



# The Brooklyn Market Report 2018

Only Brooklyn.®

January 2019



**TERRACRG**  
COMMERCIAL REALTY GROUP



# Table of Contents

Welcome  
Letter

3

Introduction

4

Summary

6

## Multifamily Building Transactions

7



## Mixed-Use Building Transactions

10



## Residential Development Site Transactions

13



## Retail Building Transactions

16



## Industrial/Office Building Transactions

19



## Other/Special Asset Transactions

22





## Welcome to Brooklyn

The Brooklyn commercial real estate market remains active with \$7.4B in total dollar volume, a 15% uptick from 2017. That figure is consistent across a five-year-basis, with an average of \$7.6B in dollar volume per year over the last five years.



**2018 ended strong with over 20% of the year's trades closing in the fourth quarter. This activity has foreshadowed what has already been a vibrant start to 2019.**



2018 ended strong with over 20% of the year's transactions closing in the fourth quarter. This activity has foreshadowed what has already been a vibrant start to 2019.

The new Opportunity Zones tax bill has provided new prospects for investors in areas throughout Brooklyn that may not have been a part of their investment strategy previously. This will allow underserved areas of Brooklyn to experience a new pattern of growth and activity that other neighborhoods have experienced over the last decade. The most recent reversal of the L train shutdown is already showing a surge in residents and business recommitting to the North Brooklyn area.

We believe the strength 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 few years, family offices and wealthy individuals continue to believe in the Brooklyn trajectory. It is not a secret, that Brooklyn is on track to surpass Chicago as the fourth largest city in America.

As a Brooklyn-only firm, TerraCRG has vigorously followed the market trajectory and experienced an extraordinary evolution for over a decade as we've pursued our mission to be Brooklyn market leaders. We remain bullish and focused Only on this fascinating market.

– OFER COHEN  
FOUNDER & CEO

# Commercial Transactions in the Brooklyn Market

## 2018 Year-End Report

The Brooklyn market experienced increased activity in 2018. With \$7.4B in total dollar volume, a 15% uptick from 2017, it presents the end of a two year dollar volume decline and remains consistent with volume two years ago in 2016. On a five-year-basis, the Brooklyn market is showing signs of stability, with an average dollar volume of \$7.6B a year over the last 5 years.

The largest transaction in Brooklyn in 2018 was 1155 Pennsylvania Avenue in East New York, the Spring Creek Towers, which traded for \$870M. This single transaction represented almost 12% of the total dollar

volume in Brooklyn in 2018. Excluding this transaction would bring total dollar volume down to \$6.5B, which is rather consistent with the \$6.4B volume the year before.

Although total dollar volume in 2018 remained strong, the transactional volume continued to decline with 1,197 commercial transactions - down 12% from 2017, and 37% since the peak of the market in 2015.

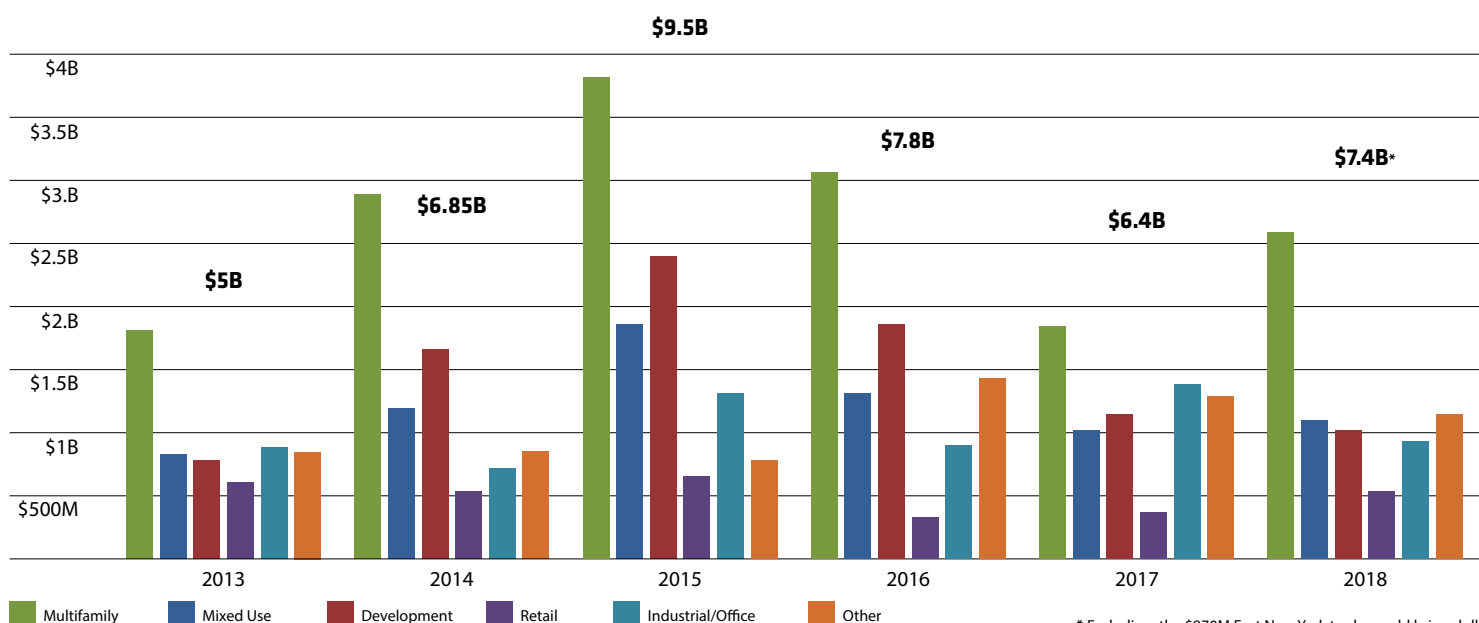
The multifamily market saw the highest increase across the asset classes with a 58% increase due to the \$870M East New York transaction.

Mixed-use transactions accounted for 35% of the 2018 market, coming in at the highest amount of transactions across the asset classes. It was also the asset class with the second highest dollar volume, with a 24% increase from 2017.

The Greater Downtown Brooklyn region saw the highest total dollar volume with \$2.2B from 162 transactions. Of which, 51 transactions were multifamily, the highest traded asset class in the region. Although dollar volume was down 15% from 2017, transactions are up almost 10%.

## Brooklyn Commercial Property Transactions Dollar Volume

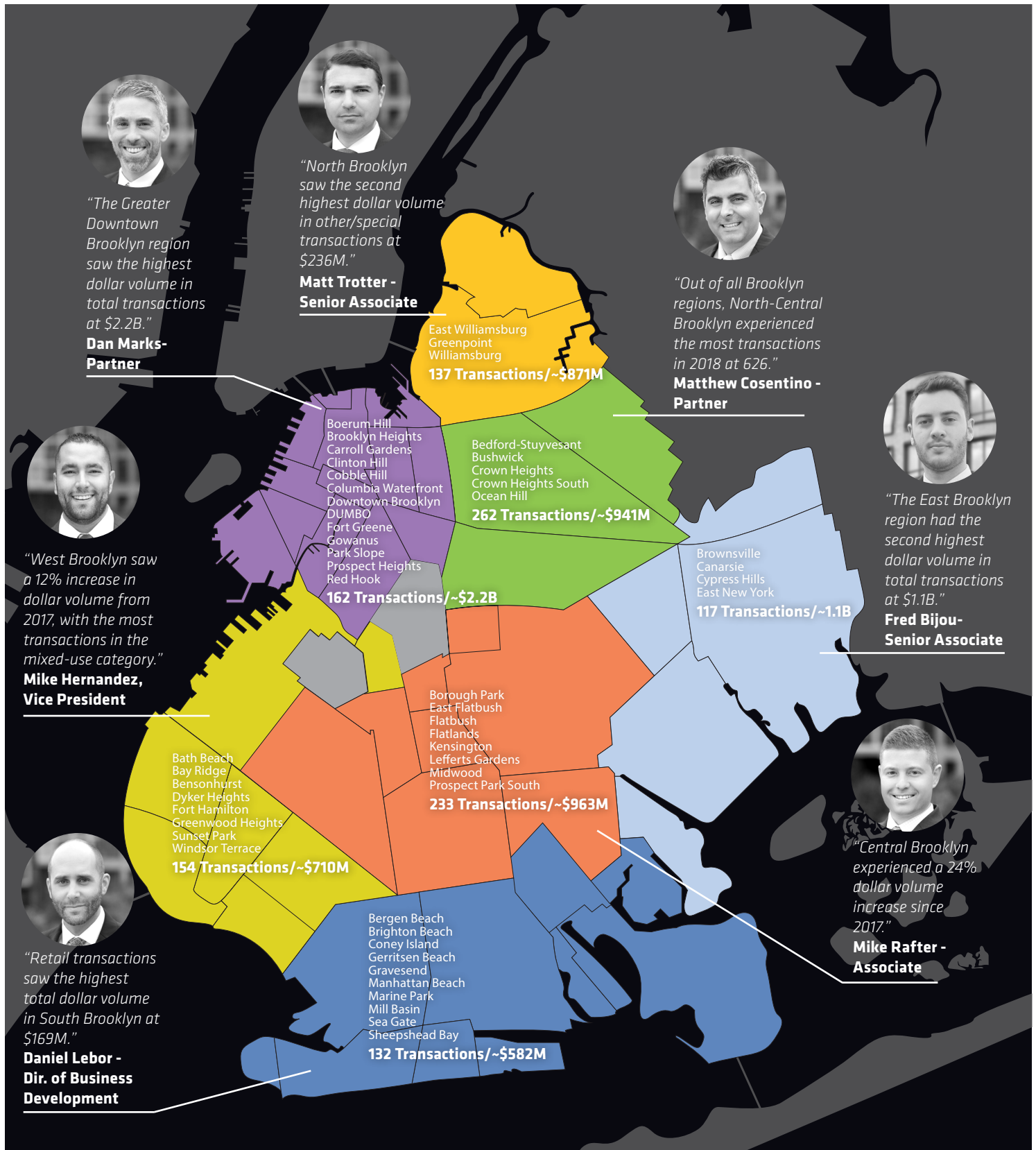
By Asset Type\* (2013-2018)



