



# The Half-Year Brooklyn Market Report 2018

Only Brooklyn.

July 2018



**TERRACRG**  
COMMERCIAL REALTY GROUP

# Commercial Transactions in the Brooklyn Market

## 2018 Half-Year Market Report

After two years of volume decline, the Brooklyn market has seen a moderate volume increase halfway through 2018.

In the first half of the year, our team verified a total of 597 commercial transactions in Brooklyn with a total consideration of approximately \$4B, an approximate 44% increase in dollar volume from the first half of 2017.

Although the total dollar volume of transactions increased year-over-year, the total number of transactions decreased by 14%, primarily due to the lack of available inventory in the Brooklyn market.

The total number of transactions in Brooklyn has had a 41% decrease since both 2015 and 2016, the peak years of the Brooklyn commercial real estate market.

The multifamily market saw the highest increase across the asset classes with a 113% increase in the first half of 2018 due to the \$870M trade at 1155 Pennsylvania Avenue in East Brooklyn, accounting for the highest dollar volume increase across all regions, as well.

Without this outlier trade, the total dollar volume increase was more moderate at 12%, with a 6% increase across multifamily dollar volume.

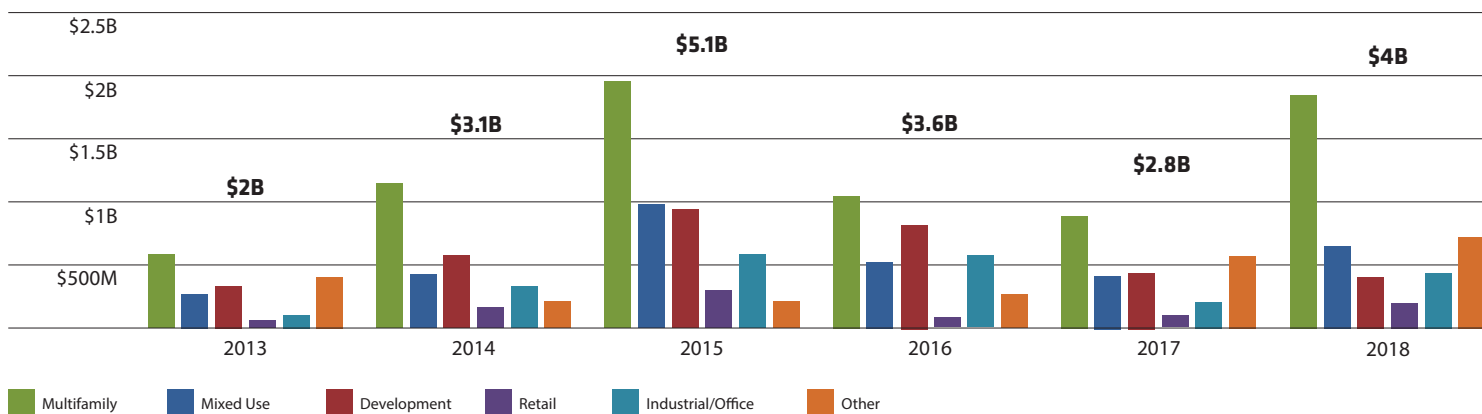
Retail saw the highest drop in transactional volume at 42%, while dollar volume increased by 8%.

The second highest dollar volume across the asset classes was seen in industrial/office trades, increasing by 56% from \$291,870,000 in the first half of 2017 to \$456,043,500 in 2018.

