INDUSTRIAL | MULTI-FAMILY | OFFICE | RETAIL | MIXED-USE

2023 YEAR-END SALES REPORT

BROOKLYN

RMF

2023 YEAR-END

INTRODUCTION & REGIONAL ANALYSIS

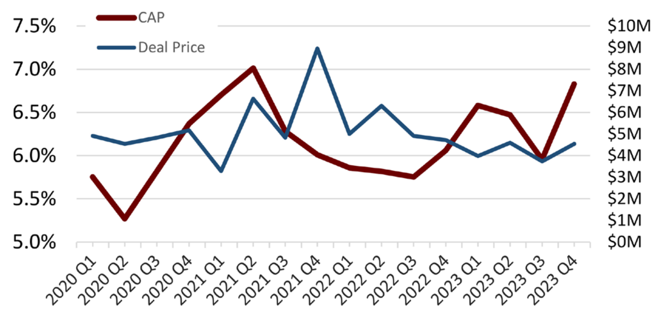
THE OPPORTUNITIES OF 2023

Will the commercial real estate industry one day regard the year 2023 as an unparalleled buying opportunity? Volume was down across the board in 2023, but there are a few reasons why the select few investors who had the ‘intestinal fortitude’ and compelling motivation to transact might one day be regarded as CRE visionaries when economic challenges have abated.

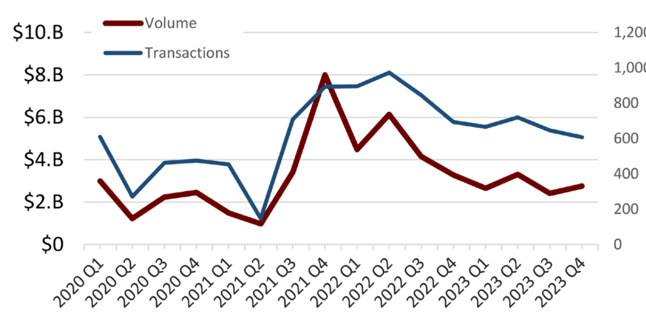
In 2023, a challenging situation unfolded for many investors. Transaction volumes saw a widespread decline, and pricing for various asset types reached decade-plus lows, while mortgage rates simultaneously soared to twenty-year highs. Numerous investors hesitated to enter a declining market, and some had lost hope in the potential rebound of the New York area, still grappling with the lingering impact of the political and economic upheavals of the past five years, experiencing a profound sense of shock and uncertainty.

However, a small group of cash-heavy investors remained actively involved, making aggressive offers and acquiring top-tier assets in highly desirable locations. These investors took a long position, expressing confidence in both the newly acquired assets, the future of the New York metro area, and the potential for refinancing in 3, 5, or 10 years in a softer rate environment.

AVG. CAP RATE * **AVG. DEAL PRICE***



VOLUME* **TRANSACTIONS***



**All investment class building sales in The Bronx, Northern Manhattan, Brooklyn, Queens, Westchester and Fairfield. Capitalization Rate data is limited as per third party reporting/availibility.*

Some crucial factors when determining the success of buyers in 2023 will be whether or not interest rates peaked, if valuations bottomed, if inflation will be restrained, New York’s economic future, population changes, and legislative developments. Time will tell.

MULTIFAMILY

Multifamily in NY has become an increasingly fragmented asset class in recent years. Per unit pricing metrics have been all over the map, with free-market and/or high-rent buildings achieving the best pricing, and low-rent, stabilized assets showing the weakest metrics. Marco Lala, managing director at RMF, sums up the opportunities of this sector, “The pummeling that rent-stabilized apartments have taken over the past few years has provided an interesting opportunity for long-term, entrenched family offices to pick up extremely well-located properties at some of the lowest prices in about twenty years.”

OFFICE & INDUSTRIAL

Concerning office and industrial spaces, the future still appears to depend on state and local government initiatives, possibly involving re-zoning or tax incentives, as numerous outdated buildings no longer cater to tenants’ needs, particularly in suburban areas.

Regarding office John Barrett, Managing Director at RMF, believes that in the future, “there will be far less office space in Westchester County, I can see 5 million square feet of the 27 million square being repurposed for alternate use. This is especially true for B and C class buildings.” One positive aspect for the industrial sector is the sustained demand for distribution/logistical sites and smaller user sites.

RMF

INTRODUCTION & REGIONAL ANALYSIS

RETAIL & MIXED USE

Marco Lala is bullish on retail and mixed-use, "Right now, there is a stronger demand for single-story, commercial (multi-tenant) retail in solid corridors. Although the interest rate environment has changed the dynamics of underwriting, the lack of rent controls and other regulatory requirements has made these attractive. Equally attractive are mixed-use with free-market apartments above."

Mixed use in particular is a transactionally active asset class in Brooklyn and Queens, typically making up more than 1/3 of all trades. Al Holloman, Associate Broker at RMF believes that, "due to the relatively low acquisition price point and tenant mix, this asset class will continue to lead all classes as an attractive investment opportunity."

OUTLOOK FOR 2024

When considered in isolation, several indicators point toward a more favorable year for commercial real estate. Interest rates have decreased (as of this report), the Federal Reserve is indicating additional rate cuts, alternative lenders have entered the market and CRE brokers continue to navigate robust investment appetites from 'long-view' buyers. Coupled with forecasts anticipating a rebound in CRE financing in 2024, these factors are expected to initially result in reduced bid-ask spreads, heightened deal volume, and increased valuations.

However, the obstacles that the industry struggles with are far from over. Lending requirements continue to tighten, costs continue to increase, and low-rate debt continues to mature in 2024.

According to Marco Lala, "Although the higher rates have clearly lowered velocity, it's the banks' 'liquidity' or ability to lend which has been a higher hurdle to investors. With speculation that there will be 3-6 rate cuts this year, even at 25 basis points each, the lowering rates will have a smaller effect. Maturing debt is looming closer and closer, and with many property values at or below mortgage balances, there will be pain ahead."

Marco continues, "The harsh reality of rising expenses, and in many cases, faster than revenue, will bring many landlords to a crossroads. They will have to seriously scrutinize their business plan and honestly project the next 24-36 months of operations. This includes reserves, collections, refinance capability, and anticipated regulatory requirements. We have seen insurance line items alone increase by 25-50%, and in some cases DOUBLE. Many carriers are even leaving the Bronx and some other NYC submarkets."

