000,000	1	\$ 3,000,000	20,657	\$ 145
	Midwood	\$ 9,150,000	4	\$ 2,287,500	93,220	\$ 115
	Central Brooklyn Total		\$ 89,657,990	28	\$ 3,202,071	672,723
East Brooklyn	Brownsville	\$ 6,455,852	5	\$ 1,291,170	71,966	\$ 80
	Canarsie	\$ 960,000	2	\$ 480,000	12,900	\$ 72
	Cypress Hills	\$ 1,243,000	3	\$ 414,333	23,300	\$ 58
	East New York	\$ 23,134,564	23	\$ 1,005,851	306,565	\$ 73
	East Brooklyn Total		\$ 31,793,416	33	\$ 963,437	414,730
Greater Downtown Brooklyn	Clinton Hill	\$ 5,500,000	2	\$ 2,750,000	14,738	\$ 369
	Columbia Street Waterfront	\$ 2,971,500	2	\$ 1,485,750	9,612	\$ 325
	Downtown Brooklyn	\$ 403,537,454	5	\$ 80,707,491	1,568,550	\$ 397
	DUMBO	\$ 410,000,000	2	\$ 205,000,000	1,129,990	\$ 383
	Fort Greene	\$ 158,000,000	1	\$ 158,000,000	624,720	\$ 253
	Gowanus	\$ 8,360,000	2	\$ 4,180,000	22,280	\$ 354
	Park Slope	\$ 19,875,000	1	\$ 19,875,000	43,344	\$ 459
	Prospect Heights	\$ 6,650,000	2	\$ 3,325,000	34,175	\$ 260
	Red Hook	\$ 3,340,000	4	\$ 835,000	20,131	\$ 224
Greater Downtown Brooklyn Total		\$ 1,018,233,954	21	\$ 48,487,331	3,467,539	\$ 332
North Brooklyn	East Williamsburg	\$ 76,497,500	14	\$ 5,464,107	252,726	\$ 301
	Greenpoint	\$ 33,346,500	7	\$ 4,763,786	99,744	\$ 350
	Williamsburg	\$ 175,805,000	8	\$ 21,975,625	376,699	\$ 513
North Brooklyn Total		\$ 285,649,000	29	\$ 9,849,966	729,169	\$ 371
South Brooklyn	Bergen Beach	\$ 2,000,000	1	\$ 2,000,000	13,000	\$ 154
	Brighton Beach	\$ 1,156,250	2	\$ 578,125	25,960	\$ 73
	Coney Island	\$ 11,076,000	3	\$ 3,692,000	760,858	\$ 52
	Gerritsen Beach	\$ 730,000	2	\$ 365,000	6,480	\$ 133
	Gravesend	\$ 4,950,000	3	\$ 1,650,000	36,219	\$ 136
	Sheepshead Bay	\$ 13,441,667	7	\$ 1,920,238	90,829	\$ 153
	South Brooklyn Total		\$ 33,353,917	18	\$ 1,852,995	933,345
West Brooklyn	Bay Ridge	\$ 1,473,120	2	\$ 736,560	12,015	\$ 124
	Fort Hamilton	\$ 1,338,000	1	\$ 1,338,000	10,853	\$ 123
	Greenwood Heights	\$ 1,500,000	1	\$ 1,500,000	10,035	\$ 149
	Sunset Park	\$ 5,118,000	4	\$ 1,279,500	39,501	\$ 171
	Windsor Terrace	\$ 2,900,000	1	\$ 2,900,000	11,099	\$ 261
	West Brooklyn Total		\$ 12,329,120	9	\$ 1,369,902	83,502
Brooklyn Wide		\$ 1,620,999,361	214	\$ 7,574,763	7,053,506	\$ 206

* Price per Buildable Square Foot

** Buildable Square Foot

In the residentially-zoned development category, we have verified 214 transactions totaling over 7M buildable SF representing a consideration of over \$1.6B, an approximately 28% decrease in dollar volume from 2015. The average price per transaction borough-wide was approximately \$7.6M and the average price per buildable SF was \$206, an increase from 2015's \$196 average.

