



The Brooklyn Market Report 2017

Only Brooklyn.®

January 2018



TERRACRG
COMMERCIAL REALTY GROUP

Table of Contents

Welcome Letter
3
Introduction
4
Summary
6





Welcome to Brooklyn

The Brooklyn market is continuing to show strength, even as we end a two-year dollar volume decline. While total dollar volume showed a 40% decrease from the 2015 peak, the Brooklyn investment sales transactional market is showing resiliency. 2017 was truly a strong year where many asset classes saw price increases, and total transactional volume remained steady.



2017 was truly a strong year where many asset classes saw price increases, and total transactional volume remained steady.



We believe the resiliency of the Brooklyn market stems from the depth and diversity of asset classes and neighborhoods. This is one of the most building-rich counties in America, and many of these communities within Brooklyn are continuing to transform and reinvent themselves. While institutional investors have reduced their activity in the broader market in the last two years, family offices and wealthy individuals continue to believe in the Brooklyn trajectory going forward.

As a Brooklyn-only firm, TerraCRG has followed the market trajectory and experienced an extraordinary evolution in the past decade as we've pursued our mission to be Brooklyn market leaders. Our ever-growing commitment to market knowledge and expertise are exemplified in this report. Our Brooklyn Market Report presents the most up-to-date information, resources and news on what is happening year-over-year throughout the various regions, neighborhoods and asset classes. Brooklyn continues to be one of the most fascinating places in the world to practice commercial real estate brokerage.

We hope you will find the data informative and useful for forecasting and planning business models and investments for the upcoming year.

– OFER COHEN
FOUNDER & CEO

Commercial Transactions in the Brooklyn Market

2017 Year-End Report

In 2017, our team verified a total of 1,359 commercial transactions in Brooklyn with a total consideration of approximately \$6.4B, an approximate 18% decrease in dollar volume from 2016.

Although the total dollar volume of transactions dropped in 2017 compared to 2016, the average price per SF increased in four of the five asset categories, primarily due to the lack of available inventory and continued investment in the Brooklyn market.

The total number of transactions in Brooklyn has had a 10% decrease since 2016 and a 33% decrease since 2015.

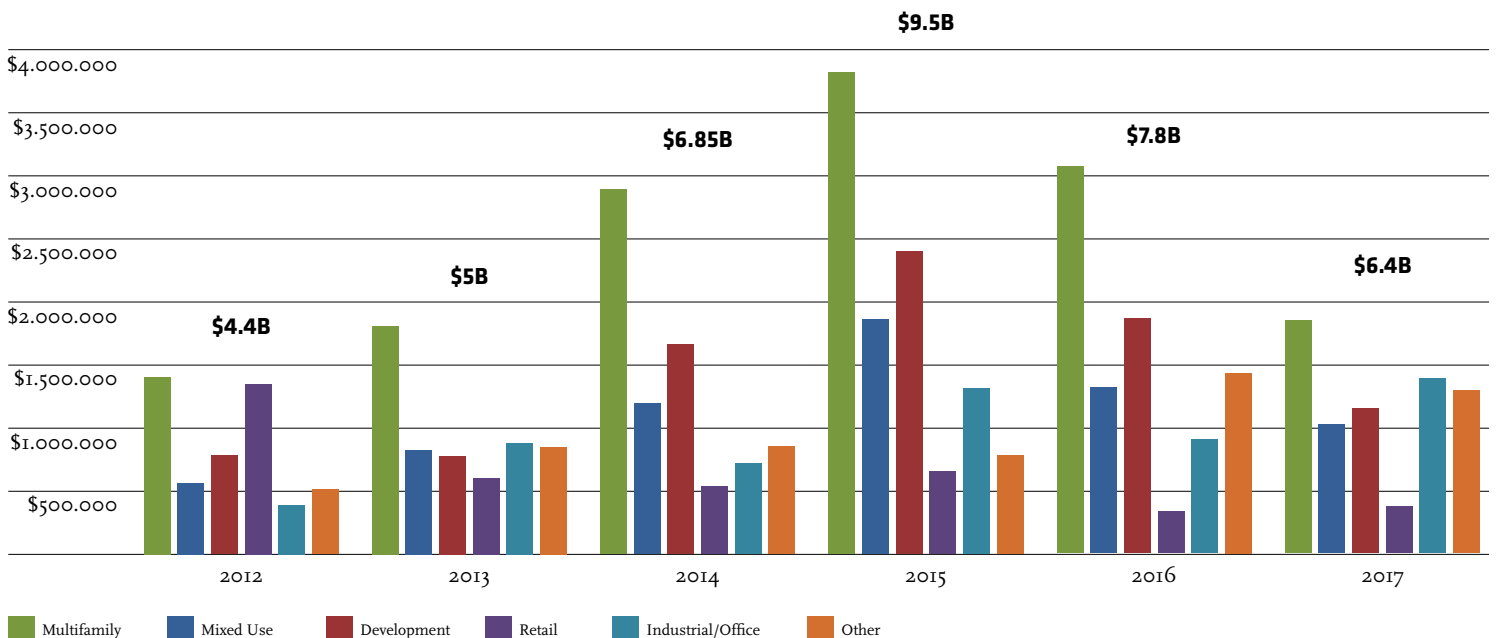
In a time when there is widespread speculation of a national decline in brick and mortar retail, Brooklyn's retail market continues to demonstrate strength with a 23% increase in dollar volume and 48% increase in total number of transactions since 2016.

Industrial/Office dollar volume increased by 63% from \$787,408,097 to \$1,287,123,830.

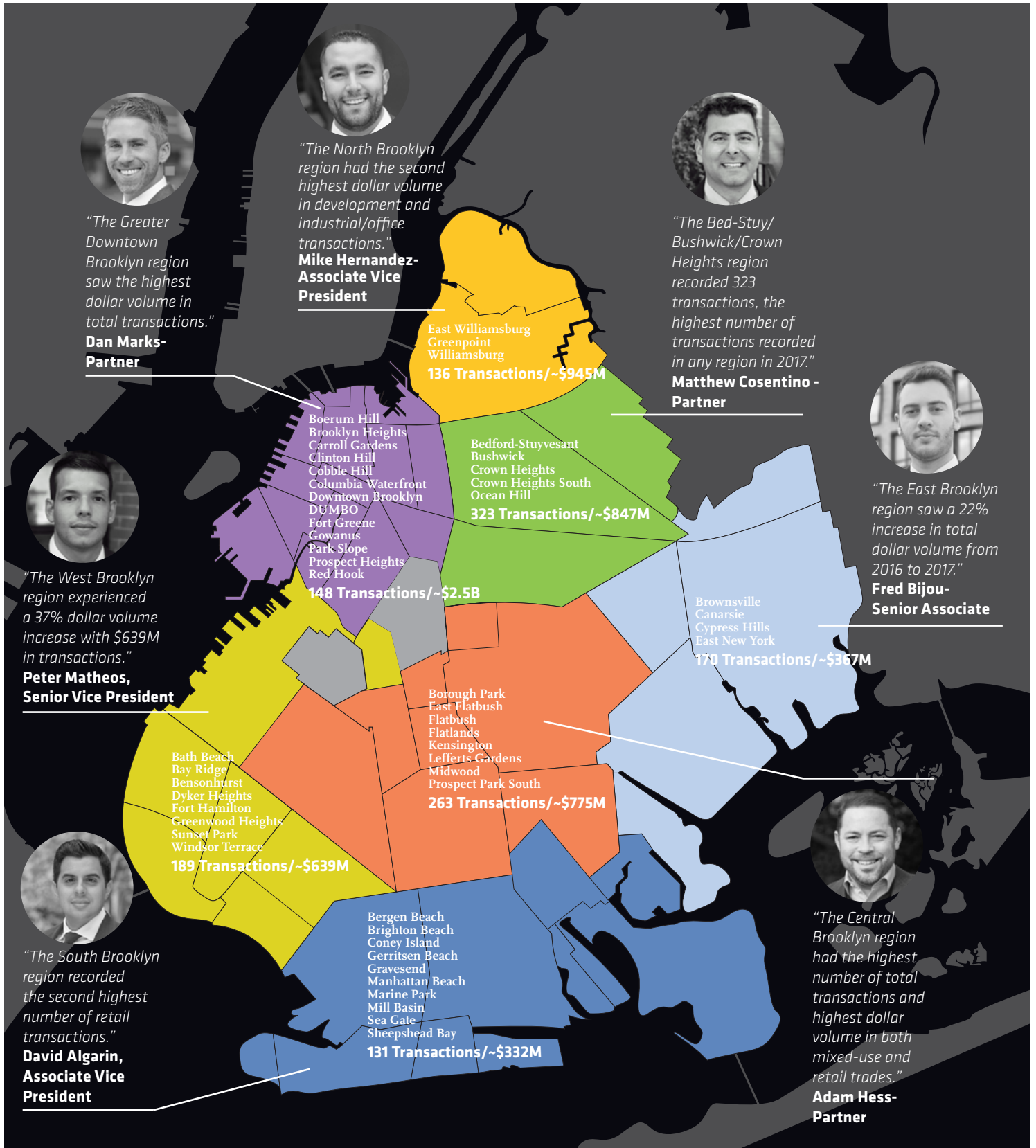
The Greater Downtown Brooklyn region had the highest dollar volume, with transactions totaling over \$2.5B from 148 transactions, down from \$2.8B in 2016.

