



Brooklyn Market Report

Commercial Sales in the Brooklyn Market | 2016 Semi-Annual Report

TerraCRG analyzed Brooklyn commercial sales for the first half of 2016. Transactions in all regions were considered by dollar and transaction volume, as well as asset class including Multifamily, Mixed-Use, Development, Retail and Industrial/Office sales.

Region	Multifamily		Mixed-Use		Development		Retail		Industrial/Office		Sub-Total		Other		Total	
	\$	# of Sales	\$	# of Sales	\$	# of Sales	\$	# of Sales	\$	# of Sales	\$	# of Sales	\$	# of Sales	\$	# of Sales
Bed-Stuy/Bushwick/Crown Heights	\$ 386,070,265	97	\$ 97,798,652	58	\$ 108,476,446	47	\$ 10,121,000	5	\$ 29,779,999	8	\$ 632,246,362	215	\$ 17,871,750	9	\$ 650,118,112	224
Central Brooklyn	\$ 211,986,000	45	\$ 87,104,552	64	\$ 54,825,000	16	\$ 27,270,455	9	\$ 42,428,622	8	\$ 423,614,629	142	\$ 33,447,500	7	\$ 457,062,129	149
East Brooklyn	\$ 22,928,750	11	\$ 22,756,267	27	\$ 33,847,250	14	\$ 1,349,999	2	\$ 44,365,375	14	\$ 125,247,641	68	\$ 45,433,873	15	\$ 170,681,514	83
Greater Downtown Brooklyn	\$ 238,164,934	38	\$ 153,599,000	33	\$ 453,797,454	7	\$ 74,050,000	4	\$ 163,235,000	4	\$ 1,082,846,388	86	\$ 136,036,239	10	\$ 1,218,882,627	96
North Brooklyn	\$ 171,140,700	17	\$ 142,365,353	29	\$ 181,607,147	12	\$ 6,075,000	2	\$ 191,140,186	20	\$ 692,328,386	80	\$ 1,873,740	1	\$ 694,202,126	81
South Brooklyn	\$ 92,388,150	12	\$ 12,689,800	13	\$ 20,610,750	15	\$ 18,045,000	8	\$ 8,925,500	3	\$ 152,659,200	51	\$ 70,745,000	7	\$ 223,404,200	58
West Brooklyn	\$ 75,635,000	24	\$ 51,702,500	37	\$ 1,473,120	2	\$ 22,332,238	4	\$ 52,470,010	12	\$ 203,612,868	79	\$ 720,000	1	\$ 204,332,868	80
Dollar Volume in First Half 2016	\$ 1,198,313,799	244	\$ 568,016,124	261	\$ 854,637,167	113	\$ 159,243,692	34	\$ 532,344,692	69	\$ 3,312,555,474	721	\$ 306,128,102	50	\$ 3,618,683,576	771
First Half 2015	\$ 1,955,665,528	316	\$ 995,908,640	305	\$ 940,320,394	200	\$ 359,479,902	51	\$ 631,630,521	78	\$ 4,883,004,985	950	\$ 250,802,812	61	\$ 5,133,807,797	1,011
Dollar Volume Change	-39%		-43%		-9%		-56%		-16%		-32%		22%		-30%	
Y/Y Number of Transaction Change	-23%		-14%		-44%		-33%		-12%		-24%		-18%		-24%	

As we previously projected, after a record-breaking 2015, transactional volume in the Brooklyn market in the first half of 2016 has been leveling off. The market showed a decrease in dollar volume in all asset classes and regions. Our team verified a total of 771 sales for the first half of 2016 with a total consideration of over \$3.6B, a 30% dollar volume decrease from the first half of 2015, which had over \$5.13B from 1,011 transactions.

The average Investment Sales transaction in Brooklyn in the first half of 2016 stayed fairly consistent, at approximately \$4.7M, down only 7% from the \$5M average in the first half of 2015.

The largest transaction in the first half of 2016 was 422 Fulton Street, located in the **Greater Downtown Brooklyn region**. The property was acquired by Tishman Speyer from Macy's for \$234,074,908. The **Greater Downtown Brooklyn region** as a whole had the highest dollar volume overall with over \$1.2B in total sales and 96 transactions. This region also had the highest dollar volume within the **Mixed-Use, Development** and **Retail** categories. In Greater Downtown Brooklyn, Mixed-Use property sales had a total of over \$153M in consideration with 33 trades, Development property sales had a total of over \$453M in consideration with 7 trades and Retail sales had a total of over \$74M in consideration with 4 trades.

The **Multifamily** and **Mixed-Use** market segments showed 505 total transactions and \$1.7B total dollar volume. A 40% dollar volume decrease from the first half of 2015.

The development site sales market saw the largest decrease in number of trades, from 200 in the first half of 2015 down 44% to 113 in the first half of 2016.

Consistent with the last several years, the **Bed-Stuy/Bushwick/Crown Heights** region had the most amount of trades overall with 224 transactions, totaling over \$650M in sales. This region represented 29% of all transactions in Brooklyn and 39% of Multifamily sales for the first half of 2016.

The **North Brooklyn** region (which includes Williamsburg and Greenpoint) had the second-highest dollar volume overall with over \$694M from 81 transactions. Additionally, this region had the second-highest dollar volume in Mixed-Use sales, totaling \$142M resulting from only 29 transactions.

TerraCRG Brooklyn Sales Report Methodology

TerraCRG's 2016 Mid-Year Brooklyn Sales Report includes commercial property sales recorded from January 1st 2016 through June 30th 2016. Asset types analyzed in the report include Multifamily, Mixed-Use, Retail, Development & Industrial sales. Recorded sale sources include NYC.gov Rolling Sales Data in conjunction with sales data from PropertyShark.com & CoStar, and most have been fact checked by our TerraCRG team. Sales under \$200,000 have been omitted from the report. Property types include only commercial properties. Multifamily sales include NYC Class C & D buildings five units and up; condominium sales and co-op sales are not included. Mixed-Use sales include NYC Class S & C7 buildings; condominium sales and co-op sales are not included. Retail sales include NYC Class K buildings. Development sales include NYC Class V, Z, G6 & G7 properties, only Brooklyn residential land sales have been included. Office & Industrial sales include NYC Class O, E, F, G & L buildings; only commercially-zoned buildings (M or C zoning) are accounted for. Industrial land and buildings plus land sales have been omitted. In some cases multi-property transactions have been omitted from the data as well. The Other category includes Conversions, Residentially-zoned Industrial buildings, Hotel buildings, Churches and all other Special Use type sales. If neighborhoods are not included in the individual product type sales breakdown, there was no recorded sale that fit our study criteria in that neighborhood.

* In target categories, see Methodology