

2024 YEAR-END SALES REPORT

BROOKLYN



1066
TRADES

\$5.7 B
VOLUME

\$5.3 M
AVG DEAL
PRICE

CURRENT TRENDS AND OPPORTUNITIES IN INVESTMENT SALES

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David Raciti, Associate Broker at RM Friedland

Brooklyn’s commercial real estate market in 2024 demonstrated noticeable improvement, reflecting its resilience and adaptability in the face of broader economic and regulatory challenges. Investment volume in the borough increased, indicating renewed confidence and steady demand across key asset classes.

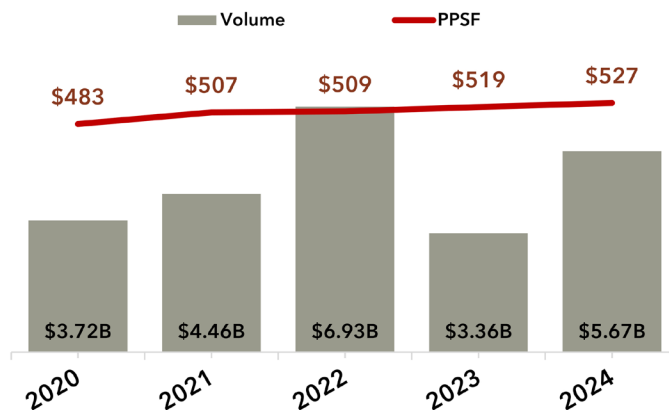
GENERAL MARKET TRENDS

In 2024, Brooklyn’s investment landscape showed a clear recovery, with transaction volumes rising compared to the previous year. Industrial, multifamily, office and mixed-use sectors all exhibited growth, driven by both local and institutional investors recognizing the borough’s potential. We observed that strict lending standards continued to affect market activity, but creative financing strategies and partnerships allowed many deals to close. Sellers adjusted their pricing expectations as buyers demanded higher returns, resulting in better transaction alignment and activity.

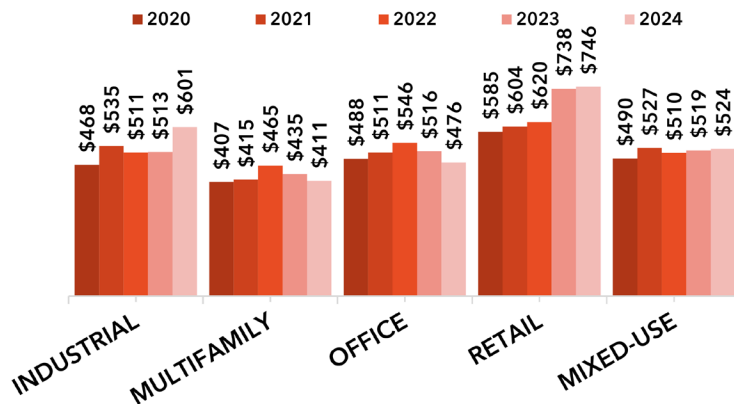
FINANCING

Financing remained one of the most significant hurdles for Brooklyn investors in 2024. High interest rates and conservative underwriting made it challenging for deals to pencil out. We noted that on the regulatory side, the introduction of the 485x tax abatement provided much-needed relief to developers, sparking renewed interest in vacant land and redevelopment opportunities. However, this incentive primarily benefited well-capitalized buyers who could weather the uncertainty surrounding future rate movements.

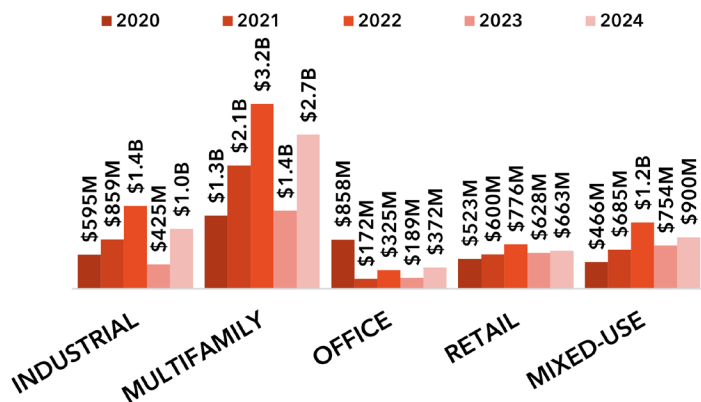
AVERAGE PPSF & TOTAL VOLUME ^{1 2}



MARKET SEGMENTS: AVERAGE PPSF ¹



MARKET SEGMENTS: VOLUME ¹



1) Brooklyn Investment/Building Sales
2) Data Excludes Known Development Sites & Specialty Use Properties