Al Holloman believes that, "the increase in operating expenses has contributed to the devaluation of assets, particularly multifamily. Inflated operating expenses coupled with inflated debt service will force property owners to determine whether or not they will continue to hold onto properties they are carrying at a loss."

John Barrett anticipates a surge in transaction volume in the second half of 2024. "I believe we will see higher transaction volume in the 3rd and 4th quarter of 2024. It will be spurred on by lower interest rates and owners who can't refinance properties purchased in the past. Interest rates will be lower than they are today but still much higher than the 3% loans that were taken out previously. These properties while not necessarily distressed will be "financially distressed" and in need of additional equity and adaptive re-use. One area where there will be some significant opportunities is in the office market. There are many Class B and C office buildings in great locations that will need to be repurposed to an alternate use."

RMF

WHAT TO EXPECT IN THE REPORT – Q&A WITH OUR MARKET EXPERTS

Marco Lala, Associate Broker - Team Lala
Alfonso Holloman, Associate Broker - Queens Division
Dave Raciti, Associate Broker - Team Lala
Jack Lala, Associate Broker - Team Lala
Michelle Lala, Real Estate Salesperson - Team Lala

914.968.8500 x309 team.lala@rmfriedland.com

1) WHAT INVESTMENT OPPORTUNITIES DO YOU SEE GIVEN CURRENT MARKET CONDITIONS? ARE THERE PARTICULAR ASSET TYPES OR GEOGRAPHICAL AREAS THAT PRESENT PROMISING PROSPECTS FOR INVESTORS RIGHT NOW?

MARCO LALA: The pummeling that rent-stabilized apartments have taken over the past few years has provided an interesting opportunity for long-term, entrenched family offices to pick up extremely well-located properties at some of the lowest prices in about twenty years.

AL HOLLOMAN: In Brooklyn mixed-use properties comprise 42%, of all transactions in 2023. Due to the relatively low acquisition price point and tenant mix, this asset class will continue to lead all classes as an attractive investment opportunity.

2) HOW HAVE RECENT CHANGES IN INTEREST RATES IMPACTED COMMERCIAL REAL ESTATE FINANCING? ARE THERE ANY FINANCING TRENDS OR CHALLENGES THAT YOU THINK INVESTORS SHOULD BE MADE AWARE OF?

AL HOLLOMAN: Due to the current interest rate climate, traditional lending has been replaced with more aggressive alternative lenders. Over the past three years, lenders have had to modify and refinance with favorable terms to avoid default. This dynamic will become less available in 2024 as the can has been kicked to the wall; we can expect to see an increase in defaults, thereby creating opportunities for buyers of distressed, nonperforming assets.

MARCO LALA: Although the higher rates have clearly lowered velocity, it's the banks' 'liquidity' or ability to lend which has been a higher hurdle to investors. With speculation that there will be 3-6 rate cuts this year, even at 25 basis points each, the lowering rates will have a smaller effect. Maturing debt is looming closer and closer, and with many property values at or below mortgage balances, there will be pain ahead.

DAVE RACITI: Expanding lending, along with the associated interest and fees it generates, can be viewed as a potential solution to liquidity challenges for banks. The key is that lenders need to make good, sound and performing loans. Because of this, I think the more cautious approach to lending we've seen recently will persist and possibly become more stringent in 2024. However, if—and this is a 'big if'—the banks, regulators, lawmakers, and the Federal Reserve can continue to find a way to smooth out any liquidity challenges, similar to what was done in response to the banking crisis of March 2023, I would expect to see a continuation of maturing debt being refinanced in increasingly creative ways, such as extended I/O terms.

3) HOW HAVE INCREASES IN UTILITIES, INSURANCE AND OTHER OPERATING EXPENSES CONTRIBUTED TO VALUATIONS AND DAY TO DAY MANAGEMENT OF ASSETS.

MARCO LALA: The harsh reality of rising expenses, and in many cases faster than revenue, will bring many landlords to a crossroads. They will have to seriously scrutinize their business plan and honestly project the next 24-36 months of operations. This includes reserves, collections, refi capability, and anticipated regulatory requirements. We have seen insurance line items alone increase by 25-50%, and in some cases, DOUBLE. Many carriers are even leaving the Bronx and some other NYC submarkets.

AL HOLLOMAN: The increase in operating expenses has contributed to the devaluation of assets, particularly multifamily. Inflated operating expenses coupled with inflated debt service will force property owners to determine whether or not they will continue to hold onto properties they are carrying at a loss.

RMF

WHAT TO EXPECT IN THE REPORT – Q&A WITH OUR MARKET EXPERTS

Marco Lala, Associate Broker - Team Lala
Alfonso Holloman, Associate Broker - Queens Division
Dave Raciti, Associate Broker - Team Lala
Jack Lala, Associate Broker - Team Lala
Michelle Lala, Real Estate Salesperson - Team Lala

914.968.8500 x309   team.lala@rmfriedland.com

4) SPANNING ACROSS DIVERSE ASSET CATEGORIES SUCH AS INDUSTRIAL, OFFICE, RETAIL, AND MULTIFAMILY, HAVE THERE BEEN DISCERNIBLE CHANGES IN THE PREFERENCES, REQUIREMENTS, AND FINANCIAL CIRCUMSTANCES OF TENANTS LATELY? WHAT ARE THE RAMIFICATIONS OF THESE CHANGES FOR PROPERTY OWNERS?

MICHELLE LALA: Due to tenants not facing consequences for non-payment and the incessant rise in expenses, landlords are attempting to offset lost time by significantly raising rents wherever possible and seeking quality tenants. Consequently, tenants are exploring other options, opting for shorter-term leases, and potentially falling back into arrears while trying to cope with escalating rents.

JACK LALA: The pressure extends to tenants as well. Multifamily apartment rents have surged, causing tenants to fall into arrears, ultimately complicating landlords' financial situations.

AL HOLLOMAN: The industrial asset class has seen a discernible demand for distribution/logistical sites. In recent years, there have been several big-box conversions/development projects in Queens and Brooklyn to meet the tenant demand for this type of space.

JACK LALA: Retail tenants, too, are grappling with rising rents, prompting them to explore spaces with lower rents within the same block or neighborhood. In a recent conversation with an owner, the existing tenant's rent was revealed to be double the current market rate.

5) ARE THERE ANY RECENT OR UPCOMING REGULATORY CHANGES THAT COULD INFLUENCE THE COMMERCIAL REAL ESTATE MARKET IN YOUR REGION?