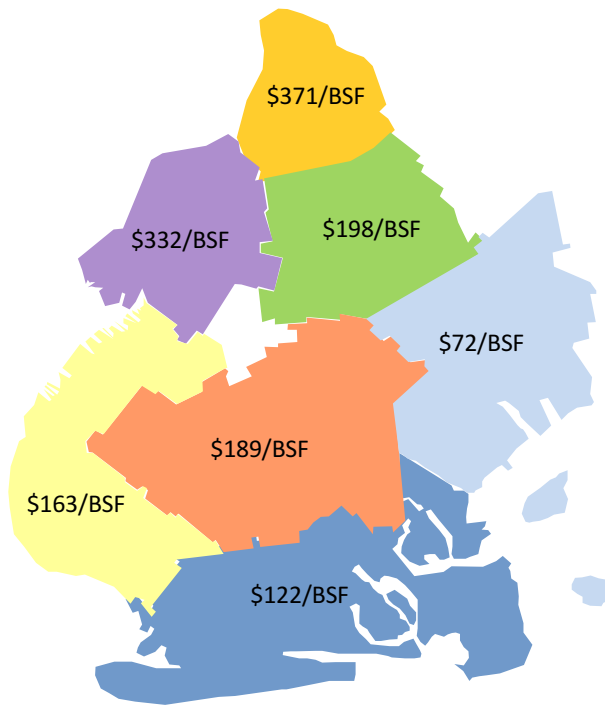


Price Per Buildable SF

The average price per buildable SF of residentially-zoned development sites in 2016 in Brooklyn was \$206, up approximately 5% from \$196 in 2015. The total buildable square footage sold borough-wide was approximately 7M SF. The North Brooklyn region had the highest average price per buildable SF at \$371 per buildable SF. The Greater Downtown Brooklyn region had the highest total buildable square footage sold with approximately 3.5M SF sold.



The development sale with the highest price per buildable SF was 70-72 Grand Street/314-326 Wythe Avenue in Williamsburg, which sold for approximately \$842 per buildable SF in October.



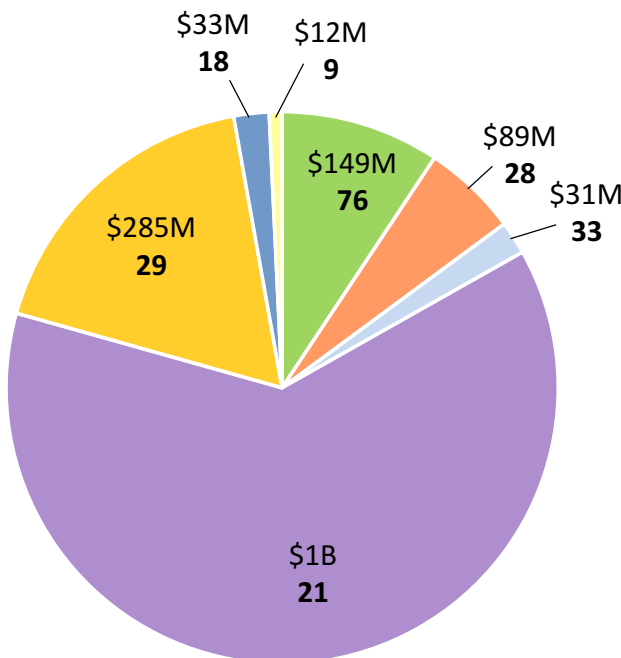
Price Per BSF

Transaction and Dollar Volume

In 2016, there was a total of 214 residentially-zoned development site sales in Brooklyn totaling approximately \$1.6B. The Bed-Stuy/Bushwick/Crown Heights region saw the highest number of sales with 76 transactions representing approximately \$149M in total consideration.



The highest priced development sale in 2016 was 85 Jay Street in DUMBO, which sold for approximately \$345M in December. The 135,000 SF property is one of the four Watchtower properties that sold this year.



Approx. Total \$ Volume in Millions
Total Transactions

Only Brooklyn.®

Retail Building Sales

The below study shows Brooklyn commercial retail building sales for 2016, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of sales, average sale price, total square footage sold and average price per SF. The below data represents all buildings with pure retail and commercial use.