CURRENT TRENDS AND OPPORTUNITIES IN INVESTMENT SALES

OPERATING CHALLENGES

Despite the challenges, Brooklyn remained a land of opportunities for savvy investors. Properties in emerging neighborhoods with strong rental demand continued to attract attention. Developers, in particular, leveraged zoning changes and tax incentives to create value in underutilized properties. Much of 2024 was characterized by a 'wait-and-see' approach, but well-prepared investors were able to capitalize on distressed sales and market corrections.

OPPORTUNITIES AND RISKS

Despite current market challenges, now remains a favorable time to list properties. Stable demand, coupled with a low inventory, creates a conducive atmosphere for sellers to achieve competitive pricing and favorable terms.

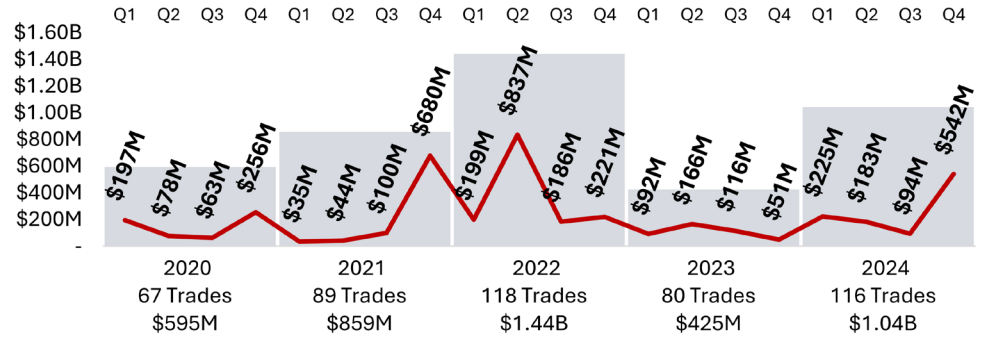
REFLECTIONS AND PREDICTIONS

The year brought surprises, particularly in how regulatory changes and economic conditions interacted. Brooklyn's industrial, multifamily, office and mixed-use sectors all experienced notable growth, underscoring the borough's appeal. Looking ahead to 2025, we anticipate continued demand for mixed-use properties and strategic repositioning of assets to address evolving tenant preferences.