MICHELLE LALA: In New York, you never know what new regulatory change could come in and completely alter the market. I am hoping that New York might consider reversing the elimination of the 421A, given the need for more housing, but I won't hold my breath! Right now, I think rates will have the biggest influence on our market.

MARCO LALA: Unless there are any "rent control" or imposing rent guidelines, commercial real estate will only be subject to economic factors. With high-interest rates and inflation, there has been downward pressure on consumption. Credit card debt, home equity lines of credit, and tapping into 401Ks are at their highest level ever.

6) HOW WOULD YOU DESCRIBE THE OVERALL STATE OF THE COMMERCIAL REAL ESTATE MARKET TODAY?

AL HOLLOMAN: Both buyers and sellers have been waiting for interest rates to drop in order to maximize the return on their respective investments. The overall uncertainty has created an environment whereby the favorable action is inaction. In 2024, there will be catalysts to shake up this complacency; we'll just have to wait and see what they are.

MARCO LALA: The most significant risk factor right now is maturing debt. Without some form of a "bailout," which is highly unlikely, or drastic rate cuts, there will be major distress.

7) WHAT POTENTIAL RISKS OR CHALLENGES DO YOU FORESEE IN THE MARKET IN THE NEAR FUTURE? HOW CAN PROPERTY OWNERS AND INVESTORS MITIGATE THESE RISKS?

MARCO LALA: Unless you are low-leveraged and plan to stay in the business for a long time, selling anything with any equity left is a major recommendation. GPs sitting with underwater properties need to start communicating with their LPs and decide if they should engage the bank now and prepare to take losses, pay down debt, or look for rescue capital.

8) HOW IS AI AND/OR OTHER TECHNOLOGY INFLUENCING YOUR BUSINESS AND THE BUSINESS STRATEGIES OF YOUR CLIENTS? ARE THERE EMERGING TECHNOLOGIES OR INNOVATIVE APPROACHES THAT ARE HAVING A NOTABLE IMPACT ON THE MARKET?

AL HOLLOMAN: AI and immersive technology are in the beginning stages in this business and will steadily become more prevalent as tools to assist with conducting business in the near term. These technologies will level the playing field for users by decreasing the time it takes to interpret data as well as formulate cogent ideas in written language for presentation purposes, just to name a few.

MARCO LALA: AI will be another tool that helps streamline operations. This will be true in marketing and message penetration into a target audience. Without the oversight of "virtual" intelligence, artificial intelligence will only be as good as the data that it culls from.

RMF

REGIONAL BUILDING SALES SNAPSHOT

INDUSTRIAL

Area	Trades		Volume		Deal Price		Price Per SF			
	Total	*YoY*	*Total*	*YoY*	*Average*	*YoY*	*Average*	*YoY*	*Lowest*	*Highest*
Bronx	33	↓ 8.3%	$251M	↓ 45.1%	$7.6M	↓ 40.1%	$393	↗ 2.7%	$20	$1,093
Westchester	54	↑ 8.0%	$249M	↑ 9.8%	$4.6M	↗ 1.7%	$239	↓ 11.4%	$10	$706
Fairfield	62	↗ 1.6%	$105M	↓ 16.2%	$1.7M	↓ 17.5%	$136	↗ 2.4%	$3	$417
Queens	70	↓ 26.3%	$613M	↓ 29.5%	$8.8M	↘ 4.4%	$542	↘ 2.2%	$99	$2,840
Brooklyn	82	↓ 30.5%	$675M	↓ 53.3%	$8.2M	↓ 32.8%	$517	↗ 1.1%	$50	$3,183
N. Manhattan	2	↑ 100%	$27M	↑ 50.9%	$13.6M	↓ 24.5%	$241	↓ 70.0%	$161	$321
Combined	**303**	↓ **16.1%**	**$1.9B**	↓ **38.9%**	**$6.3M**	↓ **27.2%**				

MULTIFAMILY

Area	Trades		Volume		Deal Price		Price per Unit or Price per SF			
	Total	*YoY*	*Total*	*YoY*	*Average*	*YoY*	*Average*	*YoY*	*Lowest*	*Highest*
Bronx	93	↓ 38.4%	$690M	↓ 29.1%	$7.4M	↑ 15.2%	$157K /U	↓ 12.3%	$58K /U	$378K /U
Westchester	78	↓ 25.0%	$354M	↓ 67.7%	$4.5M	↓ 57.0%	$217 /SF	↓ 21.5%	$20 /SF	$561 /SF
Fairfield	22	↓ 52.2%	$106M	↓ 89.8%	$4.8M	↓ 78.6%	$166 /SF	↓ 23.1%	$31 /SF	$379 /SF
Queens	157	↓ 20.7%	$592M	↓ 27.6%	$3.8M	↓ 8.6%	$251K /U	↗ 0.7%	$5K /U	$1.1M /U
Brooklyn	308	↓ 34.6%	$1.4B	↓ 57.4%	$4.5M	↓ 34.8%	$358K /U	↘ 3.1%	$13K /U	$1.6M /U
N. Manhattan	91	↑ 9.6%	$585M	↓ 43.0%	$6.4M	↓ 48.0%	$215K /U	↓ 22.3%	$17K /U	$1.2M /U
Combined	**749**	↓ **28.9%**	**$3.7B**	↓ **54.7%**	**$4.9M**	↓ **36.4%**				

OFFICE

Area	Trades		Volume		Deal Price		Price Per SF			
	Total	*YoY*	*Total*	*YoY*	*Average*	*YoY*	*Average*	*YoY*	*Lowest*	*Highest*
Bronx	12	→ 0.0%	$67M	↑ 70.8%	$5.6M	↑ 70.8%	$325	↓ 16.5%	$160	$543
Westchester	40	↓ 11.1%	$220M	↓ 47.5%	$5.5M	↓ 40.9%	$263	↓ 14.7%	$27	$983
Fairfield	41	↓ 46.8%	$117M	↓ 82.3%	$2.9M	↓ 66.8%	$232	↓ 16.2%	$29	$889
Queens	35	↓ 7.9%	$287M	↑ 21.2%	$8.2M	↑ 31.5%	$550	↑ 11.6%	$267	$1,524
Brooklyn	38	↓ 7.3%	$184M	↓ 43.4%	$4.8M	↓ 39.0%	$515	↓ 5.6%	$43	$1,741
N. Manhattan	1	→ 0.0%	$56M	n/a	$56.2M	n/a	$500	↑ 31.7%	$500	$500
Combined	**167**	↓ **22.0%**	**$932M**	↓ **44.7%**	**$5.6M**	↓ **29.2%**				