\* Excluding the \$870M East New York trade would bring dollar volume down to \$6.5B, consistent with 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

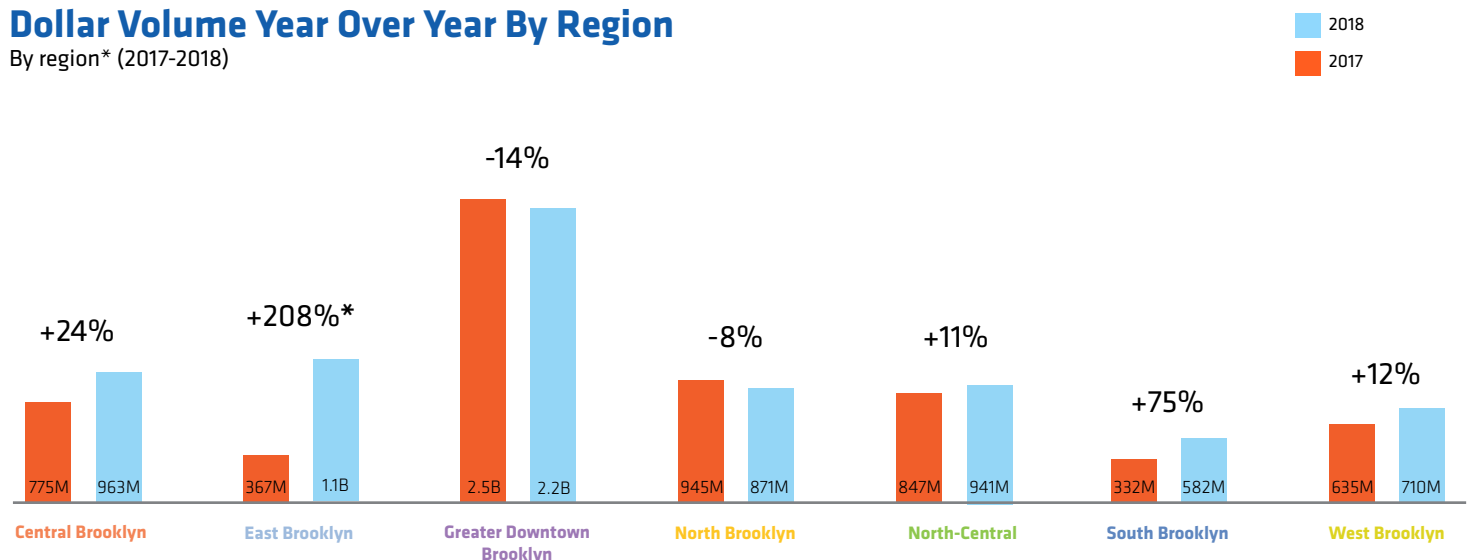
TerraCRG analyzed Brooklyn commercial transactions categorized into seven regions, color coded throughout the report.

Region	Multifamily		Mixed-Use		Development		Retail		Industrial/Office		Other		Total
	# of transactions		# of transactions		# of transactions		# of transactions		# of transactions		# of transactions		# of transactions
Central Brooklyn	\$429,529,500	50	\$167,759,000	96	\$165,014,665	34	\$52,747,000	18	\$48,187,500	15	\$100,224,000	20	\$963,461,665 233
East Brooklyn	\$906,466,395	19	\$42,678,346	47	\$55,428,988	22	\$55,412,710	14	\$49,991,000	6	\$21,035,973	9	\$1,131,013,412 117
Greater Downtown Brooklyn	\$453,992,571	51	\$299,572,000	50	\$360,155,980	27	\$138,542,000	6	\$434,880,000	12	\$482,475,841	16	\$2,169,618,392 162
North Brooklyn	\$111,579,884	33	\$200,909,024	42	\$151,006,475	32	\$48,380,000	5	\$122,900,000	13	\$236,610,182	12	\$871,385,565 137
North-Central Brooklyn	\$355,393,202	98	\$176,485,312	79	\$200,816,790	66	\$7,857,500	5	\$173,310,000	4	\$26,730,275	10	\$940,593,079 262
South Brooklyn	\$109,186,800	12	\$98,490,000	38	\$45,437,610	17	\$169,146,000	33	\$60,925,000	6	\$98,919,486	26	\$582,104,896 132
West Brooklyn	\$204,934,000	39	\$132,903,000	63	\$54,597,687	12	\$54,740,500	17	\$31,975,000	8	\$230,895,000	15	\$710,045,187 154
2018 Dollar Volume	\$2,571,082,352	302	\$1,118,796,682	415	\$1,032,458,195	210	\$526,825,710	98	\$922,168,500	64	\$1,196,890,757	108	\$7,368,222,196* 1197
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
Y/Y Dollar Volume Percent Change	+58%		+24%		+2%		+51%		-28%		-3%		+15%
Y/Y # of Transactions Percent Change	-15%		-9%		-19%		+2%		-20%		-6%		-12%

\*1155 Pennsylvania Avenue makes up \$870M/34% of multifamily transactions. Excluding this transaction brings dollar volume down to \$6.5B, consistent with 2017.

## Dollar Volume Year Over Year By Region

By region\* (2017-2018)



\*1155 Pennsylvania Avenue makes up 79% of East Brooklyn transactions; extracting this trade would show a 29% decrease in East Brooklyn's dollar volume.

# Multifamily Building Transactions



Matt Cosentino  
Partner

“The multifamily market saw a small decrease in total transactions, yet a large increase in total dollar volume - up nearly 60% from 2017. This large increase was spurred by large multifamily transactions, in particular, the \$870M trade at 1155 Pennsylvania Ave. in East New York. Crown Heights, Bushwick and Bedford-Stuyvesant continue to show the largest number of multifamily transactions and Brooklyn Heights had the highest average price/SF at \$673/SF.”

In the multifamily category, we have verified

# 302

transactions with a total of

# 12,940

units totalling to approximately

# 13.3M SF

of which, one was an outlier trade - 1155 Pennsylvania Avenue which sold for

# \$870M.

Total dollar volume recorded at \$2.6B, But without the outlier, total dollar volume was

# \$1.7B

consistent with \$1.6B in 2017. The Northern-Central Brooklyn region had

# 98

transactions recorded as the region with the highest number of multifamily transactions. The Greater Downtown region saw highest total dollar volume at

# \$454M\*



The largest multifamily transaction in 2018 was 1155 Pennsylvania Avenue, also known as the Spring Creek Towers. The 7,654 unit portfolio in Starrett City equates to 8,544,670 SF, and was purchased by Rockpoint Group and Brooksville Company.



The second largest multifamily transaction to trade in 2018 was 461 Dean Street, a 363-unit modular-constructed building connected to the Barclays Center. The property is at the nexus of Downtown Brooklyn, Prospect Heights and Park Slope and was purchased by Principal Global Investors.

This study shows Brooklyn commercial multifamily building transactions for 2018, 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.

\* East Brooklyn region would have the highest dollar volume when including the \$870M trade.