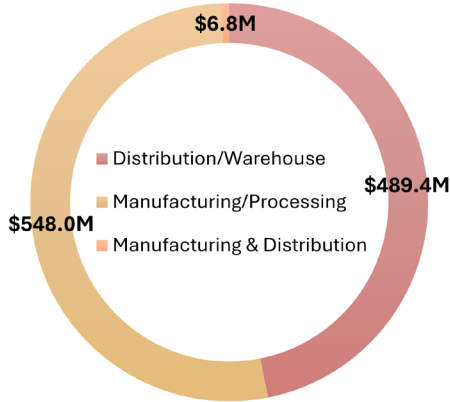
DATA POINTS

	2024	YoY
Total Volume	\$1.04B	↑ 146%
Velocity	116 Trades	↑ 45%
Avg. Deal Price	\$9.0M	↑ 69%
Avg. Price / SF	\$601	↑ 17%

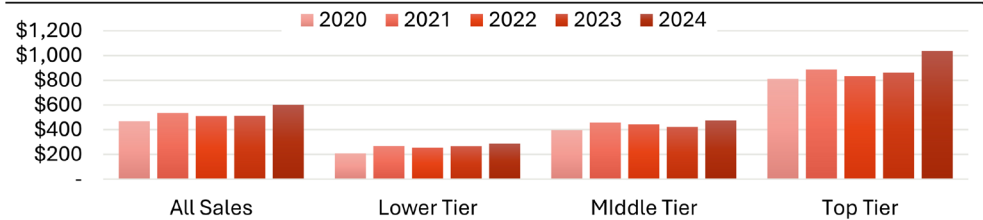
VOLUME HISTORY



VOLUME BY TYPE: 2024



AVERAGE PRICE PER SF



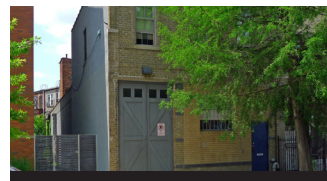
FEATURED TRANSACTIONS



1301 Avenue M | Milwood
 SALE PRICE: \$46,892,989
 BUILDING SF: 96,568 SF
 PPSF: \$486



280 Richards St | Red Hook
 SALE PRICE: \$156,250,000
 BUILDING SF: 311,796 SF
 PPSF: \$501



474 Sterling Pl | Prospect Heights
 SALE PRICE: \$2,850,000
 BUILDING SF: 1,942 SF
 PPSF: \$1,468



222 Morgan Ave | Williamsburg
 SALE PRICE: \$105,250,000
 BUILDING SF: 41,900 SF
 PPSF: \$2,512

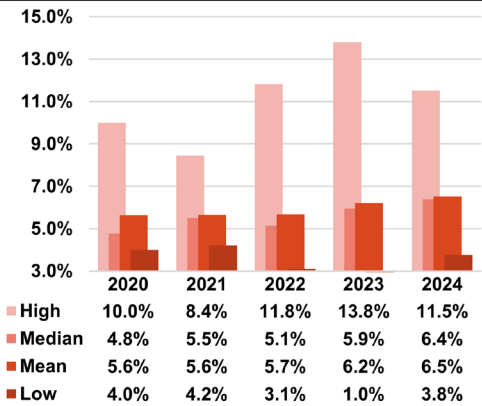
VIEWPOINTS

JACK LALA: 2024's price per square foot surged year over year driven in part due to the Carlyle Group's purchase of a portfolio of self storage properties from Safe & Lock. Three of these properties were located in Brooklyn.

DATA POINTS

	2024	YoY
Total Volume	\$2.69B	↑ 98%
Velocity	334 Trades	↑ 8.4%
Avg. Deal Price	\$8.1M	↑ 82%
Avg. Price / Unit	\$334K	↓ 7.0%

