



## **TerraCRG releases its third quarter 2022 Brooklyn market report**

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Brooklyn, NY TerraCRG released today its third quarter 2022 Brooklyn market report, analyzing dollar and transaction volume by asset class across the borough. There was a large quarter over quarter drop in total dollar volume and a decreasing number of deals, from just over \$3 billion and 426 deals in Q2 to \$1.95 billion and 380 deals in Q3. That activity reflects a 36% drop in total dollar volume and an 11% drop in number of deals.

“With the rise of interest rates, investors were faced with higher costs and tighter lending standards to finance Brooklyn real estate transactions,” said Ofer Cohen, founder and CEO of TerraCRG. “This new reality caused a decrease in investment sales transactional volume in Brooklyn in the third quarter as estate pricing has yet to adjust.”

Despite the quarterly decline, it is advisable to view the numbers in context year over year. Nearly all asset class numbers were up overall compared to last year, with the exception of retail and residential development – the latter likely a result of the expiration of Affordable New York (AFNY) in June.

Residential development fell 49% from \$267 million in Q2 to \$138 million in Q3, while multifamily also fell 51% from \$879 million to \$430 million. Industrial transaction dollar volume dropped 76% from \$688 million to \$168 million, a reflection not of lessening demand but of the limited supply of large industrial sites available in the market. Two industrial sales of Amazon distribution facilities in the 2nd quarter also inflated that quarter’s numbers.

Finally, there were some bright spots for office deals, which were up 229% by volume and 180% by deal count quarter over quarter. This asset class had two of the top three transactions of the quarter for all asset types: New York University’s \$122 million purchase of 3 Metrotech Center in downtown Brooklyn, and the \$81.5 million purchase of 6010 Bay Pkwy. in Borough Park, by MedProperties Realty Advisors & Physicians Realty Trust.

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