# Multifamily

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total Units	Avg. P/Unit**	Total SF	Avg. PPSF*
Central Brooklyn	Borough Park	\$94,020,510	7	\$13,431,501	397	\$236,827	353,959	\$266
	East Flatbush	\$123,683,500	20	\$6,184,175	579	\$213,616	556,874	\$222
	Flatbush	\$10,710,000	2	\$5,355,000	45	\$238,000	51,640	\$207
	Flatlands	\$7,500,000	1	\$7,500,000	24	\$312,500	29,152	\$257
	Kensington	\$90,452,400	8	\$11,306,550	292	\$309,768	314,123	\$288
	Midwood	\$25,700,000	3	\$8,566,667	89	\$288,764	93,300	\$275
	Lefferts Gardens	\$5,262,000	3	\$1,754,000	19	\$276,947	15,700	\$335
	Prospect Park South	\$72,201,090	6	\$12,033,515	293	\$246,420	273,344	\$264
	<b>Total/Average</b>	<b>\$429,529,500</b>	<b>50</b>	<b>\$8,590,590</b>	<b>1738</b>	<b>\$247,140</b>	<b>1,688,092</b>	<b>\$254</b>
East Brooklyn	Brownsville	\$3,885,000	3	\$1,295,000	23	\$171,500	18,486	\$210
	Cypress Hills	\$12,355,000	4	\$3,088,750	74	\$148,779	59,605	\$207
	East New York	\$890,226,395	12	\$74,185,533	7758	\$176,286	8,627,908	\$103
	<b>Total/Average</b>	<b>\$906,466,395</b>	<b>19</b>	<b>\$47,708,758</b>	<b>7855</b>	<b>\$169,740</b>	<b>8,705,999</b>	<b>\$104</b>
Greater Downtown Brooklyn	Boerum Hill	\$9,900,000	4	\$2,475,000	33	\$300,000	22,566	\$439
	Brooklyn Heights	\$43,020,000	6	\$7,170,000	68	\$632,647	63,876	\$673
	Carroll Gardens	\$12,750,000	4	\$3,187,500	31	\$411,290	23,362	\$546
	Clinton Hill	\$17,200,000	3	\$5,733,333	35	\$491,429	30,580	\$562
	Cobble Hill	\$22,100,000	3	\$7,366,667	44	\$502,273	37,816	\$584
	Columbia Waterfront	\$4,700,000	2	\$2,350,000	16	\$293,750	12,132	\$387
	Fort Greene	\$6,975,000	3	\$2,325,000	24	\$290,625	13,350	\$522
	Gowanus	\$2,550,000	1	\$2,550,000	8	\$318,750	5,868	\$435
	Park Slope	\$74,072,571	14	\$5,290,898	142	\$521,638	122,916	\$603
	Prospect Heights	\$258,350,000	10	\$25,835,000	544	\$474,908	486,460	\$531
	Red Hook	\$2,375,000	1	\$2,375,000	8	\$296,875	5,548	\$428
	<b>Total/Average</b>	<b>\$414,552,214</b>	<b>51</b>	<b>\$8,901,815</b>	<b>953</b>	<b>\$476,383</b>	<b>824,474</b>	<b>\$551</b>
North Brooklyn	East Williamsburg	\$29,216,000	11	\$2,656,000	67	\$436,060	48,291	\$605
	Greenpoint	\$38,088,884	14	\$2,720,635	99	\$384,736	74,548	\$511
	Williamsburg	\$44,275,000	8	\$5,534,375	101	\$438,366	73,409	\$603
	<b>Total/Average</b>	<b>\$111,579,884</b>	<b>33</b>	<b>\$3,381,209</b>	<b>267</b>	<b>\$417,902</b>	<b>196,248</b>	<b>\$569</b>
North-Central Brooklyn	Bedford-Stuyvesant	\$114,803,203	26	\$4,415,508	351	\$327,075	265,729	\$432
	Bushwick	\$58,815,000	29	\$2,028,103	189	\$311,190	162,351	\$362
	Crown Heights	\$160,939,999	30	\$5,364,667	500	\$321,880	485,927	\$331
	Ocean Hill	\$20,835,000	13	\$1,602,692	98	\$212,602	86,123	\$242
	<b>Total/Average</b>	<b>\$355,393,202</b>	<b>98</b>	<b>\$3,626,461</b>	<b>1138</b>	<b>\$312,296</b>	<b>1,000,130</b>	<b>\$355</b>
South Brooklyn	Gravesend	\$20,776,800	6	\$3,462,800	77	\$269,829	81,298	\$256
	Sheepshead Bay	\$88,410,000	6	\$14,735,000	317	\$278,896	316,564	\$279
	<b>Total/Average</b>	<b>\$109,186,800</b>	<b>12</b>	<b>\$9,098,900</b>	<b>394</b>	<b>\$277,124</b>	<b>397,862</b>	<b>\$274</b>
West Brooklyn	Bath Beach	\$6,250,000	3	\$2,083,333	37	\$168,919	26,640	\$235
	Bay Ridge	\$25,579,000	5	\$5,115,800	91	\$281,088	78,735	\$325
	Bensonhurst	\$17,110,000	7	\$2,444,286	70	\$244,429	57,861	\$296
	Dyker Heights	\$1,680,000	1	\$1,680,000	6	\$280,000	4,800	\$350
	Fort Hamilton	\$8,025,000	1	\$8,025,000	40	\$200,625	23,600	\$340
	Greenwood Heights	\$6,280,000	3	\$2,093,333	20	\$314,000	12,700	\$494
	Sunset Park	\$31,610,000	17	\$1,859,412	122	\$259,098	87,944	\$359
	Windsor Terrace	\$108,400,000	2	\$54,200,000	209	\$518,660	252,876	\$429
	<b>Total/Average</b>	<b>\$204,934,000</b>	<b>39</b>	<b>\$5,254,718</b>	<b>595</b>	<b>\$344,427</b>	<b>545,156</b>	<b>\$376</b>
<b>Brooklyn Wide</b>		<b>\$2,571,082,352</b>	<b>302</b>	<b>\$8,513,518</b>	<b>12940</b>	<b>\$198,693</b>	<b>13,357,961</b>	<b>\$192</b>

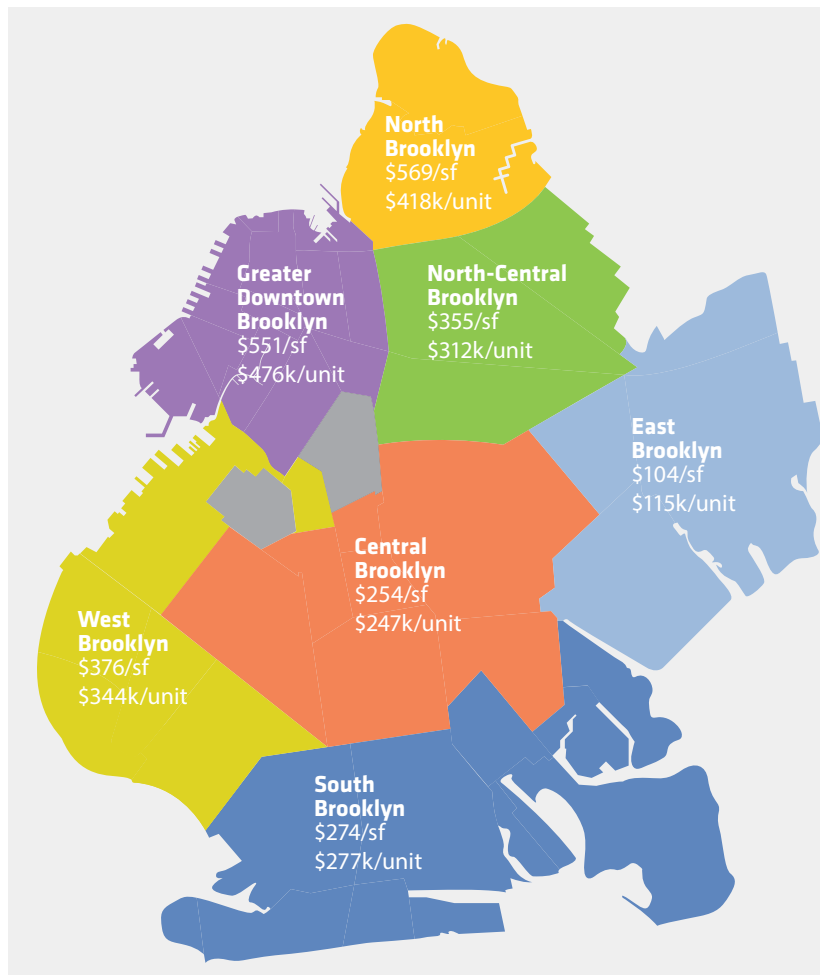
\* Price per Square Foot / \*\* Price per Unit

\* Excluding \$870M trade from East Brooklyn - \$228/SF | \$183,351/unit

\* Excluding \$870M trade from East Brooklyn - \$353/SF | \$321,882/unit



## Multifamily

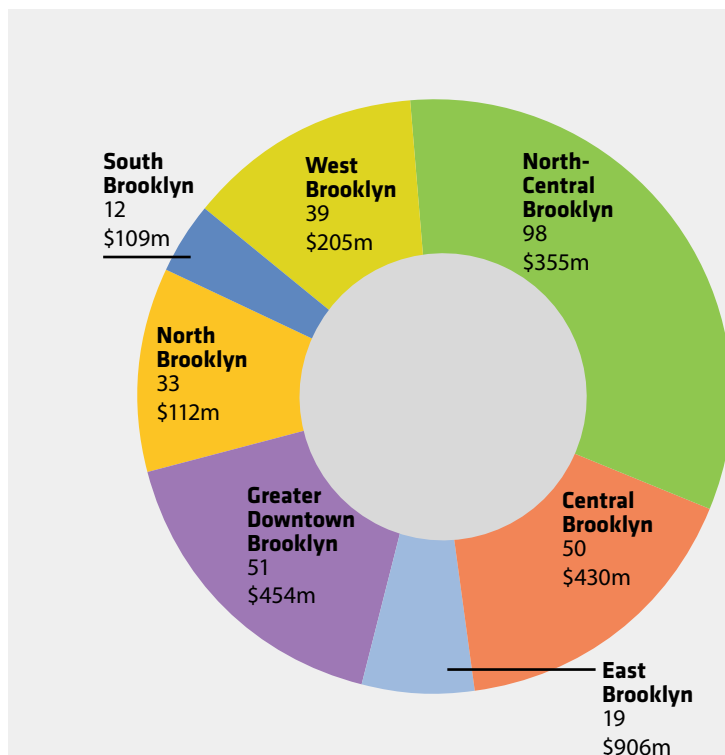


### Price per SF and Price per Unit

The average price per SF of multifamily buildings in 2018 in Brooklyn was \$192, down from 2017's average of \$371. The average price per unit was approximately \$199K, down 34%

from approximately \$303K in 2017.

The North Brooklyn region achieved the highest average price per SF at \$569.



### Transaction and Dollar Volume

In 2018, there was a total of 302 multifamily transactions in Brooklyn, representing 12,940 units for a total consideration of \$2.6B. In 2017, there was a total of 354 transactions totaling approximately \$1.6B.