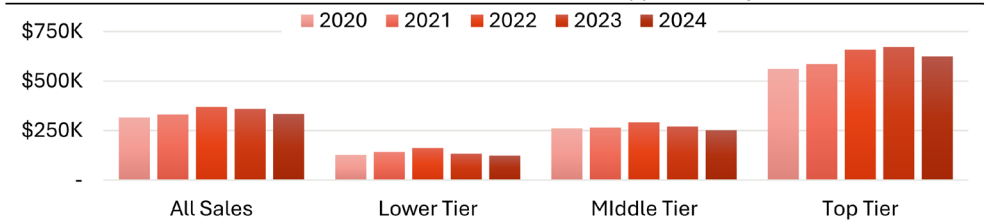
CAPITALIZATION RATES



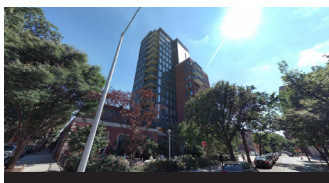
VOLUME HISTORY



AVERAGE PRICE PER UNIT

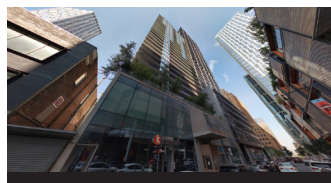


FEATURED TRANSACTIONS



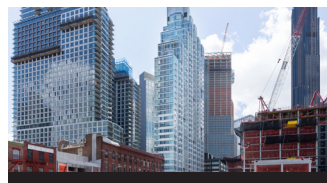
355 Hicks St | Cobble Hill

SALE PRICE: \$65,000,000
UNITS: 102
PPU: \$637K



436 Albee Sq | Downtown Bklyn

SALE PRICE: \$112,800,000
UNITS: 152
PPU: \$742K



80 DeKalb Ave | Fort Greene

SALE PRICE: \$202,500,000
UNITS: 370
PPU: \$547K



784-6 President St | Park Slope

SALE PRICE: \$17,812,564
UNITS: 12
PPU: \$1.1M

VIEWPOINTS

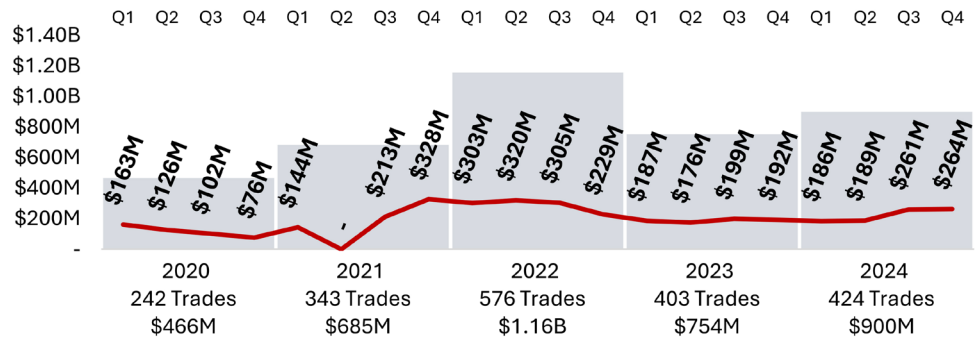
JACK LALA & MICHELLE LALA: Rent-stabilized properties remain burdened by stringent regulations, prolonged eviction timelines and rising arrears. These challenges have significantly impacted pricing, prompting many owners to reconsider their long-term investment strategies. For some, selling has become a practical choice when properties fail to meet expected performance.

Proper documentation has been critical for successful closings, especially for rent-stabilized assets where DHCR backups are essential. Regardless of a property's location or potential, thorough preparation and comprehensive records are often the deciding factors for closing deals. Owners who are proactive in maintaining detailed records have been better positioned to navigate the complexities of the market. For 2024, despite increases in volume and velocity the price per unit decreased year over year.

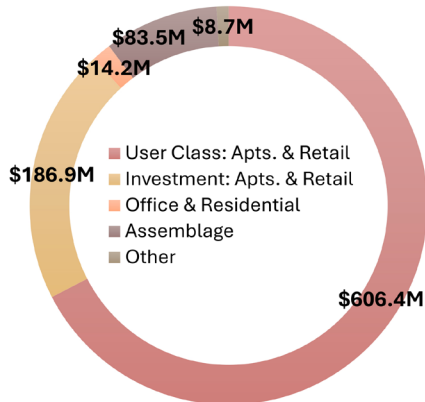
DATA POINTS

	2024	YoY
Total Volume	\$900M	↑ 19%
Velocity	424 Trades	↑ 5.2%
Avg. Deal Price	\$2.1M	↑ 13%
Avg. Price / SF	\$524	↑ 1.0%

VOLUME HISTORY

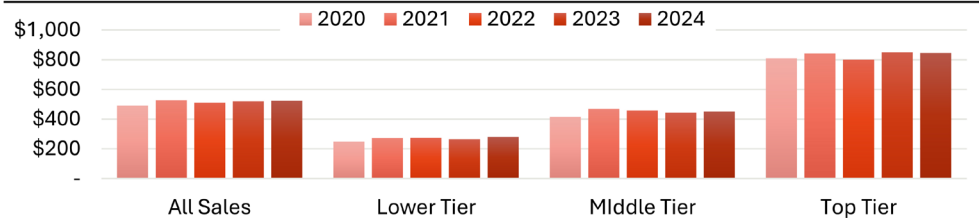


VOLUME BY TYPE: 2024



AVERAGE PRICE PER SF

Each tier is approximately 1/3 of transactions.