Brooklyn Commercial Property Transactions Dollar Volume

By Asset Type* (2012-2017)



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



Summary

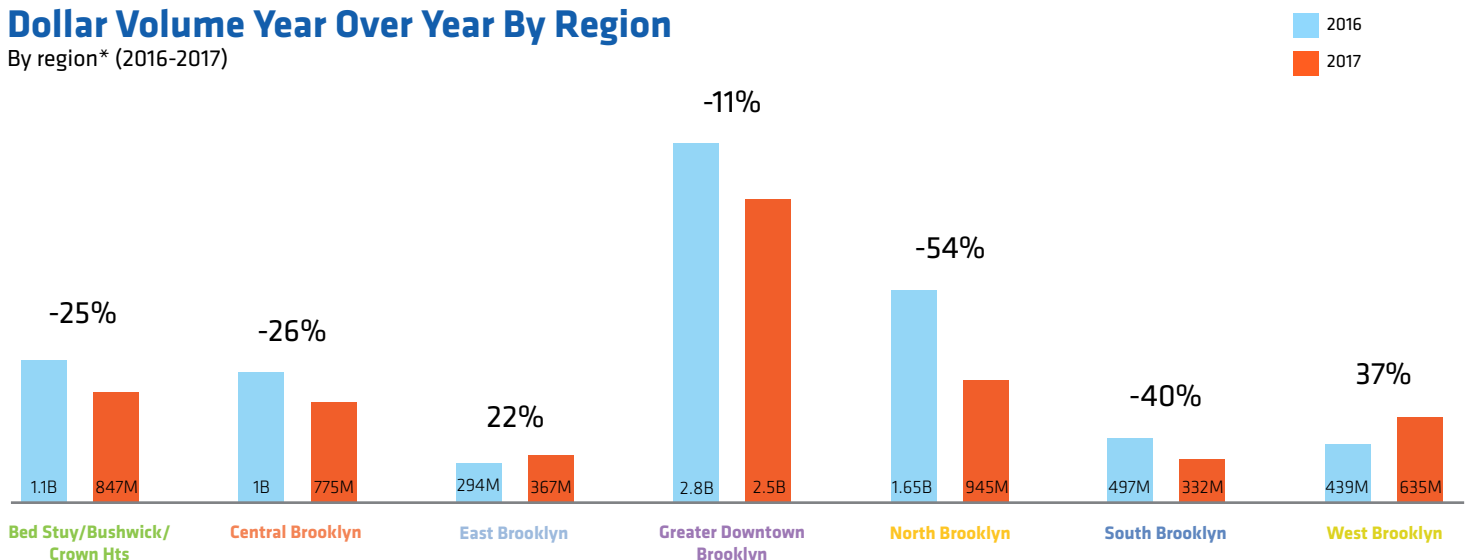
Dollar and Transaction Volume by Asset Class and Region

TerraCRG analyzed Brooklyn commercial transactions categorized into seven regions, color coded throughout the report.

Region	Multifamily		Mixed-Use		Development		Retail		Industrial/Office		Other		Total	
	# of transactions		# of transactions		# of transactions		# of transactions		# of transactions		# of transactions			
Bed Stuy/Bushwick/ Crown Heights	\$392,044,419	120	\$175,768,426	103	\$210,523,302	77	\$21,674,707	6	\$20,800,000	5	\$26,049,000	12	\$846,859,854	323
Central Brooklyn	\$211,377,075	44	\$192,024,638	108	\$116,711,200	47	\$101,799,230	25	\$55,040,000	17	\$97,673,155	22	\$774,625,298	263
East Brooklyn	\$62,274,486	36	\$42,326,205	48	\$32,469,682	35	\$24,795,000	16	\$53,111,568	13	\$152,376,718	22	\$367,353,659	170
Greater Downtown Brooklyn	\$414,552,214	44	\$159,627,435	43	\$309,620,625	20	\$4,775,000	2	\$984,842,262	18	\$636,575,000	21	\$2,509,992,536	148
North Brooklyn	\$229,837,000	46	\$115,741,112	35	\$241,880,350	29	\$42,715,000	6	\$100,945,000	14	\$213,400,000	6	\$944,518,462	136
South Brooklyn	\$91,127,337	13	\$47,669,500	35	\$63,287,728	35	\$52,439,287	22	\$2,940,000	3	\$74,726,394	23	\$332,190,246	131
West Brooklyn	\$228,279,500	51	\$167,346,198	84	\$35,614,750	15	\$100,330,000	19	\$69,445,000	10	\$34,024,971	9	\$635,040,419	188
2017 Dollar Volume	\$1,629,492,031	354	\$900,503,514	456	\$1,010,107,637	258	\$348,528,224	96	\$1,287,123,830	80	\$1,234,825,238	115	\$6,410,580,474	1359
2016 Dollar Volume	\$2,690,284,125	454	\$1,135,887,420	523	\$1,617,504,361	214	\$282,690,942	65	\$787,408,097	99	\$1,246,488,697	152	\$7,760,263,642	1507
Y/Y Dollar Volume	-39%		-21%		-38%		+23%		+63%		-1%		-17%	
Y/Y # of Transactions	-22%		-13%		+21%		+48%		-18%		-24%		-10%	

Dollar Volume Year Over Year By Region

By region* (2016-2017)



Multifamily Building Transactions



Adam Hess
Partner

“While we continued to see a decline in total dollar volume of trades in the multifamily asset class in 2017, especially from the peak of the market in 2015, pricing generally remained the same. We noticed a significant uptick in investor interest towards the end of 2017 and anticipate that dollar volume and number of trades will increase appreciably in the first half of 2018.”

In the multifamily category, we have verified

354

transactions with a total of

5,215

units totaling to approximately

4.9M SF.

The total dollar volume was approximately

\$1.63B

a 39% decrease from 2016.

The average transaction was approximately

\$4.6M.

The highest priced multifamily transaction was 7 Dekalb Avenue in Downtown Brooklyn, which sold for

\$96M

in December.

The Bed Stuy/Bushwick/Crown Heights region had

120

transactions, recorded as the region with the highest number of multifamily transactions.

The highest dollar volume was approximately

\$415M

recorded in the Greater Downtown Brooklyn Region.



The largest multifamily transaction in 2017 was 7 Dekalb Avenue, which was purchased by The Brodsky Organization for \$96M. The 251-unit tower includes rent stabilized units which sit atop City Point, the newly opened retail center in Downtown Brooklyn comprised of national retailers including Trader Joe's, Target, and Century 21.



The multifamily transaction with the highest price per SF was 50 Orange Street in Brooklyn Heights, a 20 unit building which sold for approximately \$1,333 per SF.

