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The 2020 Q1 Brooklyn Market Report

Only Brooklyn.



TERRACRG
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Commercial Transactions in the Brooklyn Market

2020 Q1 Market Report

The first quarter of 2020 showed a strong start to the year, reflecting the bullish market at the end of 2019. Total dollar volume was up 6% compared to the first quarter of 2019, while transaction volume remained lateral.

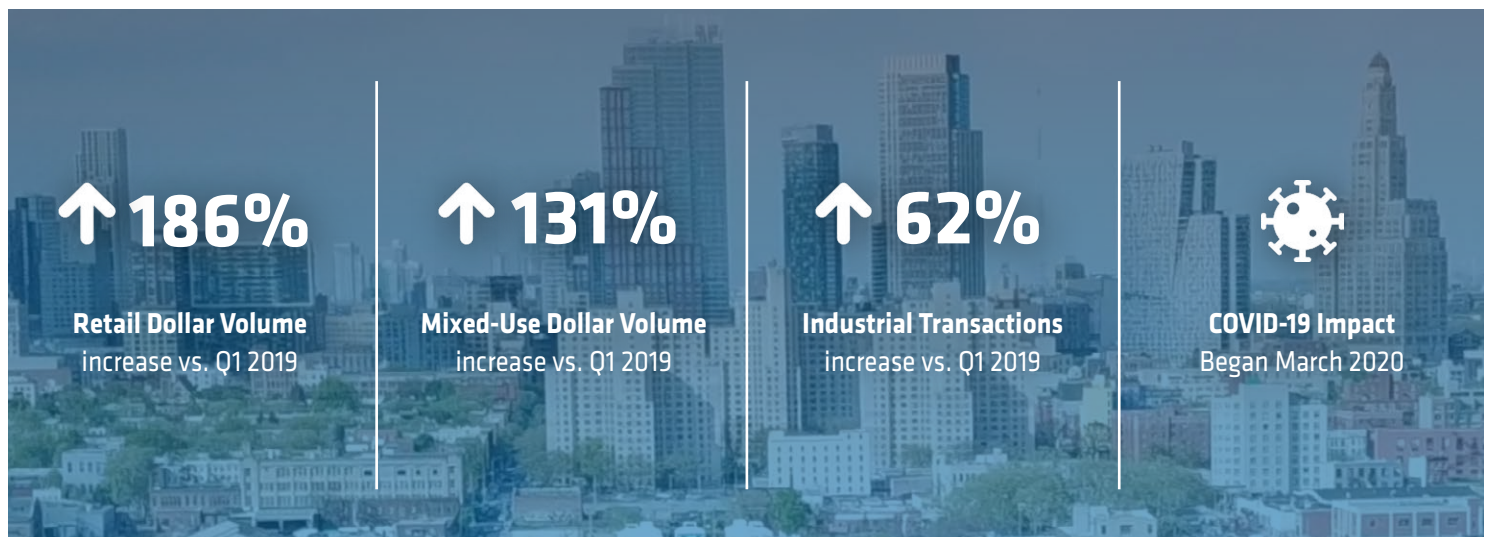
The mixed-use asset class was up significantly with a 131% increase in dollar volume, but a slight drop in number of transactions. Making up 32% of dollar volume was a \$138M trade at 250 N 10th Street in Williamsburg, a new construction building purchased in partnership by TF Cornerstone and Trinity Place Holdings from Nuveen. Making up another 19% of the dollar volume was the sale of 432 Rodney Street for \$84M.

Retail also showed strength in Q1 of 2020 with a 186% increase in dollar volume. Urban Edge Properties purchased a large retail portfolio in Midwood for a total of \$165M, which represents 70% of all retail dollar volume across the borough. The Central Brooklyn and South Brooklyn regions saw the highest dollar volume and transaction volume.

The industrial market saw a 62% increase from Q1 2019 in transactional volume despite a 45% drop in dollar volume. That being said, 56% of industrial dollar volume in Q1 of 2019 was due to the sale of the Sunset Park Industrial Park. Interest in industrial assets continues to rise year-over-year.

As the first quarter of 2020 was coming to a close, New York City was heavily impacted by a global pandemic, COVID-19. With regard to Brooklyn investment sales, March saw a 45% decline in dollar volume compared to February, and a 55% decline compared to January. The second and third quarters of 2020 are expected to see a downturn with the level of uncertainty that has affected, not just the commercial real estate market, but the economy as a whole.

Report Highlights



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 2020 Q1 Brooklyn Market Report includes commercial property transactions recorded from January 1st 2020 through March 31st 2020. 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			
Central Brooklyn	\$36,840,480	9	\$30,132,900	25	\$30,038,687	11	\$182,015,500	10	\$8,725,000	3	\$38,166,438	4	\$325,919,005	62
East Brooklyn	\$4,500,000	3	\$4,790,000	5	\$12,436,600	9	-	-	\$9,650,000	2	\$299,000	2	\$31,675,600	20
Greater Downtown Brooklyn	\$54,900,000	8	\$102,878,638	15	\$146,105,000	12	\$2,007,000	1	\$10,500,000	1	\$10,800,000	2	\$266,759,388	32
North Brooklyn	\$50,020,000	6	\$242,079,000	10	\$80,099,900	6	-	-	\$93,753,700	7	\$14,250,000	2	\$480,202,600	31
North-Central Brooklyn	\$63,808,363	18	\$51,222,358	29	\$43,231,610	15	\$2,365,000	3	\$16,335,000	3	\$10,404,000	1	\$150,688,973	50
South Brooklyn	\$13,635,633	4	\$21,784,500	15	\$6,293,999	2	\$42,805,000	10	\$4,500,000	1	\$64,226,000	3	\$153,245,132	35
West Brooklyn	\$23,475,000	7	\$21,822,500	9	\$2,050,400	2	\$6,425,000	2	\$105,986,000	4	\$5,950,000	2	\$165,708,900	26
Q120 Dollar Volume	\$247,179,476	55	\$438,032,538	89	\$259,824,946	50	\$235,617,500	26	\$249,449,700	21	\$144,095,438	15	\$1,574,199,597	256
Q119 Dollar Volume	\$389,382,113	58	\$189,787,369	91	\$158,927,500	46	\$82,451,500	23	\$450,200,000	13	\$216,792,490	27	\$1,487,540,972	258
Y/Y Dollar Volume	-37%		+131%		63%		+186%		-45%		-33%		+6%	
Y/Y # of Transactions	-5%		-2%		+9%		+13%		+62%		-44%		-1%	

Dollar Volume Year Over Year By Region

By region (Q1 2019 - Q1 2020)

2019
2020