The North-Central Brooklyn region had the highest number of multifamily transactions with 98 transactions. The East Brooklyn Region had the highest dollar volume totaling approximately \$906M.

# Mixed-Use Building Transactions



Fred Bijou  
Senior Associate

“The total number of mixed-use transactions in 2018 decreased slightly by 9% from 2017, but the mixed-use market remained on the rise with a 24% increase in total dollar volume and an increase in the average transaction size. The Central Brooklyn region continued its upward trend, seeing the highest number of transactions for three years in a row.”

In the mixed-use category, we have verified

**415**

transactions  
totaling  
approximately

**2.6M  
SF**

The total dollar volume was approximately

**\$1.1B**

a 24% increase from 2017.

The average mixed-use transaction was approximately

**\$2.7M.**

The highest priced mixed-use transaction was 237 11th Street in Gowanus, which sold for

**\$81M**

in May.

With a total of

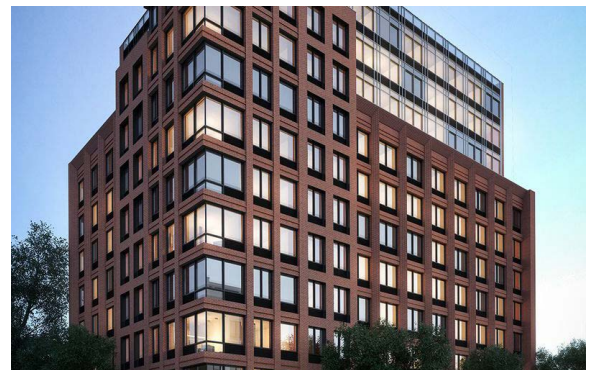
**96**

transactions, the Central Brooklyn region recorded the most transactions in 2018.

The highest dollar volume was approximately

**\$300M,**

recorded in the Greater Downtown region.



The largest mixed-use transaction in 2018 was 237 11th St, also known as 470 Fourth Avenue. The 12-story, 107-unit building in Gowanus is 92,722 SF, and was purchased by Trinity Place Holdings.



The second largest mixed-use transaction recorded in 2018 was 2911 W 36th Street in Coney Island. The 250-unit rental property was sold by Orbach Group to Joel Gluck's Spencer Equity.

This study shows Brooklyn commercial mixed-use building transactions for 2018, 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.

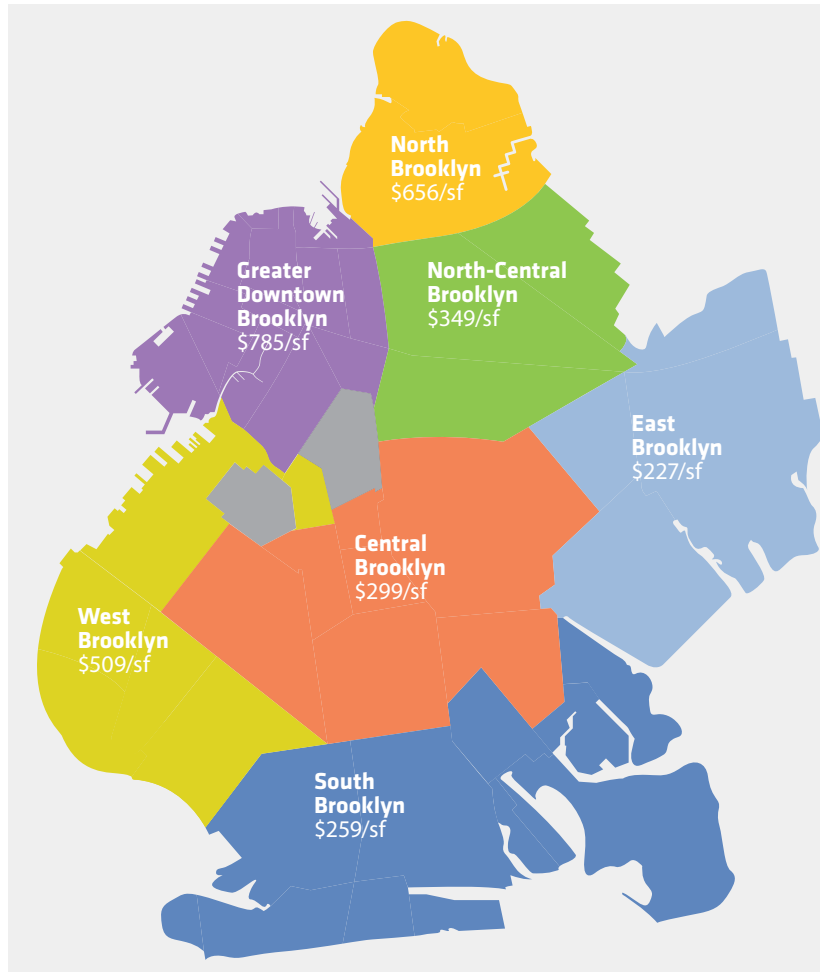


## Mixed-Use

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total Units	Total SF	Avg. PPSF*
Central Brooklyn	Borough Park	\$28,426,333	20	\$1,421,317	55	63,180	\$450
	East Flatbush	\$74,823,280	39	\$1,918,546	343	321,068	\$233
	Flatbush	\$3,950,000	2	\$1,975,000	13	11,100	\$356
	Flatlands	\$6,717,387	10	\$671,739	26	26,288	\$256
	Kensington	\$3,420,000	3	\$1,140,000	8	10,190	\$336
	Midwood	\$36,347,000	14	\$2,596,214	105	98,590	\$369
	Prospect Lefferts	\$11,075,000	7	\$1,582,143	24	26,188	\$423
	Prospect Park South	\$3,000,000	1	\$3,000,000	2	5,274	\$569
	<b>Total/Average</b>	<b>\$167,759,000</b>	<b>96</b>	<b>\$1,747,490</b>	<b>576</b>	<b>561,878</b>	<b>\$299</b>
East Brooklyn	Brownsville	\$4,277,788	7	\$611,113	28	25,474	\$168
	Canarsie	\$6,125,000	6	\$1,020,833	33	27,247	\$225
	Cypress Hills	\$10,148,980	10	\$1,014,898	42	36,567	\$278
	East New York	\$22,126,578	24	\$921,941	83	98,521	\$225
	<b>Total/Average</b>	<b>\$42,678,346</b>	<b>47</b>	<b>\$908,050</b>	<b>186</b>	<b>187,809</b>	<b>\$227</b>
Greater Downtown Brooklyn	Boerum Hill	\$35,224,000	7	\$5,032,000	57	47,737	\$738
	Brooklyn Heights	\$47,418,000	3	\$15,806,000	59	47,430	\$1,000
	Carroll Gardens	\$2,550,000	1	\$2,550,000	3	3,000	\$850
	Clinton Hill	\$25,205,500	6	\$4,200,917	47	41,627	\$606
	Cobble Hill	\$14,200,000	4	\$3,550,000	18	16,152	\$879
	Columbia Waterfront	\$8,000,000	3	\$2,666,667	17	15,956	\$501
	Fort Greene	\$5,250,000	2	\$2,625,000	8	7,040	\$746
	Gowanus	\$85,890,000	4	\$21,472,500	116	98,742	\$870
	Park Slope	\$53,609,500	15	\$3,573,967	82	76,131	\$704
	Prospect Heights	\$12,000,000	2	\$6,000,000	13	13,311	\$902
	Red Hook	\$10,225,000	3	\$3,408,333	14	14,709	\$695
	<b>Total/Average</b>	<b>\$299,572,000</b>	<b>50</b>	<b>\$5,991,440</b>	<b>434</b>	<b>381,835</b>	<b>\$785</b>
North Brooklyn	East Williamsburg	\$21,950,000	9	\$2,438,889	38	41,744	\$526
	Greenpoint	\$70,759,024	20	\$3,537,951	117	116,232	\$609
	Williamsburg	\$108,200,000	13	\$8,323,077	149	148,213	\$730
	<b>Total/Average</b>	<b>\$200,909,024</b>	<b>42</b>	<b>\$4,783,548</b>	<b>304</b>	<b>306,189</b>	<b>\$656</b>
North-Central Brooklyn	Bedford-Stuyvesant	\$46,751,313	22	\$2,125,060	119	110,602	\$423
	Bushwick	\$61,752,499	23	\$2,684,891	127	176,634	\$350
	Crown Heights	\$52,654,500	20	\$2,632,725	149	161,569	\$326
	Ocean Hill	\$15,327,000	14	\$1,094,786	60	56,950	\$269
	<b>Total/Average</b>	<b>\$176,485,312</b>	<b>79</b>	<b>\$2,233,991</b>	<b>455</b>	<b>505,755</b>	<b>\$349</b>
South Brooklyn	Brighton Beach	\$10,250,000	6	\$1,708,333	42	31,476	\$326
	Coney Island	\$53,035,000	4	\$13,258,750	283	243,126	\$218
	Gravesend	\$12,025,000	9	\$1,336,111	39	31,104	\$387
	Manhattan Beach	\$990,000	1	\$990,000	3	3,906	\$253
	Marine Park	\$4,700,000	5	\$940,000	20	24,030	\$196
	Sheepshead Bay	\$17,490,000	13	\$1,345,385	48	47,188	\$371
	<b>Total/Average</b>	<b>\$98,490,000</b>	<b>38</b>	<b>\$2,591,842</b>	<b>435</b>	<b>380,830</b>	<b>\$259</b>
West Brooklyn	Bath Beach	\$20,703,000	11	\$1,882,091	11	43,354	\$478
	Bay Ridge	\$32,665,000	20	\$1,633,250	20	76,375	\$428
	Bensonhurst	\$14,119,000	9	\$1,568,778	9	30,720	\$460
	Dyker Heights	\$10,320,000	5	\$2,064,000	5	20,490	\$504
	Greenwood Heights	\$25,825,000	5	\$5,165,000	5	34,715	\$744
	Sunset Park	\$29,271,000	13	\$2,251,615	13	55,635	\$526
	<b>Total/Average</b>	<b>\$132,903,000</b>	<b>63</b>	<b>\$2,109,571</b>	<b>63</b>	<b>261,289</b>	<b>\$509</b>
<b>Brooklyn Wide</b>		<b>\$1,118,796,682</b>	<b>415</b>	<b>\$2,695,896</b>	<b>2647</b>	<b>2,585,585</b>	<b>\$433</b>