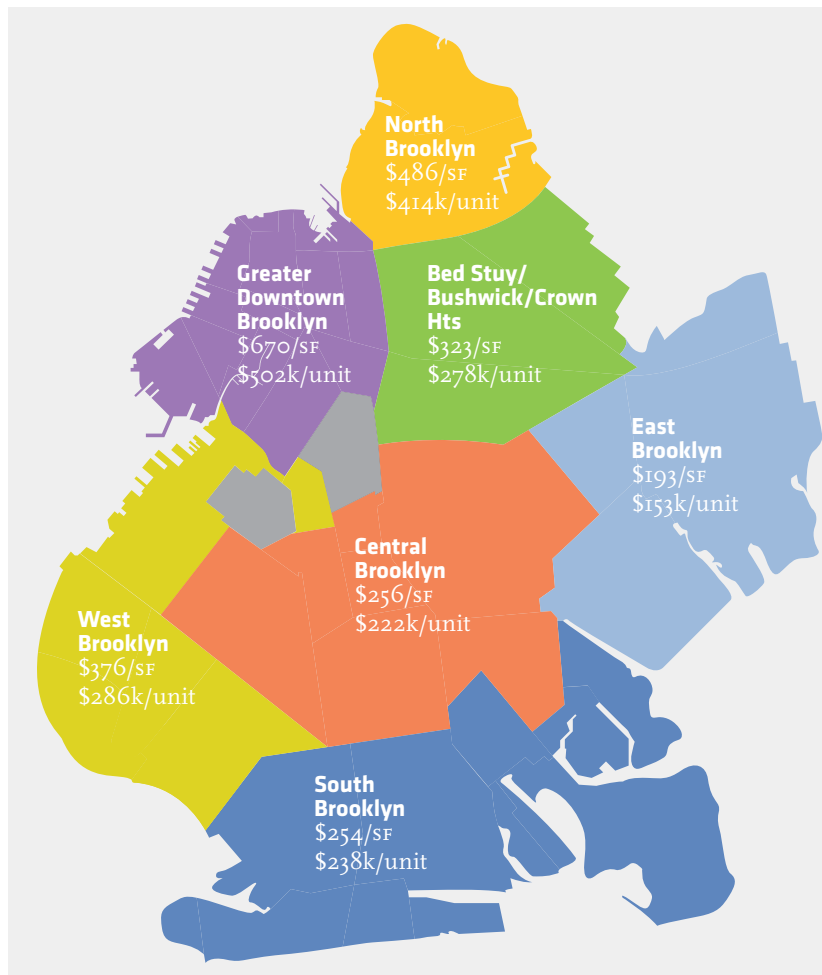
This study shows Brooklyn commercial multifamily building transactions for 2017, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of transactions, average transaction price, total number of units, total square footage sold and average price per SF.

Multifamily

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total Units	Avg. P/Unit**	Total SF	Avg. PPSF*
Bed Stuy/Bushwick/Crown Hts	Bedford-Stuyvesant	\$133,024,496	36	\$3,695,125	437	\$323,290	458,161	\$366
	Bushwick	\$129,550,349	43	\$3,012,799	433	\$266,218	364,411	\$316
	Crown Heights	\$80,555,000	21	\$3,835,952	282	\$292,276	234,010	\$352
	Crown Heights South	\$5,735,000	3	\$1,911,667	22	\$258,056	21,242	\$286
	Ocean Hill	\$43,179,574	17	\$2,539,975	212	\$198,942	228,938	\$222
	Total/Average	\$392,044,419	120	\$3,267,037	1386	\$278,165	1,306,762	\$323
Central Brooklyn	Borough Park	\$4,120,000	3	\$1,373,333	18	\$228,889	14,002	\$275
	East Flatbush	\$75,039,575	17	\$4,414,093	372	\$178,336	333,142	\$226
	Flatbush	\$18,077,500	10	\$1,807,750	97	\$193,924	85,498	\$207
	Kensington	\$36,490,000	4	\$9,122,500	140	\$213,040	164,276	\$232
	Lefferts Gardens	\$38,250,000	4	\$9,562,500	114	\$390,488	102,475	\$451
	Midwood	\$22,875,000	3	\$7,625,000	89	\$345,120	84,300	\$349
	Prospect Park South	\$16,525,000	3	\$5,508,333	72	\$225,104	75,751	\$244
	Total/Average	\$211,377,075	44	\$4,804,024	902	\$222,327	859,444	\$256
East Brooklyn	Brownsville	\$14,038,000	7	\$2,005,429	84	\$160,423	65,260	\$193
	Canarsie	\$4,000,000	1	\$4,000,000	21	\$190,476	18,366	\$218
	Cypress Hills	\$1,303,000	2	\$651,500	11	\$122,300	8,973	\$151
	East New York	\$42,933,486	26	\$1,651,288	340	\$152,060	352,748	\$195
	Total/Average	\$62,274,486	36	\$1,729,847	456	\$153,100	445,347	\$193
Greater Downtown Brooklyn	Boerum Hill	\$16,600,000	3	\$5,533,333	42	\$390,278	30,872	\$542
	Brooklyn Heights	\$107,042,350	8	\$13,380,294	139	\$633,445	152,684	\$739
	Carroll Gardens	\$10,550,000	2	\$5,275,000	10	\$1,055,000	10,520	\$1,001
	Clinton Hill	\$57,735,000	6	\$9,622,500	143	\$379,210	100,968	\$490
	Downtown Brooklyn	\$96,000,000	1	\$96,000,000	251	\$382,470	251,109	\$382
	Fort Greene	\$14,170,000	4	\$3,542,500	28	\$530,759	16,718	\$847
	Gowanus	\$4,000,000	1	\$4,000,000	6	\$666,667	4,025	\$994
	Park Slope	\$82,699,864	11	\$7,518,169	177	\$483,241	109,217	\$759
	Prospect Heights	\$20,605,000	6	\$3,434,167	54	\$374,583	43,781	\$457
	Red Hook	\$5,150,000	2	\$2,575,000	14	\$361,458	9,000	\$565
	Total/Average	\$414,552,214	44	\$9,421,641	864	\$501,861	728,894	\$670
North Brooklyn	East Williamsburg	\$52,902,000	19	\$2,784,316	149	\$351,442	101,574	\$533
	Greenpoint	\$82,710,000	19	\$4,353,158	191	\$402,809	197,332	\$411
	Williamsburg	\$94,225,000	8	\$11,778,125	163	\$587,334	223,195	\$551
	Total/Average	\$229,837,000	46	\$4,996,457	503	\$413,684	522,101	\$486
South Brooklyn	Brighton Beach	\$54,472,337	2	\$27,236,169	128	\$360,192	144,959	\$327
	Coney Island	\$3,935,000	5	\$787,000	26	\$151,067	20,896	\$202
	Gravesend	\$15,730,000	2	\$7,865,000	54	\$290,000	59,253	\$294
	Sheepshead Bay	\$16,990,000	4	\$4,247,500	64	\$258,875	68,880	\$264
	Total/Average	\$91,127,337	13	\$7,009,795	272	\$237,786	293,988	\$254
West Brooklyn	Bay Ridge	\$23,039,175	8	\$2,879,897	98	\$240,695	78,344	\$298
	Bensonhurst	\$10,601,325	7	\$1,514,475	40	\$266,627	33,876	\$332
	Dyker Heights	\$4,384,000	3	\$1,461,333	18	\$243,556	13,800	\$297
	Greenwood Heights	\$67,812,000	16	\$4,238,250	174	\$380,021	151,268	\$517
	Sunset Park	\$122,443,000	17	\$7,202,529	502	\$233,620	431,620	\$311
	Total/Average	\$228,279,500	51	\$4,476,069	832	\$285,774	708,908	\$376
Brooklyn Wide	\$1,629,492,031	354	\$4,603,085	5,215	\$303,533	4,865,444	\$371	

* Price per Square Foot / ** Price per Unit

Multifamily

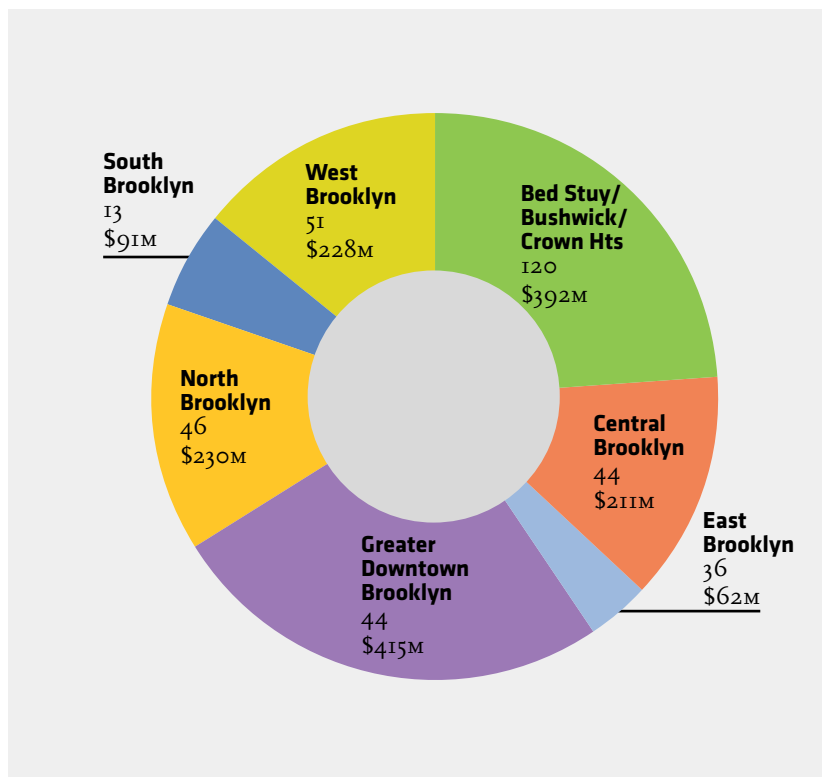


Price per SF and Price per Unit

The average price per SF of multifamily buildings in 2017 in Brooklyn was **\$371**, up slightly from 2016's average of **\$361**. The average price per unit was approximately

\$303K, up 6% from approximately **\$285K** in 2016.

