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Brooklyn Multifamily Slated for Positive Price Growth into 2020

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*Garrett Derderian
CORE*

NEW YORK CITY - Brooklyn contract activity for condos, apartments and townhomes has increased, rounding out Q3 2019 on the upside for buyers, who see the market as attractive well into 2020.

Contract activity has increased 16% year-over-year in the borough that has seen great migration of buyers into East and South Brooklyn, where the buyer pool has expanded and raised demand. Brooklyn markets, far-reaching from Manhattan, have experienced accelerated price growth, with more than 51% of inventory priced at \$1 million or more at the end of the third quarter, a borough first, according to a CORE Q319 Brooklyn Market Report.

“When the price point for buyers is at a healthy level, they’re going to engage the market,” Garrett Derderian, managing director of market analysis at CORE, tells GlobeSt. “Tenants are migrating further into the borough, which is driving pricing.”

Brooklyn fared better than Manhattan, which saw a decline in contract activity in the residential and multifamily sectors.

Manhattan has a smaller buyer pool due to higher prices for assets that tend to sell for less in Brooklyn. The borough only has 9% of inventory priced above three million.

An uptick in demand for assets located in Williamsburg, Brooklyn, helped plump overall contract activity – recovering from a drop in prices after the announcement of an L-Train shutdown, which amounted to a slowdown. “Expect that market to see increased price growth,” Derderian said. “The L-Train is now dated for completion 3 months ahead of schedule.”