\* Price per Square Foot

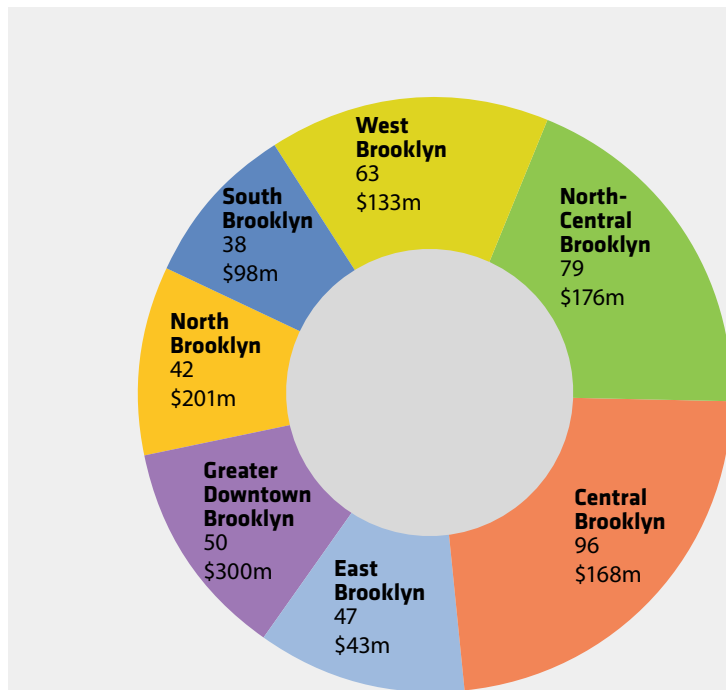
## Mixed-Use



### Price per SF

The average price per SF of mixed-use buildings in 2018 in Brooklyn was \$433/SF, remaining rather consistent with 2017's average of \$434.

The Greater Downtown region achieved the highest average price per SF at \$785.



### Transaction and Dollar Volume

In 2018, there was a total of 415 mixed-use transactions in Brooklyn totaling approximately \$1.1B. Although transaction numbers are down from 456, the dollar volume is slightly up from \$901M in 2017.

The Central Brooklyn region had the highest number of mixed-use transactions with 96

transactions, yet the Greater Downtown region had the highest dollar volume totaling approximately \$300M.

In 2017, the Central Brooklyn region also had the highest number of mixed-use transactions at 108 as well as the highest dollar volume at \$192M.



# Residential Development Transactions



Ofer Cohen  
Founder & CEO

“The residential development site sales market proved to be unwavering from 2017 to 2018 with a dollar volume increase of approx. 5%. With a 20% drop in transactional volume, the \$1B market remains stable with an average price-per-buildable-SF of \$219.”

In the residential development category, we have verified

# 210

transactions totaling approximately

# 4.7M

buildable square feet at an average

# \$219/BSF.

The total dollar volume was approximately

# \$1B

which is consistent with dollar volume in 2017. The average residential development transaction was approximately

# \$4.9M,

a 21% increase from 2017.

The highest priced residential development transaction was 30 Front Street in Dumbo which sold in December for

# \$91M.

The North-Central region had

# 66

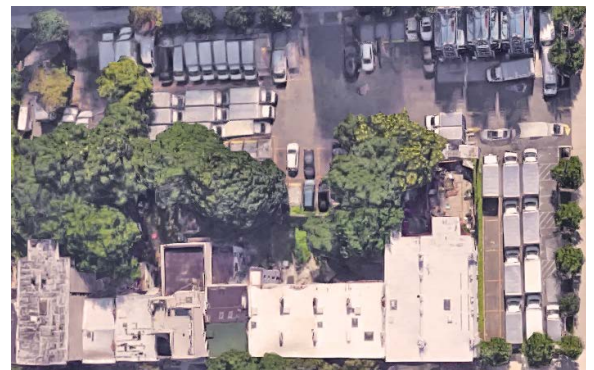
transactions, making it the region with the highest number of residential development transactions. The highest dollar volume was recorded in the Greater Downtown Brooklyn region at approximately

# \$360M

for a total of 27 transactions.



30 Front Street was the highest-priced development site to trade in 2018 for \$91M. The 26-story apartment building in DUMBO consists of 74-units and will span about 250,000 SF overall, split between 178,000 square feet of residential space and 72,000 square feet of community space.



67 Duffield Street, also known as 260 Gold Street, is a 191,000 buildable square foot development site that sold in Downtown Brooklyn for \$60M. Proposed plans include a 13-story, 286-unit apartment building.

This study shows Brooklyn residential development site transactions for 2018, 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.