The Greater Downtown region achieved the highest average price per SF at **\$670**.



Transaction and Dollar Volume

In 2017, there was a total of **354** multifamily transactions in Brooklyn, representing **5,125** units and totaling approximately **\$1.63B**. In 2016, there was a total of **454** transactions totaling approximately **\$2.7B**.

The Bed-Stuy/Bushwick/Crown Heights region had the highest number of multifamily transactions with **120** transactions. The Greater Downtown Region had the highest dollar volume totaling approximately **\$415M**.

Mixed-Use Building Transactions



Matt Cosentino
Partner

“Most Brooklyn neighborhoods experienced an increase in the average price per square foot for mixed-use assets as investors anticipate the potential for strong retail rent growth; specifically in emerging neighborhoods where retail rents are reacting to the significant residential rent growth that has occurred.”

In the mixed-use category, we have verified

456

transactions totaling approximately

2.2M SF

The total dollar volume was approximately

\$901M

a 21% decrease from 2016.

The average mixed-use transaction was approximately

\$1.97M.

The highest priced mixed-use transaction was 309 Atlantic Avenue in Boerum Hill, which sold for **\$19M**

in September. With

108

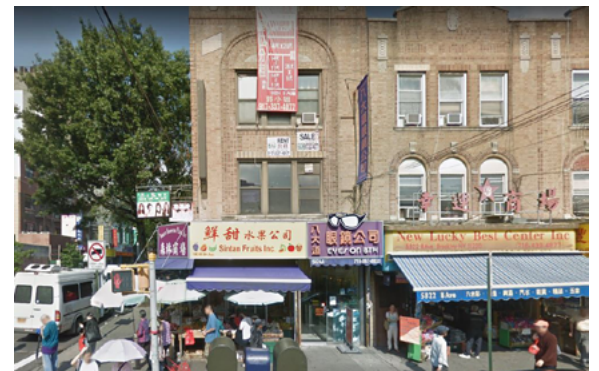
transactions for a total consideration of

\$192M,

the Central Brooklyn region had both the highest number of mixed-use transactions and the highest dollar volume recorded.



The largest mixed-use transaction in 2017 was 309 Atlantic Avenue, which sold to Twining Properties for \$19M. Also known as the Atlantic Stamp Building, the 28-unit property is eight stories high and located in Boerum Hill.



The mixed-use transaction with the highest price per SF was 5824 8th Avenue in Sunset Park, which sold for approximately \$1,662 per SF.

This study shows Brooklyn commercial mixed-use building transactions for 2017, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of transactions, average transaction price, total square footage sold and average price per SF.

Mixed-Use

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total Units	Total SF	Avg. PPSF*
Bed Stuy/Bushwick/Crown Hts	Bedford-Stuyvesant	\$67,575,441	32	\$2,111,733	184	160,501	\$441
	Bushwick	\$38,510,520	22	\$1,750,478	109	96,382	\$403
	Crown Heights	\$39,294,990	19	\$2,068,157	110	111,743	\$359
	Crown Heights South	\$5,655,475	4	\$1,413,869	12	15,178	\$440
	Ocean Hill	\$24,732,000	26	\$951,231	96	96,480	\$265
	Total/Average	\$175,768,426	103	\$1,706,490	511	480,284	\$373
Central Brooklyn	Borough Park	\$45,040,103	25	\$1,801,604	120	129,777	\$376
	East Flatbush	\$23,886,448	23	\$1,038,541	92	88,843	\$280
	Flatbush	\$34,496,087	18	\$1,916,449	155	136,398	\$298
	Flatlands	\$3,655,000	5	\$731,000	11	14,226	\$268
	Kensington	\$11,475,000	6	\$1,912,500	23	24,760	\$425
	Lefferts Gardens	\$32,130,000	14	\$2,295,000	115	101,382	\$359
	Midwood	\$37,647,000	14	\$2,689,071	109	133,625	\$354
	Prospect Park South	\$3,695,000	3	\$1,231,667	7	7,304	\$492
Total/Average	\$192,024,638	108	\$1,778,006	632	636,315	\$338	
East Brooklyn	Brownsville	\$9,025,190	10	\$902,519	46	36,394	\$249
	Canarsie	\$3,440,000	7	\$491,429	13	15,768	\$233
	Cypress Hills	\$4,137,500	5	\$827,500	24	21,426	\$195
	East New York	\$25,723,515	26	\$989,366	142	122,305	\$214
	Total/Average	\$42,326,205	48	\$881,796	225	195,893	\$222
Greater Downtown Brooklyn	Boerum Hill	\$49,048,000	9	\$5,449,778	65	57,742	\$957
	Brooklyn Heights	\$23,550,000	5	\$4,710,000	37	33,090	\$732
	Carroll Gardens	\$8,800,000	4	\$2,200,000	14	13,139	\$656
	Clinton Hill	\$2,240,000	1	\$2,240,000	3	3,200	\$700
	Cobble Hill	\$6,700,000	2	\$3,350,000	8	7,680	\$872
	Columbia Waterfront	\$5,000,000	2	\$2,500,000	6	5,488	\$910
	Downtown Brooklyn	\$11,000,000	1	\$11,000,000	7	6,900	\$1,594
	Gowanus	\$5,850,000	3	\$1,950,000	15	16,204	\$433
	Park Slope	\$40,959,500	12	\$3,413,292	66	62,043	\$725
	Red Hook	\$6,479,935	4	\$1,619,984	12	13,960	\$501
Total/Average	\$159,627,435	43	\$3,712,266	233	219,446	\$762	
North Brooklyn	East Williamsburg	\$43,131,112	15	\$2,875,407	111	95,463	\$491
	Greenpoint	\$29,585,000	9	\$3,287,222	48	45,138	\$779
	Williamsburg	\$43,025,000	11	\$3,911,364	93	72,115	\$791
	Total/Average	\$115,741,112	35	\$3,306,889	252	212,716	\$659
South Brooklyn	Brighton Beach	\$9,889,000	8	\$1,236,125	38	31,829	\$312
	Gravesend	\$16,591,000	11	\$1,508,273	32	36,440	\$460
	Marine Park	\$3,895,000	4	\$973,750	8	11,354	\$336
	Mill Basin	\$830,000	1	\$830,000	2	1,800	\$461
	Sheepshead Bay	\$16,464,500	11	\$1,496,773	53	47,365	\$380
	Total/Average	\$47,669,500	35	\$1,361,986	133	128,788	\$387
West Brooklyn	Bath Beach	\$15,397,500	7	\$2,199,643	19	27,054	\$574
	Bay Ridge	\$42,149,000	21	\$2,007,095	117	102,707	\$464
	Bensonhurst	\$35,029,500	19	\$1,843,658	59	71,085	\$505
	Dyker Heights	\$16,211,200	13	\$1,247,015	41	42,042	\$403
	Greenwood Heights	\$14,325,998	9	\$1,591,778	36	28,540	\$550
	Sunset Park	\$44,233,000	15	\$2,948,867	87	85,514	\$629
	Total/Average	\$167,346,198	84	\$1,992,217	359	356,942	\$512
Brooklyn Wide		\$900,503,514	456	\$1,974,788	2,345	2,230,384	\$434

* Price per Square Foot

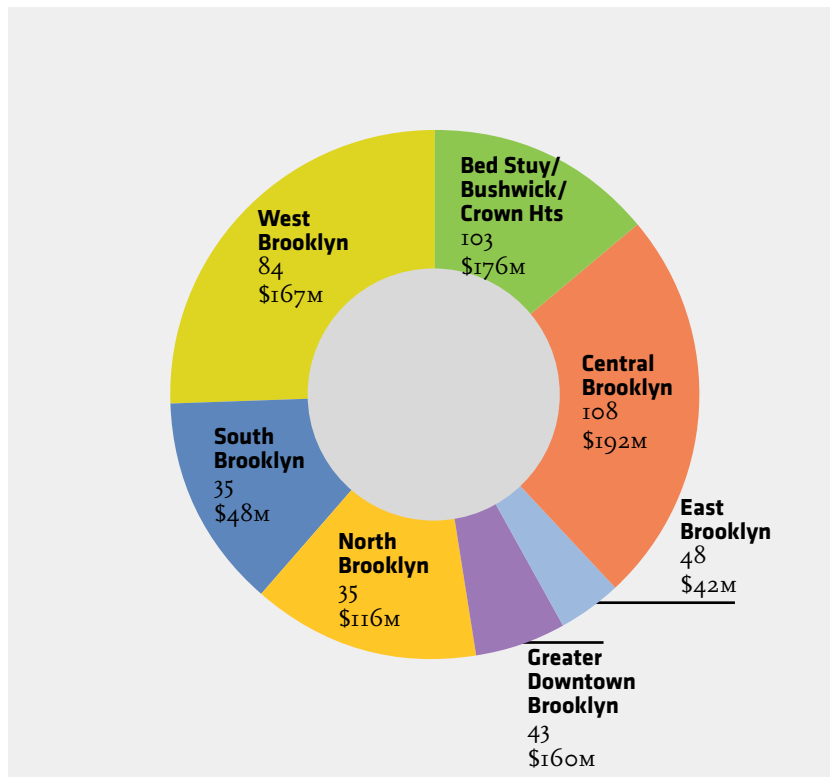
Mixed-Use



Price per SF

The average price per SF of mixed-use buildings in 2017 in Brooklyn was **\$434**, up slightly from 2016's average of \$419.

