



## BROOKLYN'S 2024 INVESTMENT SALES RISE 37% TO \$7.15 BILLION Y-O-Y, SIXTH TIME BOROUGH'S SALES SURPASS \$7 BILLION

**New York, NY – January 31, 2025** – The Brooklyn investment sales market in 2024 jumped 37% year-over-year to \$7.15 billion in 2024, the sixth time the borough's sales surpassed \$7 billion, according to Ariel Property Advisors' [Brooklyn 2024 Year-End Commercial Real Estate Trends report](#). Transactions rose 5% year-over-year to 890.



“The investment sales market began the year facing uncertainty from a confluence of legislative and economic factors,” said Ariel Director Steve Vorvolakos. “However, as clarity emerged, investor confidence improved and activity in Brooklyn took off.”

Partner Sean R. Kelly, Esq. noted, “The introduction of the 485-X tax abatement last year revitalized the rental development market, encouraging developers to get off the sidelines and submit bids on available sites. Despite this, the 485X abatement poses some challenges, particularly for larger properties (100+ units) with higher prevailing wage requirements, prompting some developers to subdivide parcels to mitigate these obligations.”

Associate Director Nicole Daniggelis added that multifamily assets accounted for 49% of the borough's dollar volume, driven by recapitalizations, forced sales and foreclosures. “Institutional-level transactions propelled dollar growth in the multifamily sector, highlighted by the \$672 million deed-in lieu-of-foreclosure sale of a property 9 Dekalb from JDS Development to Silverstein Capital Partners, the second largest sale in New York City in 2024,” she said.

### Multifamily Highlights

- Brooklyn's multifamily market rebounded in 2024 after a challenging 2023, recording 517 transactions valued at \$3.48 billion—a 59% increase in dollar volume year-over-year.
- The average price per square foot rose from \$374 in 2023 to \$391 in 2024. Notably, fully free-market buildings accounted for 76% of the \$2.47 billion in MF-MU properties with 10+ units sold last year, up sharply from 43% in 2023.
- Brooklyn's average cap rate hit 6.63% in 2024, the highest since 2012, as elevated interest rates and NYC regulations weighed on the market. Discounted trades included 109 Gold Street, which sold for \$15.1 million (25% below its 2015 price), and 25 Monroe Place, which traded at \$43.5 million (13% below its 2015 value).

- Smaller, tax-class-protected free-market properties exempt from rent stabilization accounted for 82% of multifamily transactions for the borough. Bedford-Stuyvesant led the borough with over 55 multifamily sales, though only two exceeded \$5 million.

### **Development Highlights**

- Brooklyn's development dollar volume saw a 10% year-over-year increase, rising to \$1.33 billion. Transactions also increased but only by 2% to 137.
- Most of the sites that were purchased throughout Brooklyn will be developed into rental housing. However, in markets like Williamsburg, where most of the transactions were sub-\$10 million, more infill condominium development is expected.
- Williamsburg continued to lead the development market, finishing the year with 26 transactions for \$116 million, roughly \$4.5 million per transaction. Three other neighborhoods—Downtown Brooklyn, Gowanus, and Greenpoint— also surpassed \$100 million in transactional volume.
- The City of Yes was generally well received, but it's too early to say what its impact will be on development pricing.

### **Industrial / Warehouse / Storage Highlights**

- The Brooklyn industrial and warehouse market had a remarkable 2024, with 111 transactions totaling over \$1.1 billion, representing year-over-year increases of 28% and 59%, respectively.
- The highest price per square foot ever recorded in Brooklyn—\$582/SF—was achieved in 2024, further illustrating the market's strength. A key transaction was Prologis's acquisition of 410 Kingsland Ave from ExxonMobil for \$120 million.
- Williamsburg led the borough with 20 transactions totaling \$171 million, followed by Sunset Park with 16 sales totaling \$135 million. Despite only 6 transactions, Red Hook saw the highest total dollar volume at \$165.9 million, mainly driven by Terreno Realty Corporation's acquisition of 280 Richards Street—an Amazon-leased warehouse—from Thor Equities for \$156,250,000.

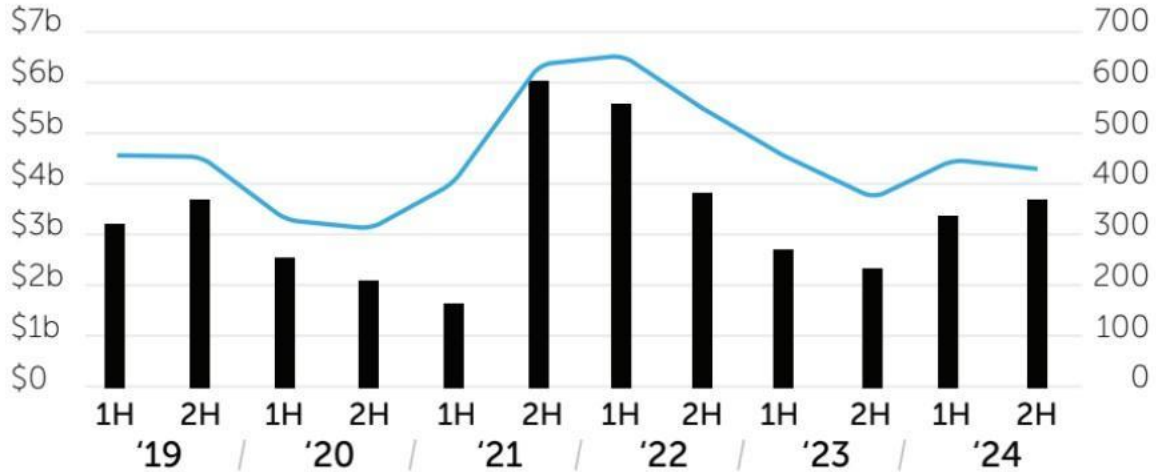
### **Retail Highlights**

- The Brooklyn commercial/retail market rebounded significantly in 2024, marking the third-best year on record for the borough. A total of 81 transactions generated \$641.5 million in sales, reflecting year-over-year increases of 19% and 48%, respectively.
- Institutional capital drove much of this activity, highlighted by Empire State Realty Trust's diversification into Brooklyn retail with the L3 Capital Commercial Portfolio in Williamsburg. The \$143 million transaction, at \$2,050 per square foot, exemplifies the growing demand for prime retail corridors. Tenants include Nike, Santander, Hermes, and Chanel, signaling confidence in Brooklyn's luxury retail landscape.
- Gateway Center Mall in East New York secured a \$300 million refinance loan to modernize its 607,483-SF hub, anchored by tenants like JCPenney and Target.
- Brooklyn's retail market concluded 2024 with an average price of \$721 per square foot, an historic high and a significant rise from \$632 in 2023.

Ariel Property Advisors' Brooklyn 2024 Year-End Commercial Real Estate Trends report is available [here](#).

## Real Estate Timeline

■ Dollar Vol | ↗ Transaction Vol



### About Ariel Property Advisors

Ariel Property Advisors is a New York City-based commercial real estate services and advisory company offering expertise in three core areas: Investment Sales, Capital Services and Research & Advisory. Our Investment Sales Group specializes in all major commercial asset types throughout the New York metropolitan area, the Capital Services Group provides clients nationwide with custom-tailored financing solutions and the Research & Advisory team delivers timely market reports, empowering both our professionals and clients. Additionally, our recent strategic partnership with GREA (Global Real Estate Advisors), a nationwide network of independent real estate investment services companies, further expands our reach and capabilities. To learn more, please visit us at [arielpa.nyc](http://arielpa.nyc).