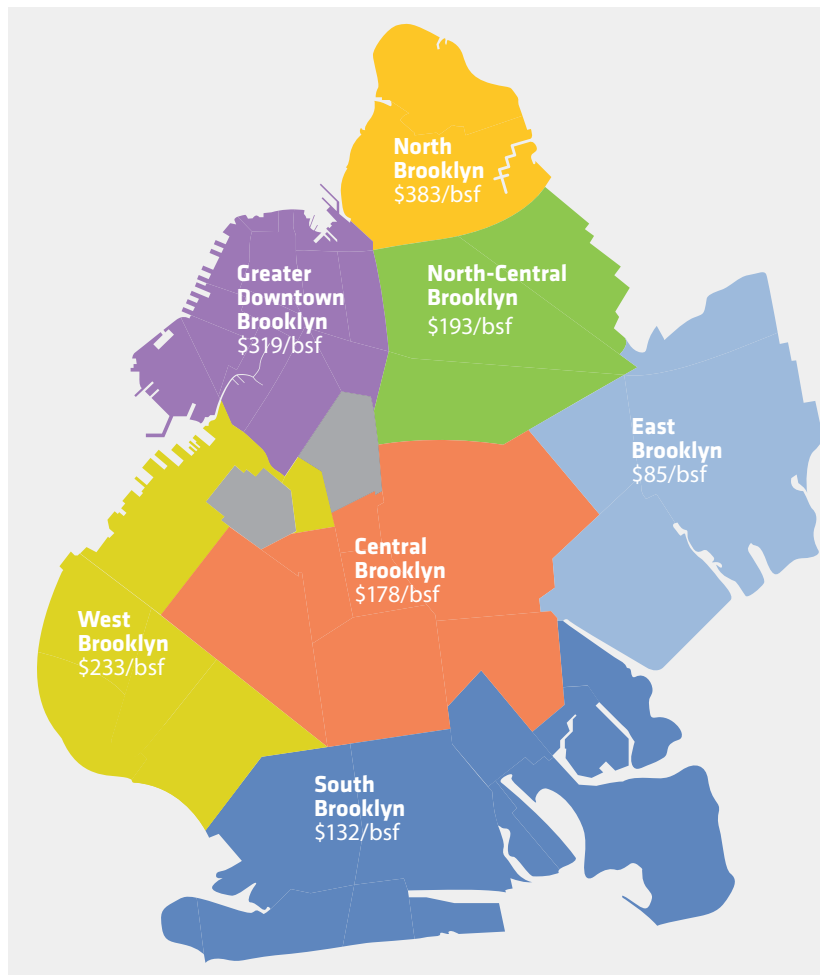
# Residential Development

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total BSF	Avg. PPBSF*
Central Brooklyn	Borough Park	\$66,968,665	7	\$9,566,952	324,272	\$207
	East Flatbush	\$75,586,000	19	\$3,978,211	443,205	\$171
	Flatbush	\$9,000,000	3	\$3,000,000	78,684	\$114
	Kensington	\$460,000	1	\$460,000	5,000	\$92
	Midwood	\$9,000,000	3	\$3,000,000	54,888	\$164
	Prospect Park South	\$4,000,000	1	\$4,000,000	20,000	\$200
	<b>Total/Average</b>	<b>\$165,014,665</b>	<b>34</b>	<b>\$4,853,373</b>	<b>926,048</b>	<b>\$178</b>
East Brooklyn	Brownsville	\$710,000	2	\$355,000	12,100	\$59
	Cypress Hills	\$6,010,000	4	\$1,502,500	52,843	\$114
	East New York	\$48,708,988	16	\$3,044,312	585,912	\$83
	<b>Total/Average</b>	<b>\$55,428,988</b>	<b>22</b>	<b>\$2,519,499</b>	<b>650,855</b>	<b>\$85</b>
Greater Downtown Brooklyn	Boerum Hill	\$29,670,000	2	\$14,835,000	\$425.44	\$448
	Brooklyn Heights	\$2,500,000	1	\$2,500,000	\$666.49	\$666
	Carroll Gardens	\$2,150,000	2	\$1,075,000	\$337.53	\$350
	Clinton Hill	\$8,825,000	5	\$1,765,000	\$268.29	\$285
	Downtown Brooklyn	\$168,471,900	7	\$24,067,414	\$294.25	\$263
	DUMBO	\$92,823,450	2	\$46,411,725	\$434.51	\$500
	Fort Greene	\$1,130,000	1	\$1,130,000	\$452.00	\$452
	Gowanus	\$35,500,630	3	\$11,833,543	\$255.68	\$285
	Park Slope	\$18,360,000	3	\$6,120,000	\$220.83	\$275
	Red Hook	\$725,000	1	\$725,000	\$219.70	\$220
	<b>Total/Average</b>	<b>\$360,155,980</b>	<b>27</b>	<b>\$13,339,110</b>	<b>\$317.18</b>	<b>\$319</b>
North Brooklyn	East Williamsburg	\$37,096,475	14	\$2,649,748	127,521	\$291
	Greenpoint	\$17,425,000	8	\$2,178,125	57,735	\$302
	Williamsburg	\$96,485,000	10	\$9,648,500	209,015	\$462
	<b>Total/Average</b>	<b>\$151,006,475</b>	<b>32</b>	<b>\$4,718,952</b>	<b>394,270</b>	<b>\$383</b>
North-Central Brooklyn	Bedford-Stuyvesant	\$61,871,790	29	\$2,133,510	301,176	\$205
	Bushwick	\$25,098,000	16	\$1,568,625	143,638	\$175
	Crown Heights	\$95,226,000	14	\$6,801,857	413,689	\$230
	Ocean Hill	\$18,621,000	7	\$2,660,143	180,303	\$103
	<b>Total/Average</b>	<b>\$200,816,790</b>	<b>66</b>	<b>\$3,042,679</b>	<b>1,038,806</b>	<b>\$193</b>
South Brooklyn	Brighton Beach	\$4,645,092	2	\$2,322,546	33,114	\$140
	Coney Island	\$17,607,518	4	\$4,401,880	173,038	\$102
	Gravesend	\$9,000,000	3	\$3,000,000	34,630	\$260
	Sheepshead Bay	\$14,185,000	8	\$1,773,125	104,154	\$136
	<b>Total/Average</b>	<b>\$45,437,610</b>	<b>17</b>	<b>\$2,672,801</b>	<b>344,936</b>	<b>\$132</b>
West Brooklyn	Bath Beach	\$3,700,000	1	\$3,700,000	16,946	\$218
	Bay Ridge	\$4,893,687	1	\$4,893,687	29,811	\$164
	Bensonhurst	\$1,610,000	1	\$1,610,000	8,800	\$183
	Fort Hamilton	\$7,697,000	2	\$3,848,500	28,050	\$274
	Greenwood Heights	\$27,695,000	3	\$9,231,667	104,692	\$265
	Sunset Park	\$9,002,000	4	\$2,250,500	46,361	\$194
	<b>Total/Average</b>	<b>\$54,597,687</b>	<b>12</b>	<b>\$4,549,807</b>	<b>234,661</b>	<b>\$233</b>
<b>Brooklyn Wide</b>		<b>\$1,032,458,195</b>	<b>210</b>	<b>\$4,916,468</b>	<b>4,719,005</b>	<b>\$219</b>

\* Price per Buildable Square Foot



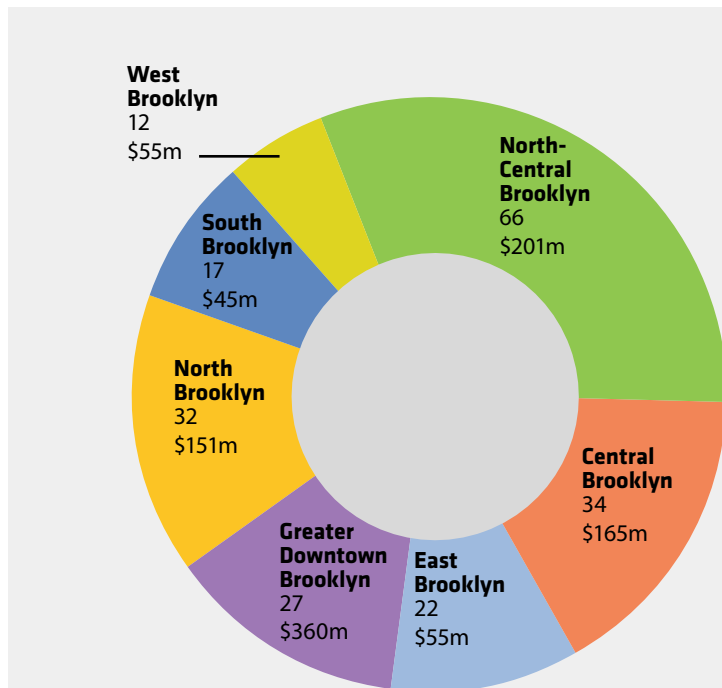
## Residential Development



### Price per Buildable SF

In 2018, the average price per buildable SF of development sites was \$219, slightly down from 2017's average of \$224.

The North Brooklyn region achieved the highest average price per buildable SF at \$383.



### Transaction and Dollar Volume

In 2018, there was a total of 210 residential development transactions in Brooklyn, totaling approximately \$1B.

The North-Central Brooklyn region had the highest number of residential development transactions in 2018 with 66 transactions, and also had the highest number in 2017 at 77 transactions.

# Retail Building Transactions



Daniel Lebor  
Dir of Business Development

“Brooklyn’s retail market continued to show strength through 2018. Amid growing concerns in the retail marketplace nationwide, Brooklyn’s retail market outperforms itself year-over-year. With development and growth spreading through the borough, investors continue to look for both short- and long-term retail opportunities. With \$527M in transactions in 2018, there was a 51% increase in dollar volume from 2017.”

In the retail category, we have verified

**98**

transactions totaling to approximately

**865K SF**

at approximately

**\$609/SF.**

The total dollar volume was approximately

**\$527M**

a 51% increase from 2017.

The average retail transaction was approximately

**\$5M.**

The highest priced retail transaction was 1-37 12th Street which sold for in May.

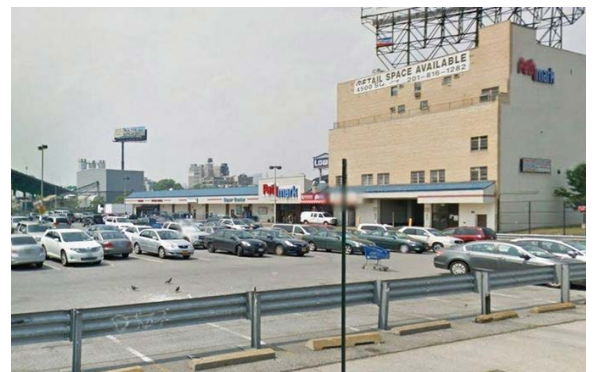
**\$62M**

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

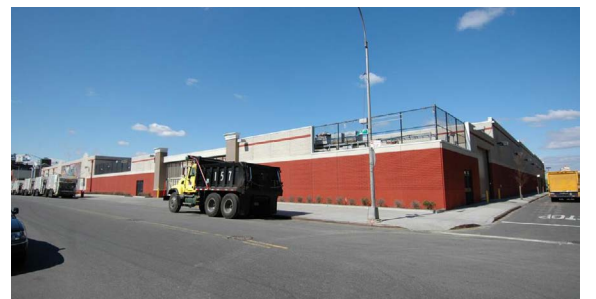
**33**

transactions for a total consideration of approximately

**\$169M.**



The highest retail transaction in 2017 was 1-37 Ext 12th Street. This commercially-zoned asset located on the edge of the Gowanus Canal sold for \$62M in May to Two Trees Management. The lot size is 240,000 SF with ~470,000 BSF.



The second highest retail transaction in 2017 was 118-136 Second Ave, the 784,146 BSF Loews site in Gowanus. Sold for \$53M in May to Two Trees Management, this property completes a \$115M assemblage along the waterfront.

This study shows Brooklyn commercial retail building transactions for 2018, 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.