Region	Neighborhood	Dollar Volume	Total Sales	Avg. Sale	Total SF	Avg. PPSF *
Bed Stuy/Bushwick/Crown Heights	Bedford-Stuyvesant	\$ 2,932,500	2	\$ 1,466,250	6,601	\$ 509
	Bushwick	\$ 14,630,000	3	\$ 4,876,667	16,880	\$ 792
	Crown Heights	\$ 1,716,000	2	\$ 858,000	3,140	\$ 563
	Crown Heights South	\$ 2,105,000	2	\$ 1,052,500	3,800	\$ 484
	Bed Stuy/Bushwick/Crown Heights Total	\$ 21,383,500	9	\$ 2,375,944	30,421	\$ 610
Central Brooklyn	Borough Park	\$ 22,122,205	4	\$ 5,530,551	35,372	\$ 640
	East Flatbush	\$ 14,448,250	6	\$ 2,408,042	33,294	\$ 381
	Flatbush	\$ 2,700,000	2	\$ 1,350,000	6,320	\$ 418
	Flatlands	\$ 2,095,375	2	\$ 1,047,688	5,860	\$ 409
	Kensington	\$ 1,400,000	1	\$ 1,400,000	2,400	\$ 583
	Lefferts Gardens	\$ 3,500,000	1	\$ 3,500,000	14,020	\$ 250
	Midwood	\$ 14,985,000	4	\$ 3,746,250	42,960	\$ 411
Central Brooklyn Total	\$ 61,250,830	20	\$ 3,062,542	140,226	\$ 449	
East Brooklyn	Brownsville	\$ 2,049,999	3	\$ 683,333	10,750	\$ 211
	Cypress Hills	\$ 3,994,375	1	\$ 3,994,375	9,000	\$ 444
	East New York	\$ 650,000	1	\$ 650,000	2,294	\$ 283
East Brooklyn Total	\$ 6,694,374	5	\$ 1,338,875	22,044	\$ 272	
Greater Downtown Brooklyn	Downtown Brooklyn	\$ 24,000,000	2	\$ 12,000,000	12,913	\$ 1,880
	Gowanus	\$ 35,110,000	1	\$ 35,110,000	108,625	\$ 323
	Park Slope	\$ 2,150,000	1	\$ 2,150,000	2,037	\$ 1,055
Greater Downtown Brooklyn Total	\$ 61,260,000	4	\$ 15,315,000	123,575	\$ 1,285	
North Brooklyn	East Williamsburg	\$ 1,375,000	1	\$ 1,375,000	1,797	\$ 765
	Greenpoint	\$ 5,900,000	2	\$ 2,950,000	8,322	\$ 679
	Williamsburg	\$ 44,225,000	3	\$ 14,741,667	20,252	\$ 2,186
North Brooklyn Total	\$ 51,500,000	6	\$ 8,583,333	30,371	\$ 1,447	
South Brooklyn	Coney Island	\$ 1,610,000	2	\$ 805,000	6,281	\$ 233
	Gravesend	\$ 7,925,000	2	\$ 3,962,500	7,340	\$ 1,034
	Marine Park	\$ 6,310,000	2	\$ 3,155,000	15,458	\$ 368
	Mill Basin	\$ 14,925,000	2	\$ 7,462,500	33,254	\$ 308
	Sheepshead Bay	\$ 23,050,000	6	\$ 3,841,667	38,375	\$ 591
South Brooklyn Total	\$ 53,820,000	14	\$ 3,844,286	100,708	\$ 531	
West Brooklyn	Bath Beach	\$ 10,000,000	1	\$ 10,000,000	4,767	\$ 2,098
	Bay Ridge	\$ 7,050,000	1	\$ 7,050,000	2,320	\$ 3,039
	Bensonhurst	\$ 8,432,238	4	\$ 2,108,060	33,841	\$ 524
	Sunset Park	\$ 1,300,000	1	\$ 1,300,000	1,692	\$ 768
West Brooklyn Total	\$ 26,782,238	7	\$ 3,826,034	42,620	\$ 1,143	
Brooklyn Wide	\$ 282,690,942	65	\$ 4,349,091	489,965	\$ 694	

* Price Per Square Foot

In the retail category, we have verified 65 transactions totaling approximately 490K SF, representing a total consideration of approximately \$282.7M. The average retail building transaction in Brooklyn was approximately \$4.3M. The average price per SF was \$694, up from 2015's \$621 average.

The Greater Downtown Brooklyn region had the highest dollar volume with more than \$61.26M from only four transactions. The Central Brooklyn region had the second highest dollar volume with \$61.25M from 20 transactions.