RETAIL

Area	Trades		Volume		Deal Price		Price Per SF			
	Total	*YoY*	*Total*	*YoY*	*Average*	*YoY*	*Average*	*YoY*	*Lowest*	*Highest*
Bronx	54	↓ 23.9%	$175M	↓ 7.2%	$3.2M	↑ 22.1%	$500	↑ 11.1%	$112	$1,479
Westchester	81	↓ 26.4%	$410M	↓ 20.6%	$5.1M	↑ 7.8%	$380	↑ 12.0%	$37	$2,063
Fairfield	108	↓ 19.4%	$316M	↓ 29.9%	$2.9M	↓ 13.1%	$314	↓ 16.9%	$10	$1,348
Queens	133	↓ 10.1%	$524M	↓ 16.5%	$3.9M	↓ 7.1%	$633	→ 0.0%	$34	$3,158
Brooklyn	120	↓ 29.4%	$631M	↓ 20.7%	$5.3M	↑ 12.3%	$721	↑ 6.6%	$118	$3,901
N. Manhattan	11	→ 0.0%	$35M	↓ 60.8%	$3.2M	↓ 60.8%	$1,085	↑ 41.9%	$323	$2,215
Combined	**507**	↓ **21.3%**	**$2.1B**	↓ **21.7%**	**$4.1M**	↘ **0.5%**				

MIXED-USE

Area	Trades		Volume		Deal Price		Price Per SF			
	Total	*YoY*	*Total*	*YoY*	*Average*	*YoY*	*Average*	*YoY*	*Lowest*	*Highest*
Bronx	53	↓ 11.7%	$70M	↓ 29.2%	$1.3M	↓ 19.8%	$298	↘ 0.4%	$97	$636
Westchester	91	↓ 36.8%	$114M	↓ 47.9%	$1.3M	↓ 17.6%	$281	↗ 2.4%	$63	$966
Queens	217	↓ 20.2%	$297M	↓ 23.2%	$1.4M	↘ 3.8%	$438	↘ 0.6%	$36	$1,498
Brooklyn	398	↓ 30.9%	$767M	↓ 33.8%	$1.9M	↘ 4.1%	$518	↗ 1.6%	$19	$1,875
N. Manhattan	8	↓ 46.7%	$16M	↓ 66.1%	$2.0M	↓ 36.5%	$394	↓ 33.5%	$180	$755
Combined	**767**	↓ **28.1%**	**$1.3B**	↓ **33.8%**	**$1.6M**	↓ **7.9%**				

RMF

INDUSTRIAL

SALES VOLUME

$675M IN 2023

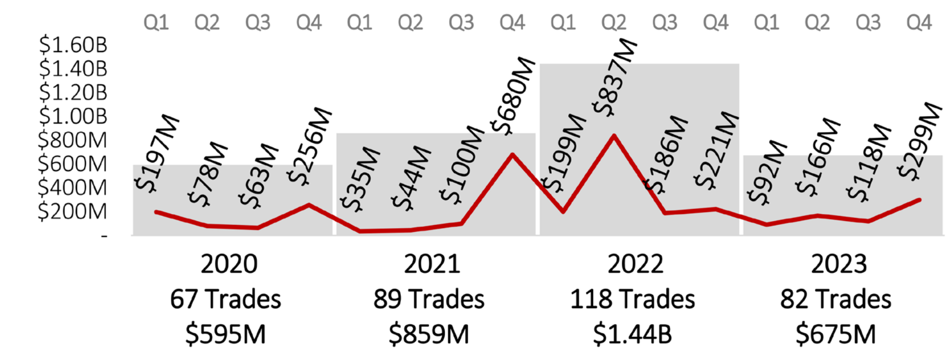
-53% FROM 2022

AVERAGE PPSF

$517 IN 2023

+1.1% FROM 2022

SALES VOLUME HISTORY



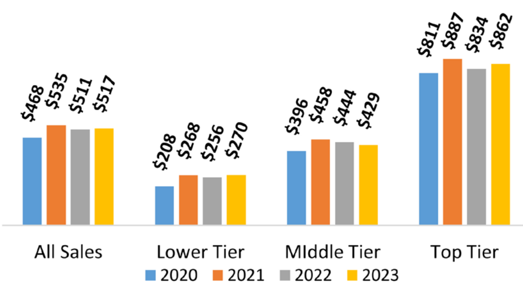
- In December of 2024 FedEx purchased Sunset Park, a 1.3M SF industrial development site from Bridge Industrial at $747 per existing SF.
- Average 'per SF' pricing has remained relatively flat in recent years.
- The average transaction price in 2023 was $8.2M

SUBMARKET METRICS

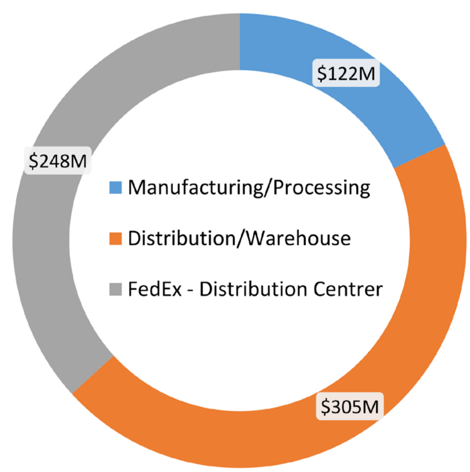
Submarket	2023 Volume	2023 PPSF	2022 Volume	2022 PPSF
CD01: East Williamsburg, Greenpoint, Etc...	$95.6M	$675	$283.4M	$605
CD02: Boerum Hill, Brooklyn Heights, Etc...	$30.5M	$1,787	$61.9M	$663
CD03: Bedford-Stuyvesant, Stuyvesant Heights, Etc...	$12.8M	$468	$29.9M	$597
CD04: Bushwick	$20.3M	$400	$31.8M	$545
CD05: Broadway Junction, City Line, Etc...	$47.8M	$307	$347.4M	$377
CD06: Carroll Gardens, Cobble Hill, Etc...	$68.7M	$499	$473.7M	$525
CD07: Sunset Park, Windsor Terrace	$278.2M	$484	$74.6M	$397
CD08: Crown Heights, Prospect Heights, Etc...	$9.9M	$498	$35.2M	$533
CD09: Crown Heights South, Prospect Lefferts Gardens, Etc...			$42.8M	$397
CD10: Bay Ridge, Dyker Heights, Etc...			$4.3M	$463
CD11: Bath Beach, Bensonhurst, Etc...	$3.7M	$336	$14.7M	$576
CD12: Borough Park, Kensington, Etc...	$17.4M	$565	$17.0M	$522
CD13: Brighton Beach, Coney Island, Etc...	$10.8M	$833	$2.3M	$350
CD15: Gerritsen Beach, Gravesend, Etc...	$13.9M	$438	$1.4M	$297
CD16: Broadway Junction, Brownsville, Etc...			$1.6M	$258
CD17: East Flatbush, Farragut, Etc...	$33.4M	$393	$10.8M	$302
CD18: Bergen Beach, Canarsie, Etc...	$31.8M	$333	$11.0M	$260