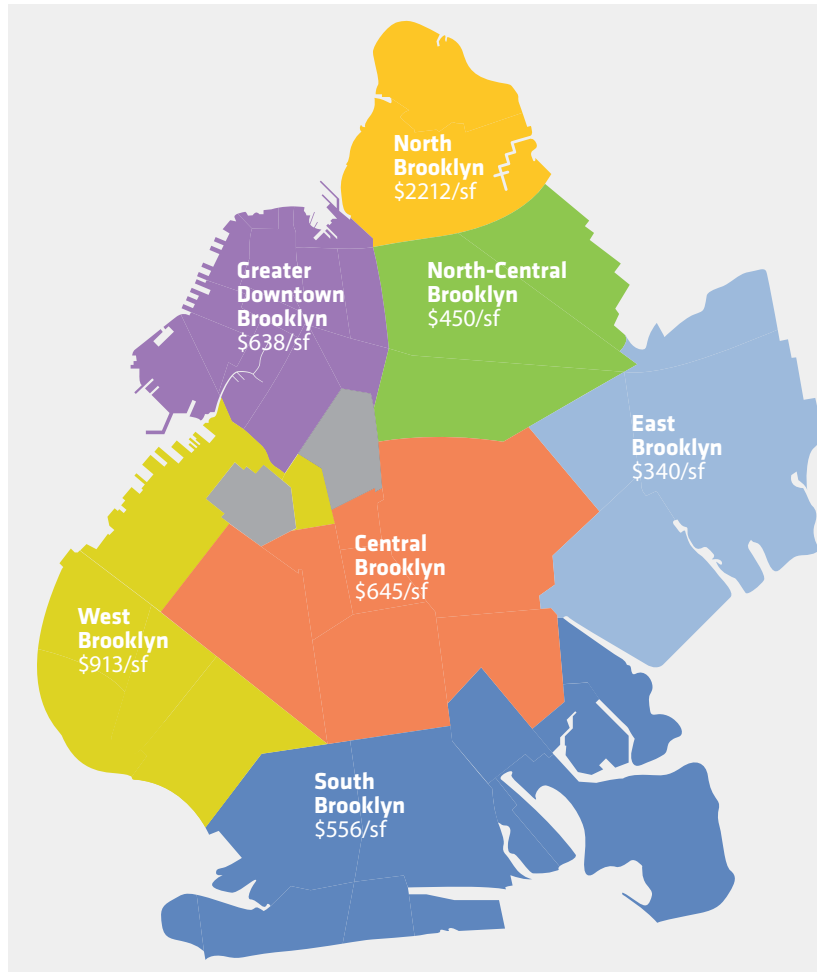
## Retail

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total SF	Avg. PPSF*
Central Brooklyn	Borough Park	\$11,710,000	5	\$2,342,000	20,020	\$585
	East Flatbush	\$9,127,000	6	\$1,521,167	21,896	\$417
	Flatlands	\$1,875,000	1	\$1,875,000	3,740	\$501
	Midwood	\$17,160,000	4	\$4,290,000	20,040	\$856
	Lefferts Gardens	\$12,875,000	2	\$6,437,500	16,061	\$802
	<b>Total/Average</b>	<b>\$52,747,000</b>	<b>18</b>	<b>\$2,930,389</b>	<b>81,757</b>	<b>\$645</b>
East Brooklyn	Brownsville	\$3,200,000	4	\$800,000	11,205	\$286
	Canarsie	\$10,562,710	6	\$1,760,452	25,990	\$406
	East New York	\$41,650,000	4	\$10,412,500	125,743	\$331
	<b>Total/Average</b>	<b>\$55,412,710</b>	<b>14</b>	<b>\$3,958,051</b>	<b>162,938</b>	<b>\$340</b>
Greater Downtown Brooklyn	Brooklyn Heights	\$2,565,000	1	\$2,565,000	4,375	\$586
	Gowanus	\$115,000,000	2	\$57,500,000	193,265	\$595
	Park Slope	\$19,000,000	2	\$9,500,000	17,759	\$1,070
	Prospect Heights	\$1,977,000	1	\$1,977,000	1,750	\$1,130
	<b>Total/Average</b>	<b>\$138,542,000</b>	<b>6</b>	<b>\$23,090,333</b>	<b>217,149</b>	<b>\$638</b>
North Brooklyn	East Williamsburg	\$4,000,000	1	\$4,000,000	7,500	\$533
	Williamsburg	\$44,380,000	4	\$11,095,000	14,370	\$3,088
	<b>Total/Average</b>	<b>\$48,380,000</b>	<b>5</b>	<b>\$9,676,000</b>	<b>21,870</b>	<b>\$2,212</b>
North-Central Brooklyn	Bedford-Stuyvesant	\$2,862,500	2	\$1,431,250	7,981	\$359
	Crown Heights	\$4,995,000	3	\$1,665,000	9,479	\$527
	<b>Total/Average</b>	<b>\$7,857,500</b>	<b>5</b>	<b>\$1,571,500</b>	<b>17,460</b>	<b>\$450</b>
South Brooklyn	Brighton Beach	\$11,400,000	4	\$2,850,000	21,196	\$538
	Coney Island	\$4,562,500	2	\$2,281,250	11,537	\$395
	Gravesend	\$32,386,000	10	\$3,238,600	47,709	\$679
	Marine Park	\$635,000	1	\$635,000	1,800	\$353
	Mill Basin	\$14,150,000	1	\$14,150,000	45,969	\$308
	Sheepshead Bay	\$106,012,500	15	\$7,067,500	175,771	\$603
	<b>Total/Average</b>	<b>\$169,146,000</b>	<b>33</b>	<b>\$5,125,636</b>	<b>303,982</b>	<b>\$556</b>
West Brooklyn	Bath Beach	\$7,390,000	4	\$1,847,500	13,785	\$536
	Bay Ridge	\$21,210,500	3	\$7,070,167	10,315	\$2,056
	Bensonhurst	\$7,130,000	5	\$1,426,000	15,404	\$463
	Dyker Heights	\$3,460,000	2	\$1,730,000	3,782	\$915
	Greenwood Heights	\$7,150,000	1	\$7,150,000	4,725	\$1,513
	Sunset Park	\$8,400,000	2	\$4,200,000	11,946	\$703
	<b>Total/Average</b>	<b>\$54,740,500</b>	<b>17</b>	<b>\$3,220,029</b>	<b>59,957</b>	<b>\$913</b>
<b>Brooklyn Wide</b>		<b>\$526,825,710</b>	<b>98</b>	<b>\$5,375,773</b>	<b>865,113</b>	<b>\$609</b>

\* Price per Square Foot



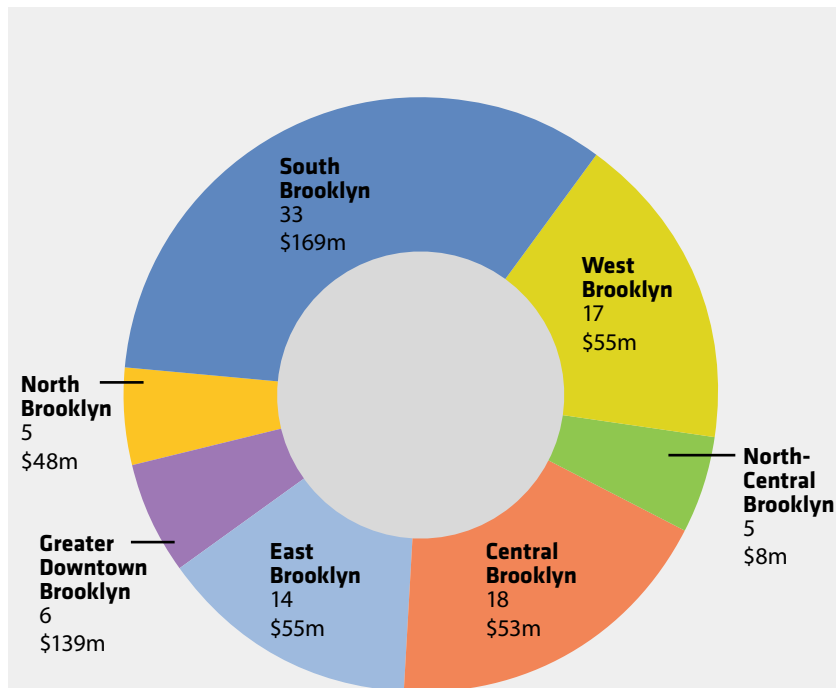
## Retail



### Price per SF

The average price per SF of retail building transactions in 2018 in Brooklyn was \$609/SF, up from 2017's average of \$605/SF.

The North Brooklyn region achieved the highest average price per SF at \$2,212.



### Transaction and Dollar Volume

In 2018, there was a total of 98 retail transactions in Brooklyn, totaling approximately \$527M.

The South Brooklyn region had the highest number of retail transactions with 33 transactions compared with 22 in 2017.

# Industrial/Office Building Transactions



Dan Marks  
Partner

“Demand for Industrial/Office properties in Brooklyn remained strong in 2018. Due to an overall lack of available inventory, dollar volume, transactions and square footage were all down compared to 2017, leading to an upsurge in price-per-square-foot in 2018.”

In the industrial/office category, we have verified

**64**

transactions totaling for approximately

**1.9M**

gross square feet at an average

**\$491/SF.**

The total dollar volume was approximately

**\$922M**

a 28% decrease from 2017.

The average industrial/office transaction was approximately

**\$14.4M.**

The highest priced industrial/office transaction was 100 Ferris Street in Red Hook which sold for

**\$303M**

in December.

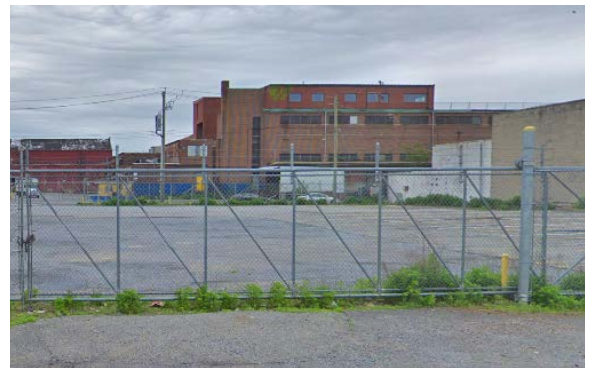
The Central Brooklyn region had the highest number of industrial/office transactions with

**15**

transactions.

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

**\$435M.**



The largest industrial/office transaction in 2018 was the a group of six waterfront industrial parcels in Red Hook. Traded for \$303M in December from Sitex Group to UPS, the site offers up to 1.2M BSF for a proposed distribution center.



95 Evergreen was the second highest industrial/office transaction, sold for \$120M in March. Savanna and Hornig Capital Partners sold to Ramrock Real Estate.

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.