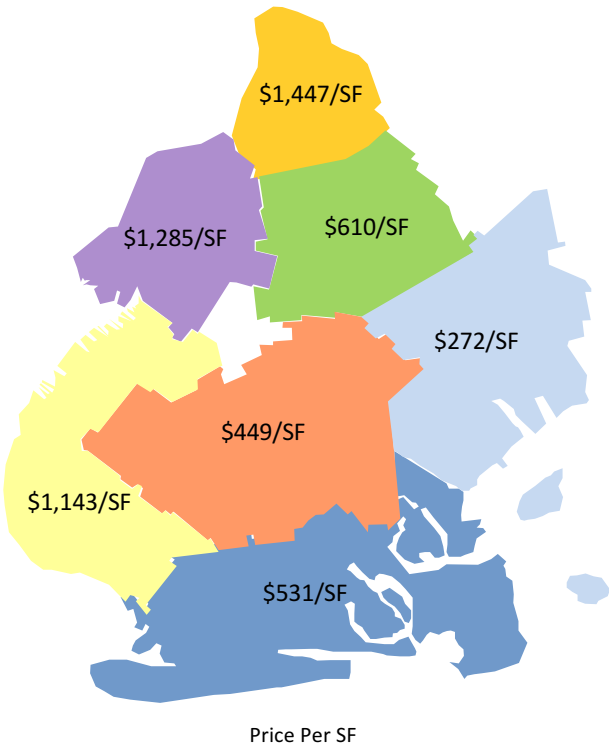


Price Per SF

The average price per SF of retail buildings in 2016 in Brooklyn was \$694 per SF. The North Brooklyn region had the highest price per SF average at approximately \$1,447 per SF.



The retail sale with the highest price per SF was 176 Bedford Avenue in Williamsburg, which sold for approximately \$4,167 per SF.



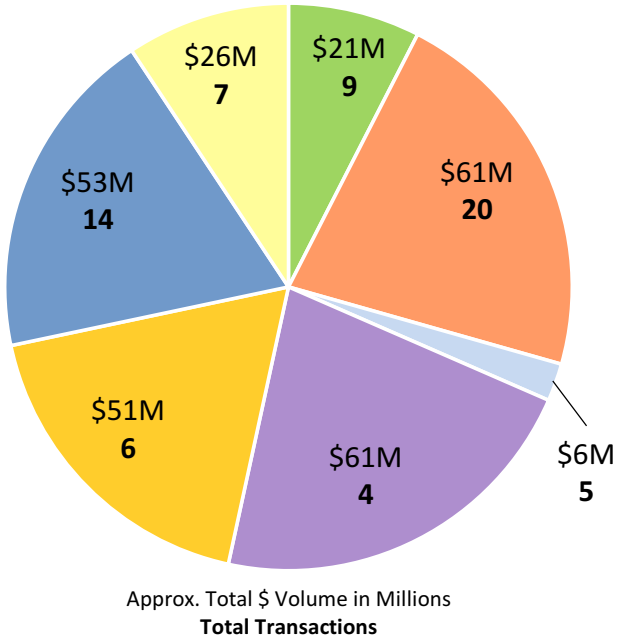
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Transaction and Dollar Volume

In 2016, there were a total of 65 retail sales in Brooklyn with a total consideration of approximately \$282.7M and approximately 490K SF. The highest number of sales recorded was in the Central Brooklyn region with 20 sales, representing over \$61.25M. The Central Brooklyn region also had the highest amount of total square footage sold, reaching over 140K SF. The Greater Downtown Brooklyn region saw the highest dollar volume with a total of over \$61.26M from four sales.



The highest priced retail sale in 2016 was 42 12th Street in Gowanus, which sold for approximately \$35M in October.



Commercially-Zoned Industrial/Office Building Sales

The below study shows Brooklyn commercial industrial/office building sales for 2016, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of sales, average sale price, total square footage sold and average price per SF. The below data represents only commercially-zoned industrial buildings and does not account for industrial-zoned land or multiple buildings plus land sales.

