



TerraCRG releases annual Brooklyn Market Report

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Brooklyn, NY TerraCRG, one of the borough's leading commercial real estate brokerage firms, released its annual Brooklyn Market Report, analyzing dollar and transaction volume by asset class across the borough. While the COVID-19 pandemic adversely affected the commercial real estate market overall and paused business in New York City throughout the lockdown last spring, more than \$4 billion of commercial assets still exchanged hands in 2020, reflecting a 22% dollar volume decline.

"The good news is the last quarter of the year experienced a rebound in activity, accounting for 30% of last year's total dollar volume – momentum that we believe bodes well for a stronger 2021," said Ofer Cohen, founder and CEO of TerraCRG. "Brooklyn will continue to outpace Manhattan in the recovery. Our projections on an annualized basis forecast a 35% dollar volume increase by the end of 2021 to \$5.5 billion."

While investors demand for last-mile logistics continued to fuel industrial asset sales activity, lack of inventory caused a decline overall.

"Industrial asset sales in Brooklyn totaled \$556 million in dollar volume," said Dan Marks, partner at TerraCRG. "Sunset Park performed particularly well, with the neighborhood representing almost 40% of the total dollar volume and 16% of the transaction volume in the asset class."

Among all asset classes, multifamily transactions had the highest dollar volume at \$1.049 billion – down 8% from 2019 and yet still accounting for 25% of the year's total dollar volume. Though activity across nearly all asset classes was down, residential development experienced an 18% increase in dollar volume to \$791 million.

"In 2020, we saw developers trend toward more established neighborhoods like North Brooklyn, which saw a 154% increase in dollar value," said Peter Matheos, TerraCRG managing director. "Additionally, the average transaction size rose by about 1/3 due to developer appetite for larger projects."

"While retail was one of the hardest hit sectors nationally as a result of the pandemic, Brooklyn's retail assets showed only a 2% drop in average price per square foot," said Daniel Lebor, partner at TerraCRG.

Some of the largest transactions of 2020 were retail-focused, including Urban Edge's purchase of

the Kingswood Center in Midwood.

The full TerraCRG 2020 Brooklyn Market Report can be accessed [here](#).

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