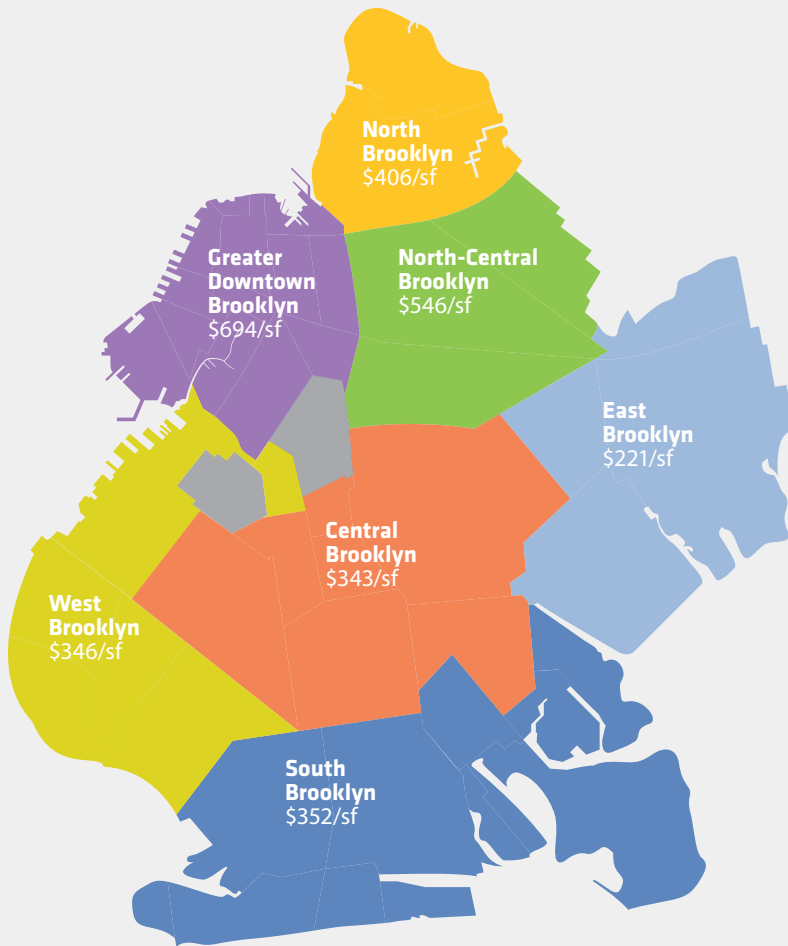
## Industrial/Office

Region	Neighborhood	Dollar Volume	Total Transactions	Avg. Transaction	Total SF	Avg. PPSF*
Central Brooklyn	Borough Park	\$19,532,500	8	\$2,441,563	38,840	\$503
	East Flatbush	\$4,855,000	5	\$971,000	29,840	\$163
	Flatlands	\$9,250,000	1	\$9,250,000	53,000	\$175
	Midwood	\$14,550,000	1	\$14,550,000	18,689	\$779
	<b>Total</b>	<b>\$48,187,500</b>	<b>15</b>	<b>\$3,212,500</b>	<b>140,369</b>	<b>\$343</b>
East Brooklyn	Brownsville	\$8,500,000	1	\$8,500,000	44,707	\$190
	Canarsie	\$7,325,000	3	\$2,441,667	32,938	\$222
	East New York	\$34,166,000	2	\$17,083,000	148,375	\$230
	<b>Total</b>	<b>\$49,991,000</b>	<b>6</b>	<b>\$8,331,833</b>	<b>226,020</b>	<b>\$221</b>
Greater Downtown Brooklyn	Fort Greene	\$7,650,000	1	\$7,650,000	23,094	\$331
	Gowanus	\$85,980,000	8	\$10,747,500	130,541	\$659
	Red Hook	\$341,250,000	3	\$113,750,000	472,600	\$722
	<b>Total</b>	<b>\$434,880,000</b>	<b>12</b>	<b>\$36,240,000</b>	<b>626,235</b>	<b>\$694</b>
North Brooklyn	East Williamsburg	\$72,350,000	6	\$12,058,333	190,537	\$380
	Greenpoint	\$31,700,000	6	\$5,283,333	88,865	\$357
	Williamsburg	\$18,850,000	1	\$18,850,000	23,064	\$817
	<b>Total</b>	<b>\$122,900,000</b>	<b>13</b>	<b>\$9,453,846</b>	<b>302,466</b>	<b>\$406</b>
North-Central Brooklyn	Bushwick	\$171,950,000	3	\$57,316,667	314,150	\$547
	Crown Heights	\$1,360,000	1	\$1,360,000	3,362	\$405
	<b>Total</b>	<b>\$173,310,000</b>	<b>4</b>	<b>\$43,327,500</b>	<b>317,512</b>	<b>\$546</b>
South Brooklyn	Coney Island	\$23,000,000	1	\$23,000,000	86,160	\$267
	Gravesend	\$11,925,000	3	\$3,975,000	26,099	\$457
	Marine Park	\$12,500,000	1	\$12,500,000	44,000	\$284
	Sheepshead Bay	\$13,500,000	1	\$13,500,000	16,600	\$813
	<b>Total</b>	<b>\$60,925,000</b>	<b>6</b>	<b>\$10,154,167</b>	<b>172,859</b>	<b>\$352</b>
West Brooklyn	Sunset Park	\$31,975,000	8	\$3,996,875	92,290	\$346
	<b>Total</b>	<b>\$31,975,000</b>	<b>8</b>	<b>\$3,996,875</b>	<b>92,290</b>	<b>\$346</b>
Brooklyn Wide		\$922,168,500	64	\$14,408,883	1,877,751	\$491

\* Price per Square Foot



## Industrial/Office



### Price per SF

The average price per SF of industrial/office buildings in 2018 in Brooklyn was \$491, up from 2017's average of \$409.

The Greater Downtown region achieved the highest average price per SF at \$694.



### Transaction and Dollar Volume

In 2018, there was a total of 64 industrial/office transactions in Brooklyn, totaling approximately \$922M. Down slightly from 2017, with a total of 80 industrial/office transactions totaling approximately \$1.3B.

The Central Brooklyn region had the highest number of industrial/office transactions with 15 transactions, as where in 2017, the Greater Downtown region had the highest number of industrial/office transactions.

# Other/Special Assets



Ofer Cohen  
Founder & CEO

“Several large assets traded in 2018 within the Other/Special Assets category. This group includes a diverse set of uses from a dorm to an oil terminal.”

## Transaction and Dollar Volume

In **2018**, there were a total of **108** other/special asset transactions in Brooklyn with a total dollar volume of **\$1.2B**.

Some of these assets include 90 Sands Street, 9000 Shore Road and 25 Paidge Ave.



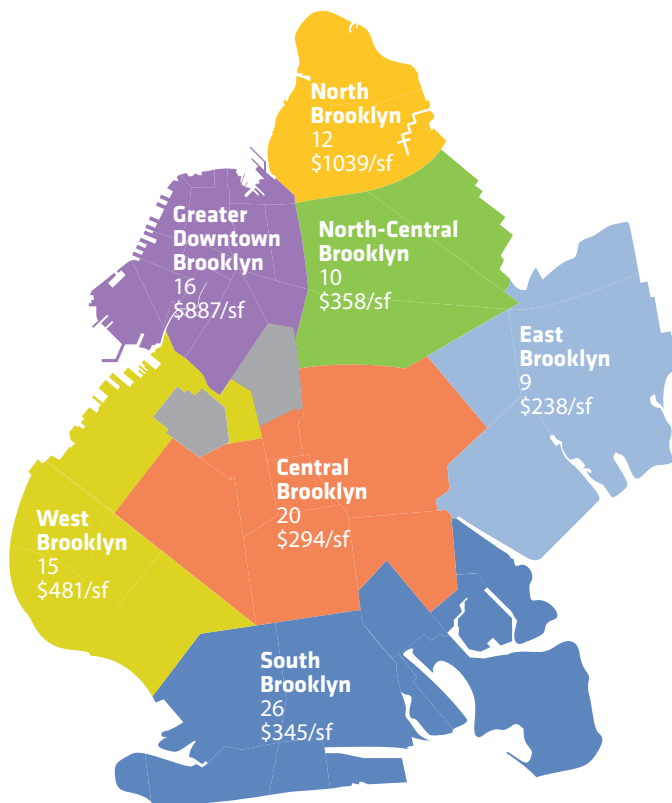
90 Sands Street sold for \$170M in the Greater Downtown Brooklyn region to not-for-profit low-income housing developer Breaking Ground. The 30-story brick building shares a skybridge with DUMBO Heights, a major retail and office complex that includes Etsy, WeWork, and several other renowned companies.



9000 Shore Road in Bay Ridge was sold for \$150M in November. The site is based at 9000 Shore Road and consists of two interconnected 14-story buildings spanning about 414,000 square feet. It was built in 1977 on 2.69 acres and includes 325 studio apartments and 233 one-bedroom apartments.



25 Paidge Avenue is an ~324,075 SF lot located on the Newtown Creek, currently housing the Zenith Energy plant. The lot was sold in September for \$62M.





### Report Methodology

TerraCRG's 2018 Brooklyn Market Report includes commercial property transactions recorded in January 1st 2018 through December 31st 2018. 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 [terraCRG.com](http://terraCRG.com).

For more Brooklyn market information or a complimentary evaluation of an asset, please contact Ofer Cohen, Founder & CEO @ 718-768-6888 or [ocohen@terraCRG.com](mailto:ocohen@terraCRG.com).





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

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