Region	Neighborhood	Dollar Volume	Total Sales	Avg. Sale	Total SF	Avg. PPSF*
Bed Stuy/Bushwick/Crown Heights	Bedford-Stuyvesant	\$ 7,687,500	3	\$ 2,562,500	30,640	\$ 254
	Bushwick	\$ 18,153,044	4	\$ 4,538,261	49,319	\$ 371
	Crown Heights	\$ 2,700,000	1	\$ 2,700,000	10,000	\$ 270
	Ocean Hill	\$ 675,000	1	\$ 675,000	1,986	\$ 340
	Bed Stuy/Bushwick/Crown Heights Total	\$ 29,215,544	9	\$ 3,246,172	91,945	\$ 317
Central Brooklyn	Borough Park	\$ 9,700,000	2	\$ 4,850,000	21,967	\$ 436
	East Flatbush	\$ 6,378,622	5	\$ 1,275,724	31,895	\$ 195
	Kensington	\$ 9,000,000	1	\$ 9,000,000	42,451	\$ 212
	Midwood	\$ 3,850,000	2	\$ 1,925,000	9,374	\$ 413
Central Brooklyn Total	\$ 28,928,622	10	\$ 2,892,862	105,687	\$ 289	
East Brooklyn	Brownsville	\$ 4,172,000	5	\$ 834,400	27,295	\$ 145
	Canarsie	\$ 8,800,250	4	\$ 2,200,063	40,274	\$ 216
	East New York	\$ 49,150,000	10	\$ 4,915,000	309,094	\$ 177
East Brooklyn Total	\$ 62,122,250	19	\$ 3,269,592	376,663	\$ 176	
Greater Downtown Brooklyn	Brooklyn Heights	\$ 5,976,252	1	\$ 5,976,252	6,606	\$ 905
	Clinton Hill	\$ 161,000,000	1	\$ 161,000,000	547,000	\$ 294
	Downtown Brooklyn	\$ 20,050,000	1	\$ 20,050,000	32,000	\$ 627
	Fort Greene	\$ 535,000	1	\$ 535,000	1,398	\$ 383
	Gowanus	\$ 4,900,000	3	\$ 1,633,333	10,900	\$ 404
Greater Downtown Brooklyn Total	\$ 192,461,252	7	\$ 27,494,465	597,904	\$ 489	
North Brooklyn	East Williamsburg	\$ 137,538,333	12	\$ 11,461,528	412,150	\$ 321
	Greenpoint	\$ 128,176,548	16	\$ 8,011,034	495,752	\$ 354
	Williamsburg	\$ 60,270,538	3	\$ 20,090,179	57,357	\$ 1,072
North Brooklyn Total	\$ 325,985,419	31	\$ 10,515,659	965,259	\$ 411	
South Brooklyn	Coney Island	\$ 700,000	1	\$ 700,000	3,834	\$ 183
	Gravesend	\$ 650,000	1	\$ 650,000	5,280	\$ 123
	Marine Park	\$ 7,500,000	1	\$ 7,500,000	20,400	\$ 368
	Sheepshead Bay	\$ 20,400,000	2	\$ 10,200,000	35,015	\$ 517
South Brooklyn Total	\$ 29,250,000	5	\$ 5,850,000	64,529	\$ 341	
West Brooklyn	Dyker Heights	\$ 2,200,000	1	\$ 2,200,000	3,093	\$ 711
	Greenwood Heights	\$ 6,800,000	2	\$ 3,400,000	22,699	\$ 323
	Sunset Park	\$ 113,570,010	14	\$ 8,112,144	377,325	\$ 361
West Brooklyn Total	\$ 122,570,010	17	\$ 7,210,001	403,117	\$ 377	
Brooklyn Wide		\$ 790,533,097	98	\$ 8,066,664	2,605,104	\$ 341

* Price per Square Foot

In this industrial/office category, we have verified 98 transactions totaling for approximately 2.6M SF for a total consideration of over \$790.5M. The average industrial transaction borough-wide was approximately \$8M, and the average price per SF was \$341.

The North Brooklyn region had the highest number of industrial/office building sales at 31 transactions. This region also had the highest total dollar volume at approximately \$326M.

Sales of residentially zoned industrial and office buildings were not included in this report as well as building plus land sales.

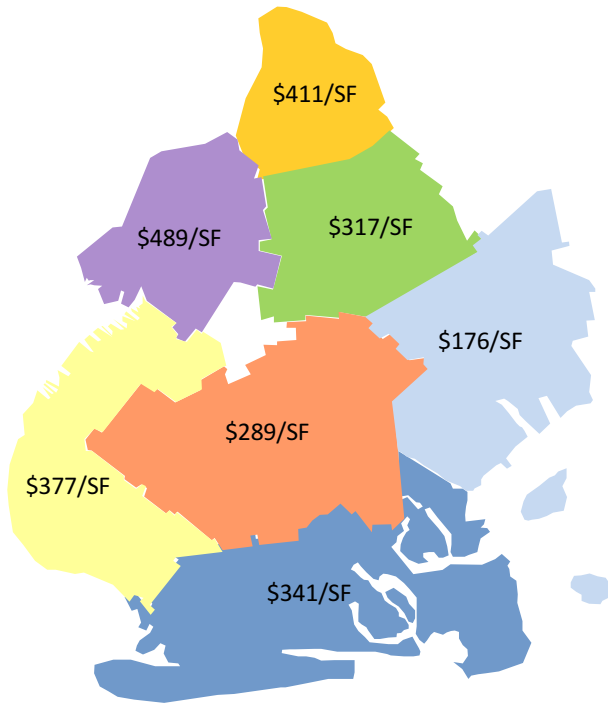


Price Per Industrial/Office SF

In 2016, the average price per SF of commercially-zoned industrial/office building sales in Brooklyn was \$341, up from \$298 in 2015. The Greater Downtown Brooklyn region achieved the highest price per SF average at \$489, up from \$438 in 2015.