The Greater Downtown region achieved the highest average price per SF at **\$762**.



Transaction and Dollar Volume

In 2017, there was a total of **456** mixed-use transactions in Brooklyn totaling approximately **\$901M**, down from total of **523** mixed-use transactions totaling approximately **\$1.1B** in 2016.

The Central Brooklyn region had the highest number of mixed-use

transactions with **108** transactions and had the highest dollar volume totaling approximately **\$192M**. In 2016, the Central Brooklyn region also had the highest number of mixed-use transactions but was surpassed by the Greater Downtown for highest dollar volume.

Residential Development Transactions



Ofer Cohen
Founder & CEO

“The residential development market showed continued resiliency in 2017, edging towards a volume recovery. While total dollar volume continued to decline slightly, there was still a robust \$1 billion market of total development site sale transactions with both a slight increase in price per buildable SF, as well as an increase in total number of transactions.”

In the residential development category, we have verified

258

transactions totaling approximately

4.1M

buildable square feet at an average

\$224/BSF.

The total dollar volume was approximately

\$1.01B

a 38% decrease from 2016, and 52% since 2015.

The average residential development transaction was approximately

\$3.92M.

This study shows Brooklyn residential development site transactions for 2017, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of transactions, average transaction price, total buildable square footage sold and average price per buildable SF.

The highest priced residential development transaction was 633 Fulton Street in Fort Greene which sold in May for **\$68M.**

The Bed Stuy/Bushwick/Crown Heights region had

77

transactions, making it the region with the highest number of residential development transactions.

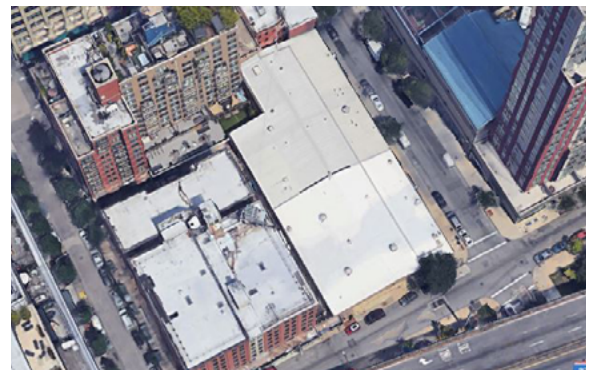
The highest dollar volume was recorded in the Greater Downtown Brooklyn Region at approximately

\$310M

for a total of 20 transactions.



The largest residential development transaction in 2017 was 633 Fulton Street, which sold for \$68M. It was also the transaction with the highest price per buildable SF, priced at \$548/SF. The 124,150/BSF property was purchased by Rabsky as an addition to their 625 Fulton Street project. The current plans propose an over 880,000 square foot skyscraper with 150,000 SF of retail.



The second largest residential development transaction in 2017 was 74 Adams Street in DUMBO, which sold for \$60M.

Residential Development

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total BSF	Avg. PPBSF*
Bed Stuy/Bushwick/Crown Hts	Bedford-Stuyvesant	\$83,085,501	34	\$2,443,691	363,110	\$193
	Bushwick	\$64,116,000	22	\$2,914,364	295,163	\$187
	Crown Heights	\$13,514,100	7	\$1,930,586	63,616	\$147
	Crown Heights South	\$40,475,000	3	\$13,491,667	460,112	\$177
	Ocean Hill	\$9,332,701	11	\$848,427	89,013	\$105
	Total/Average	\$210,523,302	77	\$2,734,069	1,271,013	\$174
Central Brooklyn	Borough Park	\$55,577,500	13	\$4,275,192	245,970	\$230
	East Flatbush	\$34,990,000	16	\$2,186,875	217,909	\$160
	Flatbush	\$3,185,000	2	\$1,592,500	40,050	\$121
	Flatlands	\$2,266,700	6	\$377,783	17,179	\$161
	Kensington	\$6,350,000	2	\$3,175,000	38,716	\$162
	Midwood	\$14,342,000	8	\$1,792,750	85,544	\$243
	Total/Average	\$116,711,200	47	\$2,483,217	645,367	\$192
East Brooklyn	Brownsville	\$2,025,000	4	\$506,250	38,224	\$54
	Canarsie	\$11,250,000	6	\$1,875,000	73,348	\$168
	Cypress Hills	\$3,284,125	3	\$1,094,708	12,565	\$248
	East New York	\$15,910,557	22	\$723,207	190,205	\$95
	Total/Average	\$32,469,682	35	\$927,705	314,342	\$116
Greater Downtown Brooklyn	Boerum Hill	\$61,000,000	2	\$30,500,000	128,611	\$470
	Carroll Gardens	\$10,250,000	3	\$3,416,667	20,980	\$519
	Clinton Hill	\$3,200,000	1	\$3,200,000	7,126	\$449
	Downtown Brooklyn	\$1,950,000	1	\$1,950,000	5,000	\$390
	DUMBO	\$60,000,000	1	\$60,000,000	140,916	\$426
	Fort Greene	\$75,400,000	2	\$37,700,000	144,150	\$459
	Gowanus	\$25,350,000	4	\$6,337,500	74,198	\$317
	Park Slope	\$49,380,625	2	\$24,690,313	222,024	\$263
	Prospect Heights	\$15,000,000	1	\$15,000,000	29,475	\$509
	Red Hook	\$8,090,000	3	\$2,696,667	32,453	\$252
	Total/Average	\$309,620,625	20	\$15,481,031	804,933	\$387
North Brooklyn	East Williamsburg	\$52,391,000	9	\$5,821,222	147,415	\$318
	Greenpoint	\$48,005,000	11	\$4,364,091	140,007	\$376
	Williamsburg	\$141,484,350	9	\$15,720,483	255,751	\$486
	Total/Average	\$241,880,350	29	\$8,340,702	543,172	\$392
South Brooklyn	Brighton Beach	\$766,000	2	\$383,000	7,480	\$105
	Coney Island	\$13,500,000	1	\$13,500,000	65,160	\$98
	Gerritsen Beach	\$1,469,000	4	\$367,250	11,025	\$165
	Gravesend	\$20,234,828	12	\$1,686,236	77,098	\$310
	Marine Park	\$1,050,000	1	\$1,050,000	5,400	\$194
	Mill Basin	\$1,000,000	1	\$1,000,000	5,850	\$171
	Sea Gate	\$2,174,900	3	\$724,967	12,778	\$178
	Sheepshead Bay	\$23,093,000	11	\$2,099,364	144,582	\$217
	Total/Average	\$63,287,728	35	\$1,808,221	329,373	\$228
West Brooklyn	Bay Ridge	\$3,654,750	3	\$1,218,250	22,907	\$209
	Bensonhurst	\$7,255,000	3	\$2,418,333	28,765	\$299
	Dyker Heights	\$1,650,000	1	\$1,650,000	4,725	\$349
	Greenwood Heights	\$14,505,000	5	\$2,901,000	64,771	\$258
	Sunset Park	\$7,950,000	2	\$3,975,000	30,340	\$384
	Windsor Terrace	\$600,000	1	\$600,000	2,344	\$256
	Total/Average	\$35,614,750	15	\$2,374,317	153,852	\$279
Brooklyn Wide	\$1,010,107,637	258	\$3,915,146	4,062,052	\$224	