AVERAGE PRICE PER SF

Each tier represents approximately 1/3 of transactions.



2023 VOLUME BY TYPE



2023 YEAR-END | Brooklyn Sales

MULTI-FAMILY

SALES VOLUME

$1.37B IN 2023

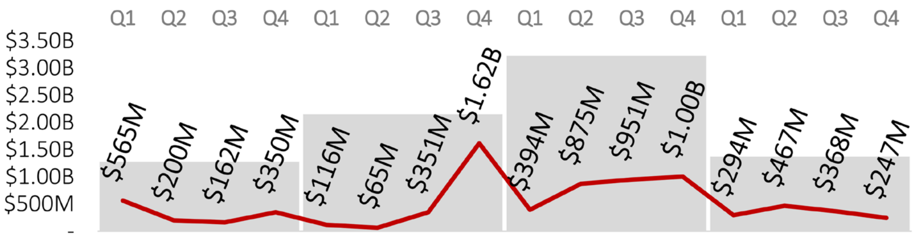
-57% FROM 2022

AVERAGE PPU

$358K IN 2023

-3.1% FROM 2022

SALES VOLUME HISTORY



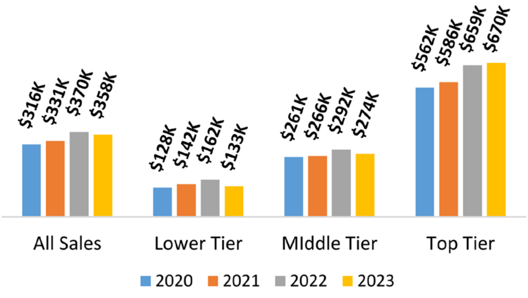
- The average CAP rate for multifamily in 2023 was $6.2%, and the median CAP rate was 6.0%.
- The average transaction price in 2023 was $4.5M, down $34.8% from 2022.

SUBMARKET METRICS

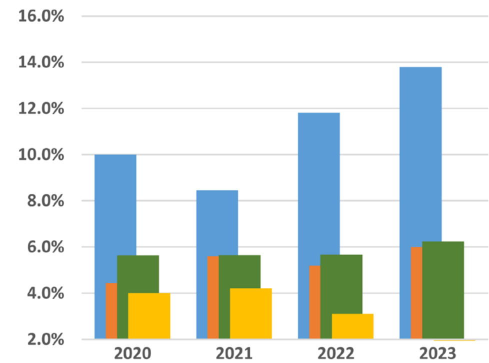
Submarket	2023 Volume	2023 PPU	2022 Volume	2022 PPU
CD01: East Williamsburg, Greenpoint, Etc...	$403.6M	$509K	$851.5M	$579K
CD02: Boerum Hill, Brooklyn Heights, Etc...	$131.0M	$482K	$645.7M	$550K
CD03: Bedford-Stuyvesant, Stuyvesant Heights, Etc...	$145.3M	$390K	$173.9M	$386K
CD04: Bushwick	$81.8M	$279K	$163.7M	$296K
CD05: Broadway Junction, City Line, Etc...	$15.5M	$190K	$19.3M	$191K
CD06: Carroll Gardens, Cobble Hill, Etc...	$117.1M		$366.8M	$580K
CD07: Sunset Park, Windsor Terrace	$22.8M	$220K	$89.7M	$280K
CD08: Crown Heights, Prospect Heights, Etc...	$60.2M	$287K	$162.7M	$390K
CD09: Crown Heights South, Prospect Lefferts Gardens, Etc...	$30.4M	$290K	$36.0M	$273K
CD10: Bay Ridge, Dyker Heights, Etc...	$41.3M	$223K	$73.4M	$238K
CD11: Bath Beach, Bensonhurst, Etc...	$27.1M	$301K	$64.8M	$217K
CD12: Borough Park, Kensington, Etc...	$28.6M	$358K	$95.8M	$259K
CD13: Brighton Beach, Coney Island, Etc...	$157.2M	$221K	$45.1M	$272K
CD14: Ditmas Park, Flatbush, Etc...	$20.7M	$189K	$155.4M	$209K
CD15: Gerritsen Beach, Gravesend, Etc...	$20.5M	$187K	$230.6M	$200K
CD16: Broadway Junction, Brownsville, Etc...	$10.1M	$271K	$19.7M	$182K
CD17: East Flatbush, Farragut, Etc...	$44.3M	$176K	$28.0M	$176K
CD18: Bergen Beach, Canarsie, Etc...	$2.4M	$175K	$2.5M	$207K
Mixed Package	$15.2M			

AVERAGE PRICE PER UNIT

Each tier represents approximately 1/3 of transactions.