The industrial/office sale with the highest price per SF was 342 Wythe Avenue in Williamsburg, which sold for approximately \$1,358 per SF.



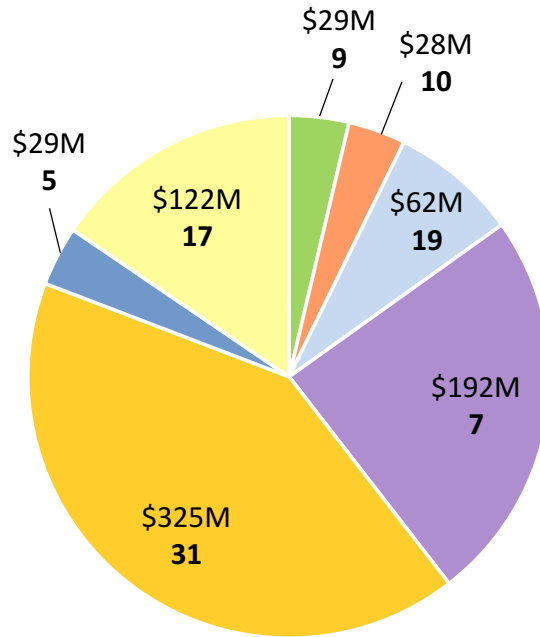
Price Per SF

Transaction and Dollar Volume

In 2016, there were a total of 98 commercially-zoned industrial/office sales in Brooklyn with a total dollar volume of over \$790.5M. The North Brooklyn region had the most sales with 31 industrial/office building transactions.



The highest priced industrial/office sale was 39-43 Hall Street in Clinton Hill, which sold for approximately \$161M in March. The property contains approximately 547K SF.



Approx. Total \$ Volume in Millions
Total Transactions

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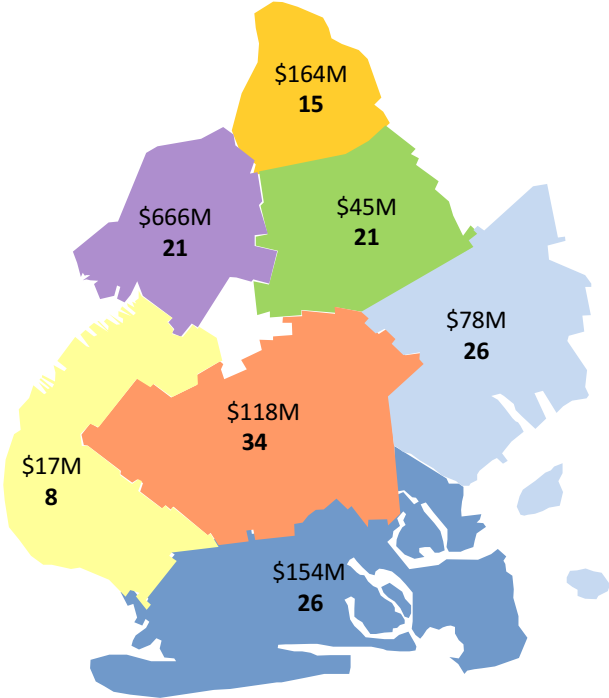
Transaction and Dollar Volume

In 2016, there were a total of 151 other/special asset sales in Brooklyn with a total dollar volume of \$1.24B. Two of the Watchtower Portfolio assets, 25 Columbia Heights and 124 Columbia Heights, fall under this category.

25 Columbia Heights



The second highest priced sale borough-wide in 2016 was \$340M sale of 25 Columbia Heights in Brooklyn Heights. The property is one of the Watchtower buildings.



Approx. Total \$ Volume in Millions
Total Transactions

124 Columbia Heights



124 Columbia Heights sold for \$105M in the Greater Downtown Brooklyn region, which equates to approximately \$688 per SF.

One Prospect Park West



This year TerraCRG handled the \$84M sale of One Prospect Park West in Park Slope. The approximately 170,000 SF building is the largest building on Prospect Park West.

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