

July 2020

The Brooklyn Market Report

First Half 2020

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Commercial Transactions in the Brooklyn Market

First Half 2020 Market Report

The first half of the 2020 Brooklyn commercial real estate market shows some resiliency despite the marks of the beginning of a recessionary period. An already softer market entered a lower volume period as a result of COVID-19. Total dollar volume in the first half of 2020 was down 19% compared to the first half of 2019 and transaction volume was down by 28%. Quarterly dollar volume from Q1 to Q2, went down 62% as lockdown measures took effect in NYC.

Total dollar volume of multifamily transactions in Brooklyn were down 44% in the first half of the year, this is after a significant drop of 55% in 2019, due to the rent regulation changes. The industrial market saw a 60% decline in dollar volume compared to the first half of 2019.

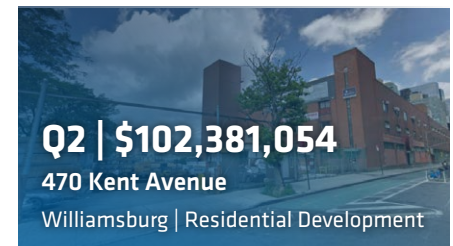
Two regions in Brooklyn with some of the borough's most established neighborhoods saw a significant increase in dollar volume in the first half of 2020. The South Brooklyn region experienced a 37% increase and Central Brooklyn region saw a 25% increase. Within those regions, the multifamily, mixed-use and retail assets continue to show resiliency.

As the first half of 2020 comes to a close, New York City has begun somewhat of a U-Shaped Recovery after the tremendous impact by the global pandemic, COVID-19. Increased transactions in May and June began to show some momentum and traction that will likely continue into the third quarter of 2020

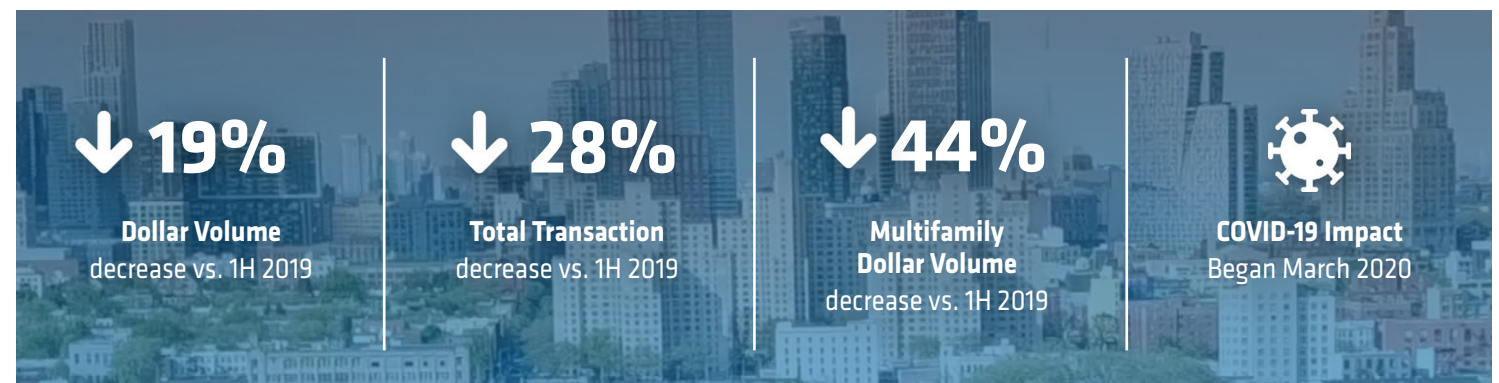
↓ Q1 **\$1,583,149,597**
Q1 Total Dollar Volume

↓ Q2 **\$597,118,265**
Q2 Total Dollar Volume

Top 3 Transactions



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 Half Year Brooklyn Market Report includes commercial property transactions recorded from January 1st 2020 through June 30th 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.

First Half 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	\$151,355,480	14	\$43,834,150	31	\$33,219,187	12	\$192,720,500*	38	\$9,450,000	4	\$40,993,897	6	\$471,573,214	81
East Brooklyn	\$2,500,000	1	\$3,490,000	4	\$9,711,599	8	-	-	\$16,850,000	3	\$299,000	1	\$32,850,599	17
Greater Downtown Brooklyn	\$63,174,990	11	\$118,353,538	20	\$108,223,750	7	\$3,357,000	2	-	-	\$54,518,803	5	\$347,628,081	45
North Brooklyn	\$61,430,000	9	\$255,686,981	16	\$186,630,954	8	-	-	\$33,218,700	10	\$100,247,500	9	\$628,501,635	46
North-Central Brooklyn	\$72,094,661	23	\$38,822,000	24	\$47,956,610	17	\$6,765,000	4	\$61,365,000	5	\$25,830,032	4	\$252,833,303	77
South Brooklyn	\$26,614,000	20	\$23,260,499	13	\$6,293,999	2	\$81,282,500	16	\$10,000,000	2	\$68,426,000	5	\$208,742,132	51
West Brooklyn	\$58,845,000	13	\$32,982,500	14	\$12,550,400	3	\$6,425,000	2	\$108,686,000	5	\$16,450,000	3	\$235,938,900	40
First Half 2020 Dollar Volume	\$425,525,763	77	\$519,783,169	129	\$404,586,499	57	\$290,550,000	38	\$239,569,700	29	\$298,052,732	27	\$2,178,067,863	357
First Half 2019 Dollar Volume	\$771,335,432	115	\$510,723,978	173	\$384,509,005	91	\$140,711,000	41	\$593,156,825	28	\$321,081,772	47	\$2,721,518,012	495
Y/Y Dollar Volume	-44%		+2%		+5%		+106%		-60%		-7%		-19%	
Y/Y # of Transactions	-33%		-25%		-37%		-7%		+4%		-43%		-28%	

* ~\$165,000,000 is comprised of two purchases by Urban Edge of Kingswood Crossing and Kingswood Center in Midwood

Dollar Volume Year Over Year By Region

By region* (First Half 2019 - First Half 2020)

2020
2019