CAPITALIZATION RATES



	2020	2021	2022	2023
High	10.00%	8.45%	11.81%	13.79%
Median	4.44%	5.60%	5.19%	6.00%
Average	5.64%	5.65%	5.67%	6.24%
Low	4.00%	4.21%	3.10%	1.00%

2023 YEAR-END | Brooklyn Sales

RMF

OFFICE

SALES VOLUME

$184M IN 2023

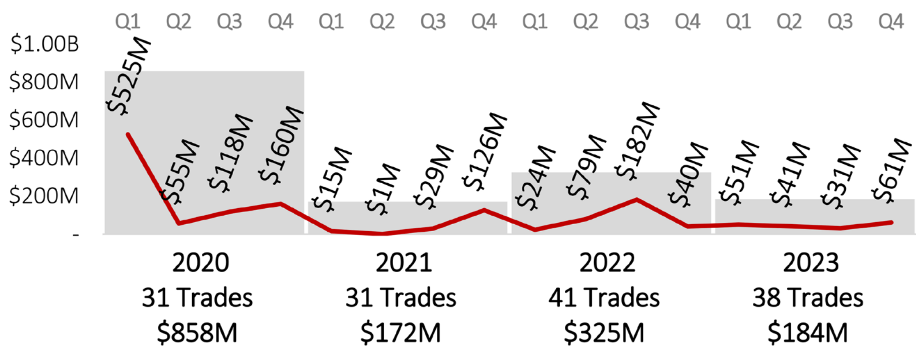
-43% FROM 2022

AVERAGE PPSF

$515 IN 2023

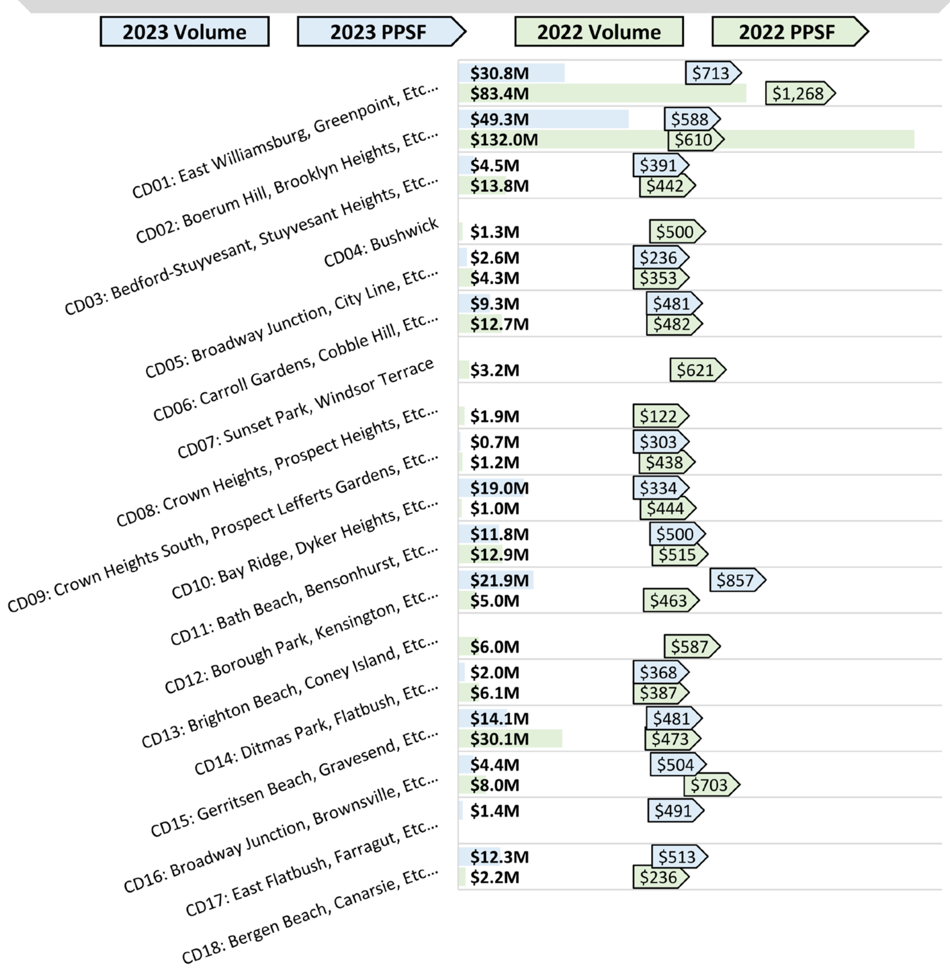
-5.6% FROM 2022

SALES VOLUME HISTORY



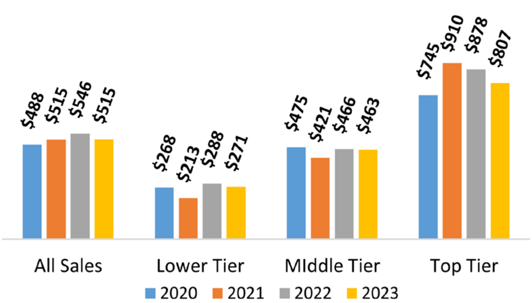
- The average transaction price in 2023 was $4.8M, down $39.0% from 2022.
- Transactions were only down 7% year-over-year, but smaller deal size led to a greater impact on volume.

SUBMARKET METRICS

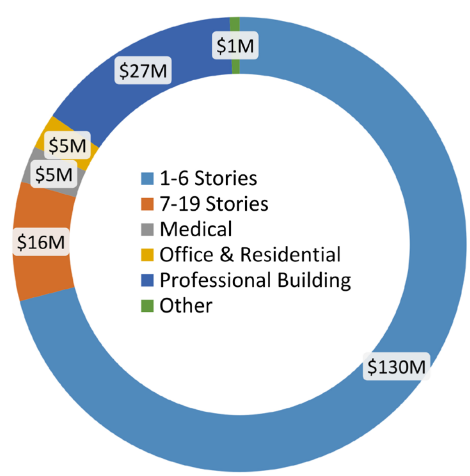


AVERAGE PRICE PER SF

Each tier represents approximately 1/3 of transactions.



2023 VOLUME BY TYPE



RETAIL

SALES VOLUME

$631M IN 2023

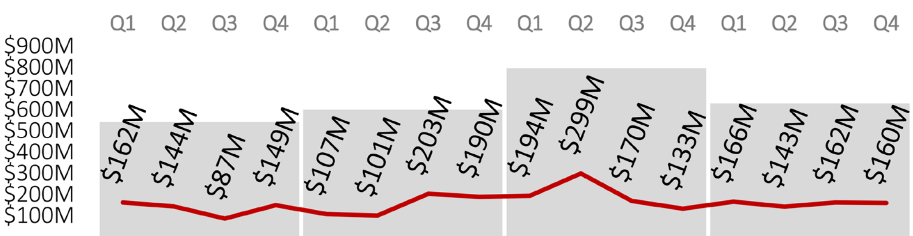
-21% FROM 2022

AVERAGE PPSF

$721 IN 2023

+6.6% FROM 2022

SALES VOLUME HISTORY



2020	2021	2022	2023
130 Trades	144 Trades	170 Trades	120 Trades
$542M	$600M	$796M	$631M

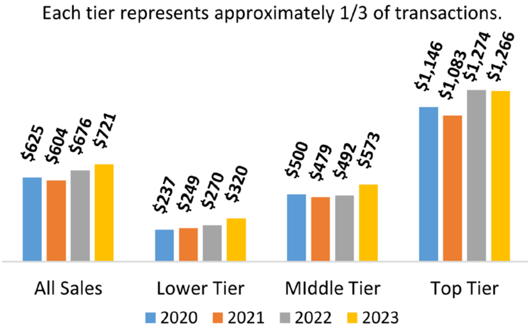
- Average 'per SF' pricing has been slowly trending upwards since 2021.
- The average transaction price in 2023 was $5.3M, up $12.3% from 2022.