* Price per Buildable Square Foot

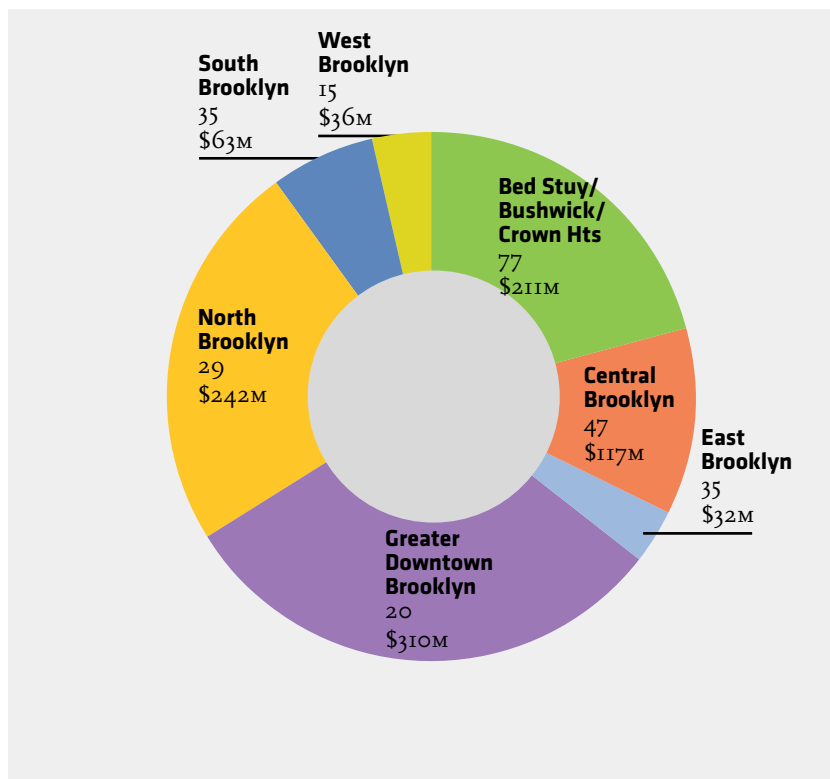
Residential Development



Price per Buildable SF

The average price per buildable SF of development sites in 2017 in Brooklyn was **\$224**, up slightly from 2016's average of \$206.

The North Brooklyn region achieved the highest average price per buildable SF at **\$392**.



Transaction and Dollar Volume

In 2017, there was a total of **258** development transactions in Brooklyn, totaling approximately **\$1B**.

The Bed-Stuy/Bushwick/Crown Heights region had the highest number of development transactions in 2017 with **77** transactions, and also had the highest number of development transactions in 2016.

Retail Building Transactions



Peter Matheos
Senior Vice President, Investment Sales

“Brooklyn’s retail market continues to show strength in 2017 with a 36% uptick in sales volume, while the total number of transactions decreased market-wide. As the residential market continues to level-off, the retail market is beginning to pick up, experiencing a 17% increase since 2016 due largely to the increased investment and growth in emerging neighborhoods.”

In the retail category, we have verified

96

transactions totaling to approximately

683K SF

at approximately

\$605/SF.

The total dollar volume was approximately

\$349M

a 23% increase from 2016.

The average retail transaction was approximately

\$3.63M.

The highest priced retail transaction was 60 North 6th Street which sold for

\$19.8M

in December.

The Central Brooklyn region had the highest number of retail transactions, as well as, the highest dollar volume with

25

transactions for a total consideration of approximately

\$102M.



The largest retail transaction in 2017 was 60 North 6th Street - a 10,000 SF building in the North Brooklyn region. The property sold for \$19.8M.



The retail transaction with the highest price per SF was 99 North 6th Street in the North Brooklyn region, which sold for approximately \$5,480 per SF.

This study shows Brooklyn commercial retail building transactions for 2017, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of transactions, average sale price, total square footage sold and average price per SF.

Retail

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total SF	Avg. PPSF*
Bed Stuy/Bushwick/Crown Hts	Bedford-Stuyvesant	\$2,292,189	2	\$1,146,095	5,650	\$569
	Bushwick	\$19,382,518	4	\$4,845,630	34,752	\$561
	Total/Average	\$21,674,707	6	\$3,612,451	40,402	\$564
Central Brooklyn	Borough Park	\$25,855,000	6	\$4,309,167	61,239	\$458
	East Flatbush	\$10,948,000	7	\$1,564,000	36,760	\$326
	Flatbush	\$11,766,875	4	\$2,941,719	27,530	\$556
	Flatlands	\$1,615,000	1	\$1,615,000	9,850	\$164
	Kensington	\$4,450,000	1	\$4,450,000	7,660	\$581
	Midwood	\$4,7164,355	6	\$7,860,726	117,433	\$674
	Total/Average	\$101,799,230	25	\$4,071,969	260,472	\$482
East Brooklyn	Brownsville	\$14,935,000	7	\$2,133,571	40,730	\$437
	Canarsie	\$3,260,000	2	\$1,630,000	14,675	\$208
	East New York	\$6,600,000	7	\$942,857	44,820	\$252
	Total/Average	\$24,795,000	16	\$1,549,688	100,225	\$328
Greater Downtown Brooklyn	Columbia Waterfront	\$3,100,000	1	\$3,100,000	5,850	\$530
	Fort Greene	\$1,675,000	1	\$1,675,000	2,925	\$573
	Total/Average	\$4,775,000	2	\$2,387,500	8,775	\$551
North Brooklyn	East Williamsburg	\$2,025,000	1	\$2,025,000	10,500	\$193
	Williamsburg	\$40,690,000	5	\$8,138,000	28,360	\$2,013
	Total/Average	\$42,715,000	6	\$7,119,167	38,860	\$1,710
South Brooklyn	Brighton Beach	\$2,500,000	1	\$2,500,000	3,276	\$763
	Coney Island	\$3,800,000	2	\$1,900,000	4,264	\$794
	Gerritsen Beach	\$680,000	1	\$680,000	1,880	\$362
	Gravesend	\$14,835,750	5	\$2,967,150	37,188	\$398
	Marine Park	\$7,267,000	6	\$1,211,167	14,905	\$461
	Sheepshead Bay	\$23,356,537	7	\$3,336,648	35,064	\$548
	Total/Average	\$52,439,287	22	\$2,383,604	96,577	\$514
West Brooklyn	Bath Beach	\$1,700,000	1	\$1,700,000	3,800	\$447
	Bay Ridge	\$58,100,000	10	\$5,810,000	64,249	\$857
	Bensonhurst	\$36,800,000	6	\$6,133,333	61,242	\$817
	Sunset Park	\$3,730,000	2	\$1,865,000	8,590	\$402
	Total/Average	\$100,330,000	19	\$5,280,526	137,881	\$775
Brooklyn Wide		\$348,528,224	96	\$3,630,502	683,192	\$605

* Price per Square Foot

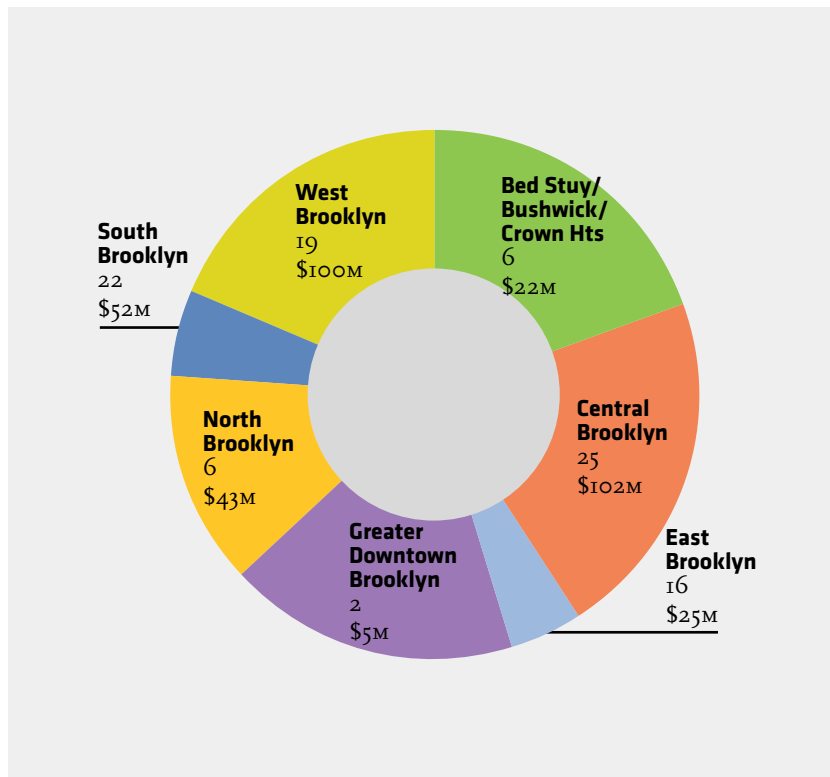
Retail



Price per SF

The average price per SF of retail building transactions in 2017 in Brooklyn was **\$605**, down 13% from 2016's average of \$694.