FEATURED TRANSACTIONS



537 Atlantic Ave | 9 Property Pkg

SALE PRICE: \$25,000,000
BUILDING SF: 32,151 SF
PPSF: \$741



83-91 N 6th St | Williamsburg

SALE PRICE: \$68,000,000
BUILDING SF: 33,498 SF
PPSF: \$2,030



229 Kent Ave | Williamsburg

SALE PRICE: \$4,300,000
BUILDING SF: 2,132 SF
PPSF: \$2,017



159 Franklin St | Greenpoint

SALE PRICE: \$6,137,500
BUILDING SF: 3,000 SF
PPSF: \$2,046

VIEWPOINTS

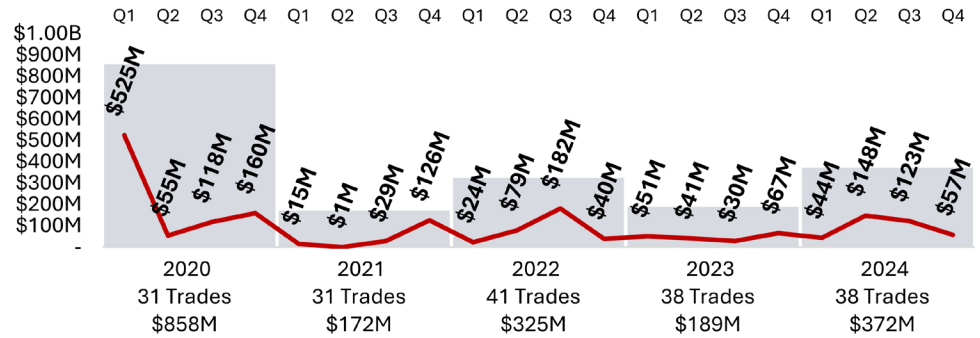
JACK LALA & MICHELLE LALA: Mixed-use properties remain a favored asset type due to their potential to generate diverse income streams, whether through residential, retail, or office components. In 2024, interest in these properties persists, though the specifics of each deal can significantly impact their appeal. Properties with more than six residential units often fall under rent stabilization, which changes investment formulas and sometimes complicates financing. Adding vacant retail or office spaces to the mix can further deter lenders.

Despite these challenges, demand remains strong. Investors are carefully evaluating properties, focusing on those with fewer regulatory hurdles or adaptable uses. The ability to market effectively and identify the right buyer is critical in navigating the complexities of this asset class. While some owners are waiting for more favorable market conditions, mixed-use properties continue to draw interest for their long-term flexibility and potential.