SUBMARKET METRICS

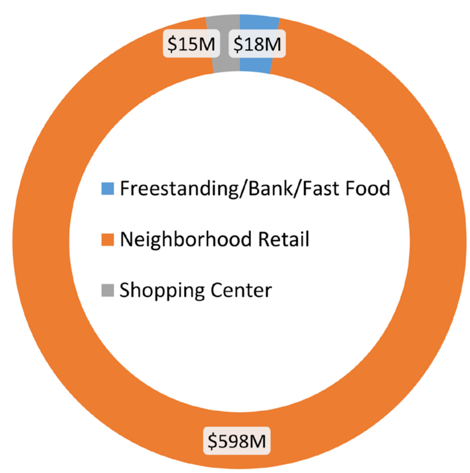
Submarket	2023 Volume	2023 PPSF	2022 Volume	2022 PPSF
CD01: East Williamsburg, Greenpoint, Etc...	$158.5M	$1,405	$104.7M	$1,851
CD02: Boerum Hill, Brooklyn Heights, Etc...	$88.2M	$831	$19.8M	$1,293
CD03: Bedford-Stuyvesant, Stuyvesant Heights, Etc...	$13.7M	$716		
CD04: Bushwick	$7.2M	$867	$30.4M	$522
CD05: Broadway Junction, City Line, Etc...	$23.3M	$439	$21.6M	$279
CD06: Carroll Gardens, Cobble Hill, Etc...	$42.6M	$873	$73.4M	$1,601
CD07: Sunset Park, Windsor Terrace	$8.7M	$797	$8.8M	$411
CD08: Crown Heights, Prospect Heights, Etc...	$42.5M	$1,040	$3.5M	$696
CD09: Crown Heights South, Prospect Lefferts Gardens, Etc...	$7.9M	$549	$2.7M	$736
CD10: Bay Ridge, Dyker Heights, Etc...	$18.3M	$1,151	$46.0M	$849
CD11: Bath Beach, Bensonhurst, Etc...	$60.9M	$671	$51.8M	$628
CD12: Borough Park, Kensington, Etc...	$13.1M	$462	$39.5M	$504
CD13: Brighton Beach, Coney Island, Etc...	$34.2M	$536	$76.0M	$538
CD14: Ditmas Park, Flatbush, Etc...	$4.9M	$428	$128.0M	$445
CD15: Gerritsen Beach, Gravesend, Etc...	$34.3M	$546	$102.5M	$557
CD16: Broadway Junction, Brownsville, Etc...	$9.8M	$303	$22.9M	$354
CD17: East Flatbush, Farragut, Etc...	$15.7M	$421	$19.6M	$360
CD18: Bergen Beach, Canarsie, Etc...	$47.0M	$586	$44.6M	$419

AVERAGE PRICE PER SF

Each tier represents approximately 1/3 of transactions.



2023 VOLUME BY TYPE



MIXED-USE

SALES VOLUME

$767M IN 2023

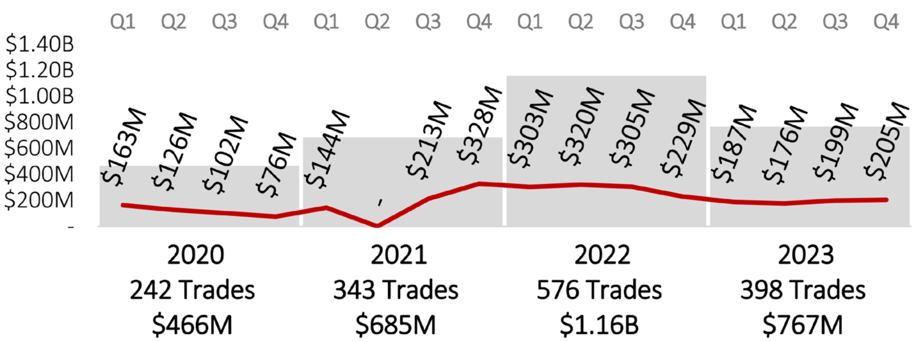
-34% FROM 2022

AVERAGE PPSF

$518 IN 2023

+1.6% FROM 2022

SALES VOLUME HISTORY



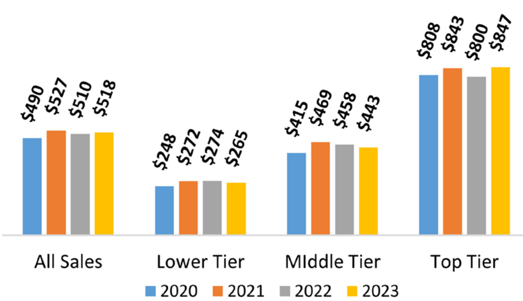
- The mixed-use asset class continues to be an investor favorite. Many sites feature unregulated apartments, diverse income sources and value-add potential.
- The average transaction price in 2023 was $1.9M, down $4.1% from 2022.