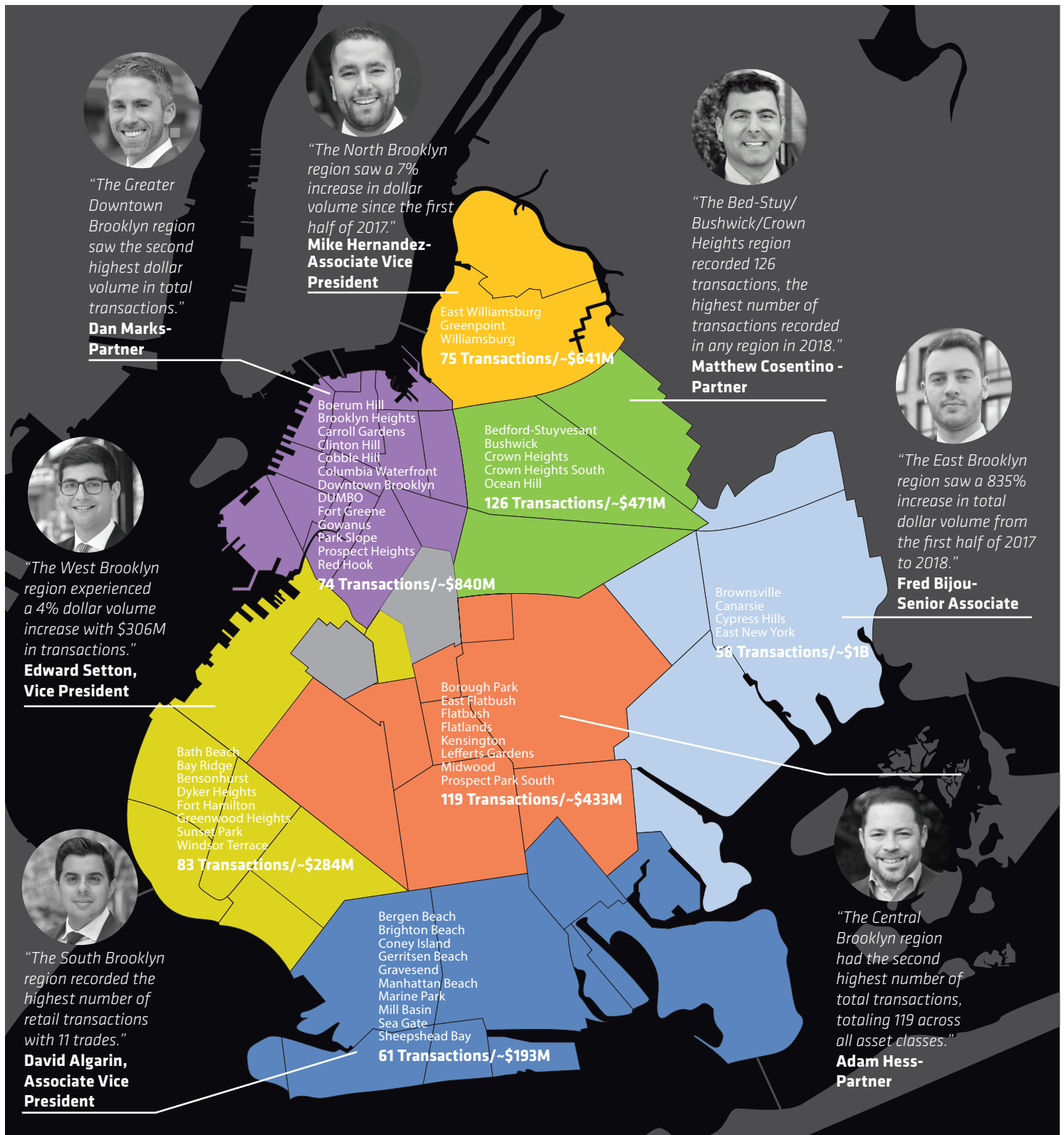
The Greater Downtown Brooklyn region had the second highest dollar volume, with transactions totaling over \$890M, up 21% from the first half of 2017, while the Bed-Stuy, Bushwick, Crown Heights region had the highest number of transactions.

## Brooklyn Commercial Property Transactions Dollar Volume

By Asset Type\* (2013-2018)



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



**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.

# 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		# of transactions	
Bed Stuy/Bushwick/ Crown Heights	\$166,904,117	45	\$72,013,698	37	\$94,559,290	37	\$9,295,000	3	\$124,950,000	2	\$3,589,000	2	\$471,311,105	126
Central Brooklyn	\$180,265,231	26	\$75,662,935	46	\$61,804,000	22	\$10,327,000	8	\$30,602,500	6	\$75,066,665	11	\$433,728,331	119
East Brooklyn	\$889,027,895	9	\$17,911,509	20	\$31,395,988	15	\$44,312,710	5	\$37,316,000	3	\$19,500,973	6	\$1,039,465,075	58
Greater Downtown Brooklyn	\$292,770,000	19	\$223,484,500	29	\$75,263,080	12	\$63,000,000	2	\$172,950,000	7	\$63,000,000	5	\$890,467,580	74
North Brooklyn	\$69,458,884	25	\$130,059,024	17	\$103,591,475	19	\$4,000,000	1	\$55,350,000	9	\$278,934,911	4	\$641,394,294	75
South Brooklyn	\$28,678,800	6	\$25,730,000	19	\$20,902,485	11	\$56,040,000	11	\$26,075,000	3	\$35,337,349	11	\$192,763,634	61
West Brooklyn	\$97,644,000	22	\$82,381,000	35	\$25,185,687	7	\$16,430,500	7	\$8,800,000	3	\$76,160,000	10	\$306,601,187	84
<b>2018 Dollar Volume</b>	<b>\$1,724,748,927</b>	<b>152</b>	<b>\$627,242,666</b>	<b>203</b>	<b>\$412,702,005</b>	<b>123</b>	<b>\$203,405,210</b>	<b>37</b>	<b>\$456,043,500</b>	<b>33</b>	<b>\$551,588,898</b>	<b>49</b>	<b>\$3,975,731,206</b>	<b>597</b>
<b>2017 Dollar Volume</b>	<b>\$808,804,573</b>	<b>190</b>	<b>\$433,328,512</b>	<b>227</b>	<b>\$465,384,443</b>	<b>115</b>	<b>\$188,944,744</b>	<b>64</b>	<b>\$291,870,000</b>	<b>41</b>	<b>\$577,607,516</b>	<b>61</b>	<b>\$2,765,939,788</b>	<b>698</b>
<b>Y/Y Dollar Volume</b>	<b>+113%</b>		<b>+45%</b>		<b>-11%</b>		<b>+8%</b>		<b>+56%</b>		<b>-5%</b>		<b>+44%</b>	
<b>Y/Y # of Transactions</b>	<b>-20%</b>		<b>-11%</b>		<b>+7%</b>		<b>-42%</b>		<b>-20%</b>		<b>-20%</b>		<b>-14%</b>	

## Dollar Volume Year Over Year By Region

By region\* (First Half 2017 - First Half 2018)

2017  
2018