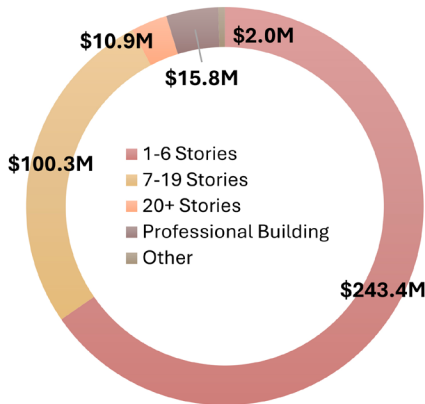
DATA POINTS

	2024	YoY
Total Volume	\$372M	↑ 97%
Velocity	38 Trades	→ FLAT
Avg. Deal Price	\$9.8M	↑ 97%
Avg. Price / SF	\$476	↓ 7.6%

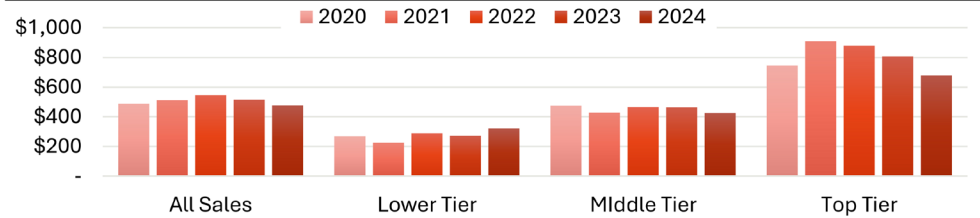
VOLUME HISTORY



VOLUME BY TYPE: 2024



AVERAGE PRICE PER SF

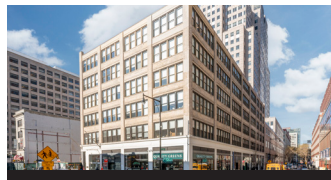


FEATURED TRANSACTIONS



1630 E 15th St-F | Midwood

SALE PRICE: \$34,000,000
 BUILDING SF: 229,926 SF
 PPSF: \$148



57 Willoughby St | Downtown Bklyn

SALE PRICE: \$48,00,000
 BUILDING SF: 104,526 SF
 PPSF: \$459



175 Pearl St | Downtown Bklyn

SALE PRICE: \$66,500,000
 BUILDING SF: 184,965 SF
 PPSF: \$360



1271 60th St | South Brooklyn

SALE PRICE: \$10,939,906
 BUILDING SF: 13,607 SF
 PPSF: \$804

VIEWPOINTS

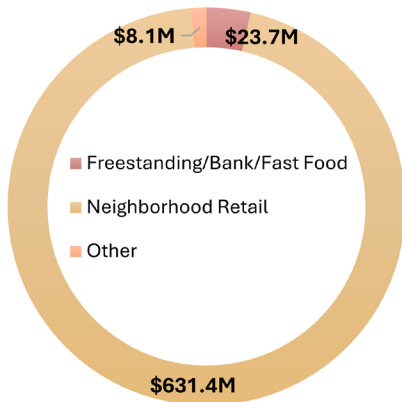
DAVID RACITI: Office properties have shown signs of renewed activity in 2024, with larger, high-value transactions drawing investor interest. While there is noticeable momentum in certain deals, the overall pace of transactions remains steady, reflecting a market still navigating post-pandemic realities.

Pricing dynamics suggest that buyers are factoring in the need for modernization and flexibility to meet evolving tenant demands. Remote work and hybrid setups continue to influence space requirements, leading to cautious but deliberate investments. Investors are focusing on well-located, adaptable properties with long-term potential, signaling a strategic approach to repositioning office assets in a changing landscape.

DATA POINTS

	2024	YoY
Total Volume	\$663M	↑ 5.5%
Velocity	154 Trades	↑ 28%
Avg. Deal Price	\$4.3M	↓ 18%
Avg. Price / SF	\$746	↑ 1.0%

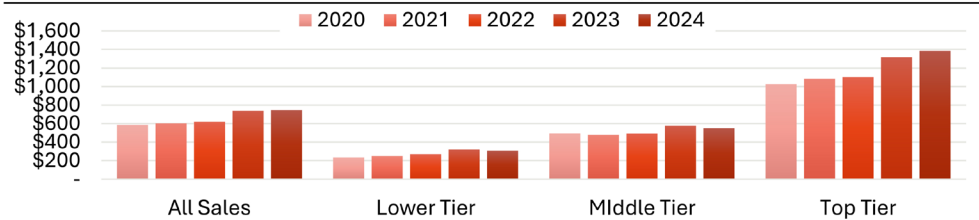
VOLUME BY TYPE: 2024



VOLUME HISTORY



AVERAGE PRICE PER SF



FEATURED TRANSACTIONS



833 & 847 Flatbush Ave | Flatbush

SALE PRICE: \$12,462,030
BUILDING SF: 31,710 SF
PPSF: \$393



102 N 6th St | Williamsburg

SALE PRICE: \$28,627,561
BUILDING SF: 16,924 SF
PPSF: \$1,692



141 Berry St | Williamsburg

SALE PRICE: \$35,000,000
BUILDING SF: 11,250 SF
PPSF: \$3,111



342 Livingston St | Downtown Bklyn

SALE PRICE: \$3,126,950
BUILDING SF: 2,719 SF
PPSF: \$1,150

VIEWPOINTS

DAVID RACITI: Retail properties have faced significant challenges in recent years, but 2024 has shown signs of stabilization with increased market activity. Total transaction volume has grown, accompanied by a notable rise in velocity, as more deals are being made. These trends reflect renewed investor interest, despite the lingering impact of broader economic pressures on pricing. Tenants are also demonstrating resilience, regaining confidence and signing leases as they navigate evolving market conditions.

MICHELLE LALA:

Properties in prime locations with strong tenants remain highly sought after, attracting considerable interest even when some vacancies are present. These well-situated assets continue to draw buyers due to their potential for long-term stability. While pricing adjustments are evident, the increased activity highlights cautious optimism and a willingness among both investors and tenants to adapt and engage in this evolving market.

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