SUBMARKET METRICS

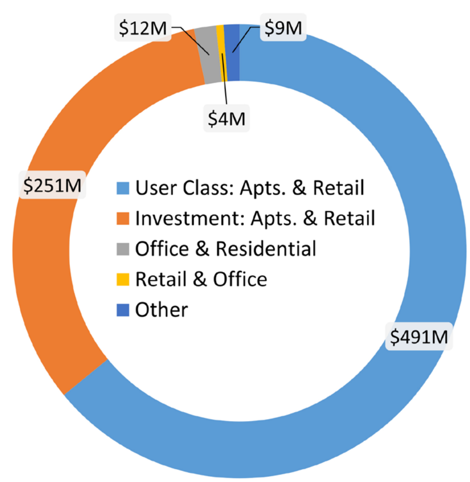
Submarket	2023 Volume	2023 PPSF	2022 Volume	2022 PPSF
CD01: East Williamsburg, Greenpoint, Etc...	$148.6M	$729	$200.9M	$723
CD02: Boerum Hill, Brooklyn Heights, Etc...	$92.5M	$735	$113.5M	$771
CD03: Bedford-Stuyvesant, Stuyvesant Heights, Etc...	$47.2M	$511	$71.3M	$483
CD04: Bushwick	$38.5M	$411	$63.5M	$449
CD05: Broadway Junction, City Line, Etc...	$22.7M	$311	$37.3M	$305
CD06: Carroll Gardens, Cobble Hill, Etc...	$83.8M	$863	$150.0M	$762
CD07: Sunset Park, Windsor Terrace	$23.5M	$491	$73.1M	$521
CD08: Crown Heights, Prospect Heights, Etc...	$29.7M	$512	$50.3M	$470
CD09: Crown Heights South, Prospect Lefferts Gardens, Etc...	$15.4M	$598	$16.9M	$358
CD10: Bay Ridge, Dyker Heights, Etc...	$49.9M	$445	$87.6M	$458
CD11: Bath Beach, Bensonhurst, Etc...	$33.4M	$492	$79.6M	$467
CD12: Borough Park, Kensington, Etc...	$69.2M	$477	$70.2M	$538
CD13: Brighton Beach, Coney Island, Etc...	$14.9M	$448	$14.0M	$434
CD14: Ditmas Park, Flatbush, Etc...	$23.3M	$396	$40.0M	$470
CD15: Gerritsen Beach, Gravesend, Etc...	$18.8M	$425	$24.4M	$471
CD16: Broadway Junction, Brownsville, Etc...	$9.2M	$354	$14.7M	$268
CD17: East Flatbush, Farragut, Etc...	$26.3M	$309	$31.4M	$319
CD18: Bergen Beach, Canarsie, Etc...	$19.8M	$342	$18.6M	$352

AVERAGE PRICE PER SF

Each tier represents approximately 1/3 of transactions.



2023 VOLUME BY TYPE



2023 YEAR-END | Brooklyn Sales

RMF

FEATURED MARKET TRANSACTIONS

INDUSTRIAL

125 Third St | Gowanus
SALE PRICE: $30,466,125
BUILDING SF: 17,050 SF
PPSF: $1,787.00

909 Remsen Ave | Canarsie
SALE PRICE: $28,000,000
BUILDING SF: 85,000 SF
PPSF: $329.00

185 Van Dyke St | N Brooklyn
SALE PRICE: $27,500,000
BUILDING SF: 111,336 SF
PPSF: $247.00

3710 15th Ave | Borough Park
SALE PRICE: $2,968,385
BUILDING SF: 2,000 SF
PPSF: $1,484.00

MULTI-FAMILY

8 Marcy Ave | Williamsburg
SALE PRICE: $97,500,000
BUILDING UNITS: 125
PPU: $780,000

2930 W 30th St | Coney Island
SALE PRICE: $61,400,000
BUILDING UNITS: 371
PPU: $165,499

812 8th Ave | Park Slope
SALE PRICE: $12,733,706
BUILDING UNITS: 8
PPU: $1,591,713

2970 W 27th St | Coney Island
SALE PRICE: $60,100,000
BUILDING UNITS: 334
PPU: $179,940

RETAIL

1 Nassau Ave | North Brooklyn
SALE PRICE: $43,300,000
BUILDING SF: 34,530 SF
PPSF: $1,254.00

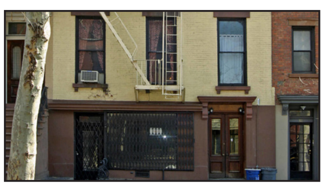
6502 18th Ave | Bensonhurst
SALE PRICE: $28,000,000
BUILDING SF: 26,000 SF
PPSF: $1,077.00

Moore+Seigal St Pkg | Williamsburg
SALE PRICE: $25,500,000
BUILDING SF: 68,000 SF
PPSF: $375.00

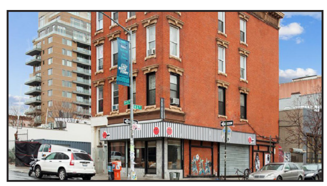
3064 Brighton 2nd St Pkg | S Brooklyn
SALE PRICE: $1,987,392
BUILDING SF: 13,612 SF
PPSF: $146.00

MIXED-USE

157 Wythe Ave | Williamsburg
SALE PRICE: $15,000,000
BUILDING SF: 8,050 SF
PPSF: $1,863.00



309 Henry St | Downtown Brooklyn
SALE PRICE: $8,627,060
BUILDING SF: 4,600 SF
PPSF: $1,875.00

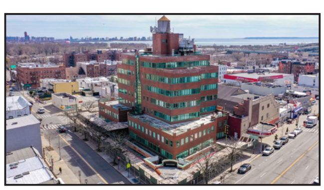


143 Barry St | Williamsburg
SALE PRICE: $8,250,000
BUILDING SF: 5,050 SF
PPSF: $1,634.00

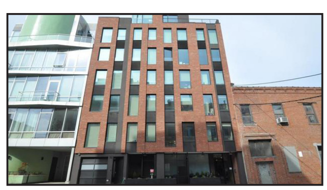
423 Court St | Carroll Gardens
SALE PRICE: $5,346,458
BUILDING SF: 3,200 SF
PPSF: $1,671.00

OFFICE

540 Atlantic Ave | Boerum Hill
SALE PRICE: $38,000,000
BUILDING SF: 79,173 SF
PPSF: $494.00



9201 4th Ave | Bay Ridge
SALE PRICE: $15,560,099
BUILDING SF: 20,000 SF
PPSF: $197.00



177-79 N 10th St | Williamsbridge
SALE PRICE: $13,500,000
BUILDING SF: 20,000 SF
PPSF: $675.00

2001 Rockaway Pkwy | Canarsie
SALE PRICE: $7,400,000
BUILDING SF: 6,552 SF
PPSF: $1,129.00

RM FRIEDLAND

COMMERCIAL REAL ESTATE SERVICES

Research Compiled and Organized By:

David Raciti
Associate Broker

Michelle Lala
Real Estate Salesperson

Tenerria Hughes
Marketing Associate