The North Brooklyn region achieved the highest average price per SF at **\$1710**.



Transaction and Dollar Volume

In 2017, there was a total of **96** retail transactions in Brooklyn, totaling approximately **\$349M**.

The Central Brooklyn region had the highest number of retail transactions with **25** transactions compared with 20 in 2016.

Industrial/Office Building Transactions



Dan Marks
Partner

“The market saw continued demand for Industrial/Office properties in 2017. With the office market still growing and a renewed interest in industrial by distribution companies, both dollar volume and price per square foot increased significantly from 2016.”

In the industrial/office category, we have verified

80

transactions totaling for approximately

2.8M

gross square feet at an average

\$409/SF

The total dollar volume was approximately

\$1.2B

a 52% increase from 2016.

The average industrial/office transaction was approximately

\$15.8M.

The highest priced

industrial/office transaction was a four building portfolio in DUMBO which sold for

\$408M

in March.

The Central Brooklyn and the Greater Downtown Brooklyn region had the highest number of industrial/office transactions with

18

transactions.

The highest dollar volume was recorded in the Greater Downtown Brooklyn Region at approximately

\$984M.



The highest priced industrial/office transaction was a four building portfolio in DUMBO which sold for \$408M in March. The portfolio includes four buildings totaling approximately 644,000 gross SF.



The industrial/office transaction with the highest price per SF was 131 8th Street in Gowanus, which sold for approximately \$1,685 per SF.

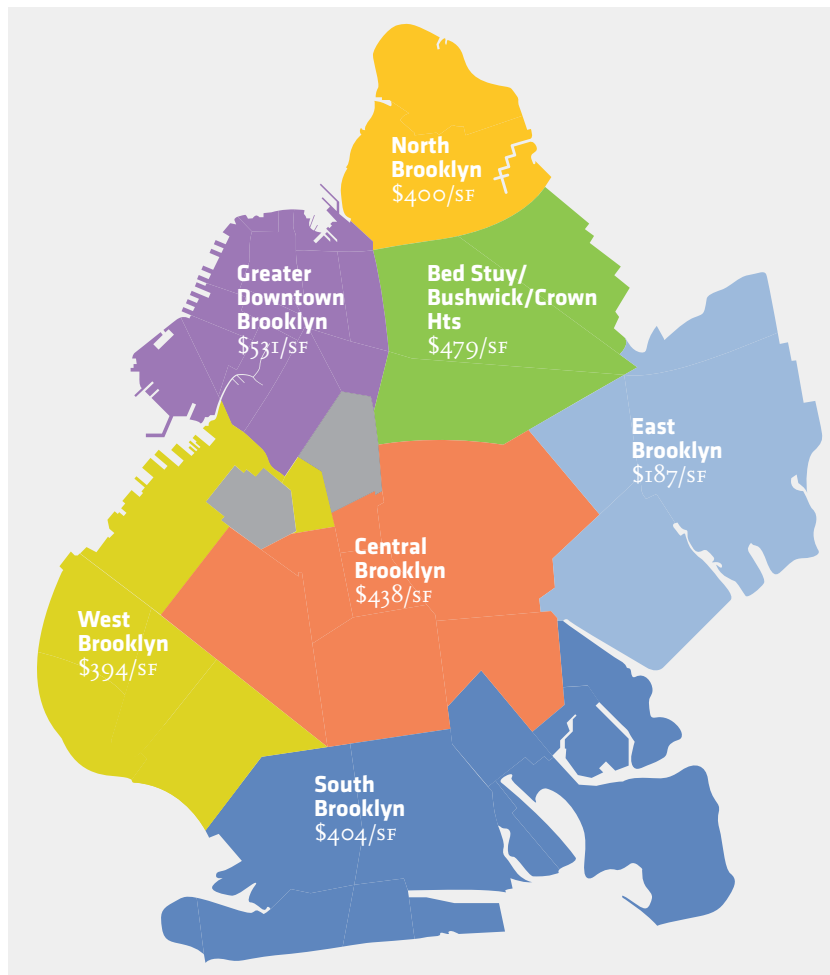
This study shows Brooklyn commercial industrial/office building transactions for 2017, broken down into region and neighborhood. Considered data points include: total dollar volume, total number of transactions, average sale price, total square footage sold and average price per SF.

Industrial/Office

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total SF	Avg. PPSF*
Bed Stuy/Bushwick/Crown Hts	Bedford-Stuyvesant	\$16,800,000	3	\$5,600,000	32,900	\$531
	Bushwick	\$1,900,000	1	\$1,900,000	5,000	\$380
	Crown Heights	\$2,100,000	1	\$2,100,000	5,000	\$420
	Total	\$20,800,000	5	\$4,160,000	42,900	\$479
Central Brooklyn	Borough Park	\$34,275,000	8	\$4,284,375	71,353	\$507
	East Flatbush	\$6,315,000	6	\$1,052,500	26,734	\$246
	Kensington	\$11,250,000	2	\$5,625,000	15,471	\$638
	Midwood	\$3,200,000	1	\$3,200,000	5,000	\$640
	Total	\$55,040,000	17	\$3,237,647	118,558	\$438
East Brooklyn	Brownsville	\$585,000	1	\$585,000	3,300	\$177
	Canarsie	\$2,700,000	1	\$2,700,000	10,000	\$270
	Cypress Hills	\$1,980,000	2	\$990,000	14,851	\$144
	East New York	\$47,846,568	9	\$5,316,285	235,153	\$189
	Total	\$53,111,568	13	\$4,085,505	263,304	\$187
Greater Downtown Brooklyn	Clinton Hill	\$10,250,000	1	\$10,250,000	30,568	\$335
	Downtown Brooklyn	\$263,000,000	1	\$131,500,000	536,881	\$481
	DUMBO	\$511,342,262	2	\$255,671,131	835,363	\$586
	Gowanus	\$73,990,000	9	\$8,221,111	99,849	\$651
	Prospect Heights	\$3,000,000	1	\$3,000,000	9,500	\$316
	Red Hook	\$123,260,000	4	\$30,815,000	403,115	\$362
	Total	\$984,842,262	18	\$51,833,803	2,856,894	\$531
North Brooklyn	East Williamsburg	\$51,650,000	8	\$6,456,250	161,660	\$340
	Greenpoint	\$11,245,000	4	\$2,811,250	25,637	\$398
	Williamsburg	\$38,050,000	2	\$19,025,000	47,552	\$643
	Total	\$100,945,000	14	\$7,210,357	234,849	\$400
South Brooklyn	Gravesend	\$1,540,000	2	\$770,000	4,184	\$372
	Sheepshead Bay	\$1,400,000	1	\$1,400,000	3,000	\$467
	Total	\$2,940,000	3	\$980,000	7,184	\$404
West Brooklyn	Dyker Heights	\$2,500,000	1	\$2,500,000	2,525	\$990
	Sunset Park	\$66,945,000	9	\$7,438,333	272,368	\$328
	Total	\$69,445,000	10	\$6,944,500	274,893	\$394
Brooklyn Wide		\$1,287,123,830	80	\$15,890,418	2,856,894	\$409

* Price per Square Foot

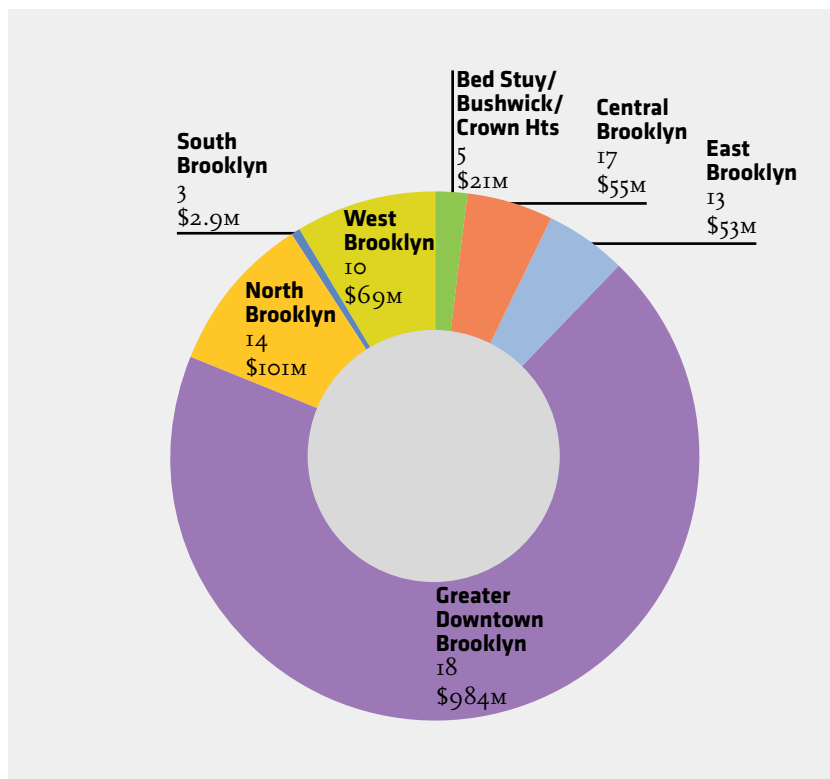
Industrial/Office



Price per SF

The average price per SF of industrial/office buildings in 2017 in Brooklyn was **\$409**, up 20% from 2016's average of \$341.

The Greater Downtown region achieved the highest average price per SF at **\$531**.



Transaction and Dollar Volume

In 2017, there was a total of **80** industrial/office transactions in Brooklyn, totaling approximately **\$1.2B**. In 2016, there was a total of **98** industrial/office transactions totaling approximately **\$790M**.

The Greater Downtown region had the highest number of industrial/office transactions with **18** transactions, as where in 2016, the North Brooklyn region had the highest number of industrial/office transactions.

Other/Special Assets



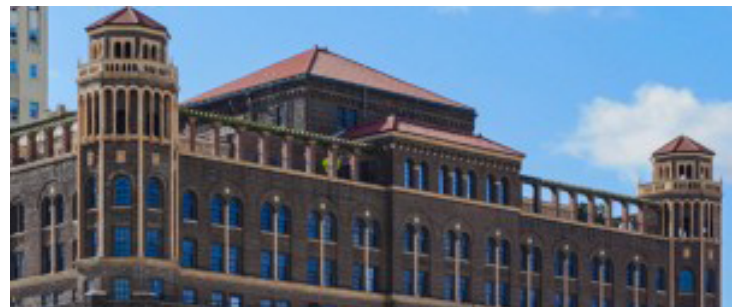
Ofer Cohen
Founder & CEO

“Although there were no specific trades in 2017 that compared to the \$855M Watchtower trade in 2016, there was only a 17% decrease in dollar volume for other/special assets, proving that the market and interest for these special properties is still sturdy.”

Transaction and Dollar Volume

In **2017**, there were a total of **115** other/special asset transactions in Brooklyn with a total dollar volume of **\$1.23B.**

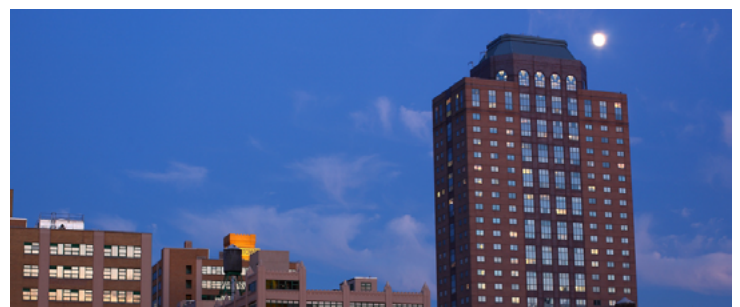
Some of these assets include 21 Clark Street, 20 North 12th Street and 90-160 Sands Street.



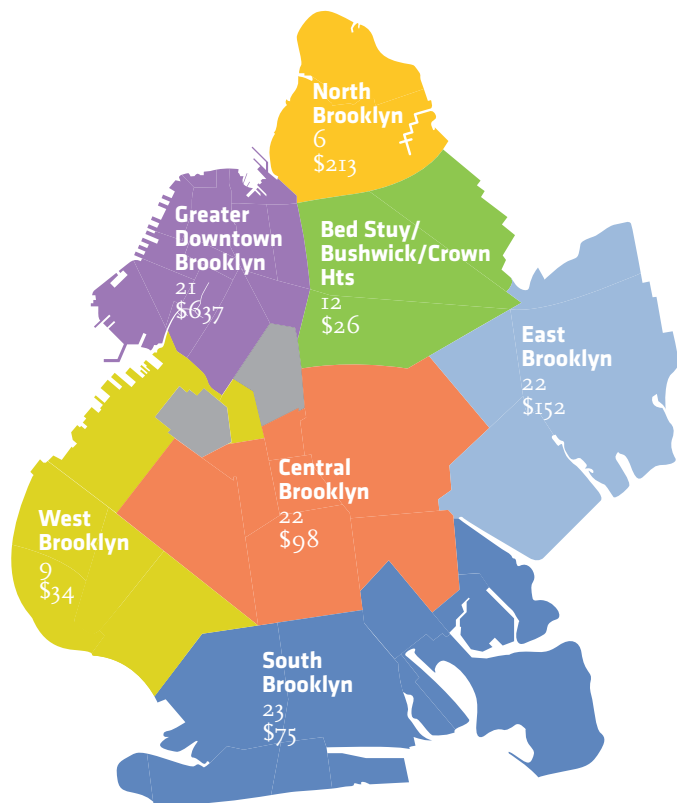
The second highest priced sale borough-wide in 2017 was the \$200M sale of 21 Clark Street in Brooklyn Heights. The property was a student housing/medical facility owned by the Jehovah's Witness.



20 North 12th Street, an approximately 309,643 SF lot of the City Storage site was sold to the City of New York for \$160M in the North Brooklyn Region for the creation of the Maker Park.



Sold for \$135M, 90-160 Sands Street in Downtown Brooklyn is a 30-story vacant hotel purchased from the Watchtower Society. It is part of a complex that includes five other buildings sold to Kushner Companies, along with RFR Realty and LIVWRK.





Report Methodology

TerraCRG's 2017 Brooklyn Market Report includes commercial property transactions recorded in January 1st 2017 through December 31st 2017. Asset types analyzed in the report include Multifamily, Mixed-Use, Retail, Development, Office & Industrial transactions. Recorded transaction sources include NYC.gov Rolling transactions data in conjunction with transactions data from PropertyShark, most have been fact checked by our TerraCRG team. Transactions under \$200,000

have been omitted from the report. Property types include only commercial properties. Multifamily transactions include NYC Class C & D buildings five units and up; condominium transactions are not included. Mixed-Use transactions include NYC Class S, C7 and K4 buildings; condominium transactions and co-op transactions are not included. Retail transactions include NYC Class K buildings. Development transactions include NYC Class V, Z G6 & G7 properties, only Brooklyn residential land transactions have been

included. Office & Industrial transactions include NYC Class O, E, F, G & L buildings; only commercially-zoned buildings (M or C zoning) are accounted for. The Other category includes industrial land and buildings plus land transactions, Commercially-zoned Residential Land, Hotel Buildings, Churches and all other Special Use type transactions. If neighborhoods are not included in the individual product type transactions breakdown, there were no recorded transactions that fit our study criteria in that neighborhood.

TerraCRG

TerraCRG is the only commercial real estate brokerage firm focused exclusively on the Brooklyn market. In a decade, TerraCRG has established itself as a true market leader, averaging over 70 completed transactions annually. Over the past five years, TerraCRG has handled over two billion dollars' worth of commercial property in Brooklyn, including some of the largest development sites, multifamily assets and retail buildings in Brooklyn's most sought after neighborhoods.

To date, the TerraCRG team has handled more development transactions in Brooklyn than any other company, totaling over three million buildable square feet. For more information about TerraCRG, please visit terraarg.com.

For more Brooklyn market information or a complimentary evaluation of an asset, please contact Ofer Cohen, Founder & CEO @ 718-768-6888 or ocohen@terraarg.com.



For more Brooklyn market information or to discuss specific opportunities, please contact:

Matt Cosentino
Partner
mcosentino@terracrgr.com

Ofer Cohen
Founder & CEO
ocohen@terracrgr.com

Peter Matheos
Senior Vice President
pmatheos@terracrgr.com

Dan Marks
Partner
dmarks@terracrgr.com

Antonina Agrusa
Director of Marketing
aagrusa@terracrgr.com

Adam Hess
Partner
ahess@terracrgr.com

Steffen Gonzalez
Data Analyst, Marketing
sgonzalez@terracrgr.com

terracrgr.com

718-768-6888



Multifamily - Mixed Use - Development - Retail - Industrial - Other/Special Asset **Only Brooklyn**

Follow us:   