



**MASSEY  
KNAKAL**

Realty Services

*A Supplement to  
The Building Sales Journal*

# BROOKLYN BUILDING SALES REPORT

1<sup>ST</sup> HALF 2009

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**Transaction Volume and Turnover**

During the first half of 2009 (1H09), the Brooklyn building sales market had 207 closed transactions consisting of 239 properties. The number of transactions was down 65.3% from 1H08, and 76.6% from 1H07, the most active half year. Volume is running at 0.73% of the total stock of properties in the Brooklyn marketplace on an annualized basis. To put this number in perspective, the lowest turnover we have seen in the last 25 years was 1.6% in 1992 and 2003, both of which were years at the end of recessionary periods and cyclical highs in unemployment. Transaction volume for the 2Q09 was down 42.3% from 1Q09.

**Dollar Volume**

The aggregate sales consideration in 1H09 was \$307,599,926. This figure was down 74.9% from 1H08 and down 82.6% from the peak half year of 2H07. While the volume figures above reflect activity across all property types, below we examine pricing trends based on product type. Please note that with regard to pricing below, cap rates and Gross Income Multiples (GIM) can vary widely between geographic locations and conditions of properties throughout the borough.

**Walk-Up Apartment Buildings**

The average capitalization rate for walk-up apartment buildings was 7.73% in 1H09, showing an upward shift of 113 basis points from 2H08 and 192 basis points from its low of 5.83% in 2H07. The average gross income multiple (GIM) dropped to 8.4 in 1H09 from 10.5 where it peaked in both 2H08 and 2H07. Correspondingly, the median price per square foot (\$/SF) was \$148, down 18.2% from 1H08 and 24.1% from its peak in 2H06.

**Elevated Apartment Buildings**

Elevated apartment building cap rates in 1H09 averaged 5.73%, up 83 basis points from 2H08 and up 133 basis points from its low of 4.40% in 1H06. The average GIM dropped to 8.9 in 1H09 from 9.8 in 2H08 and its peak of 11.7 in 2H07. Moreover, the median \$/SF was \$91, down 22.9% from its 2H08 peak.

**Mixed-Use Buildings**

Mixed use properties produced average cap rates during 1H09 of 6.32% up 32 basis points from its low in 2H08 of 6.00%. Median \$/SF was \$228, down 13.9% from 2H08 and down 14% from its 2H07 peak.

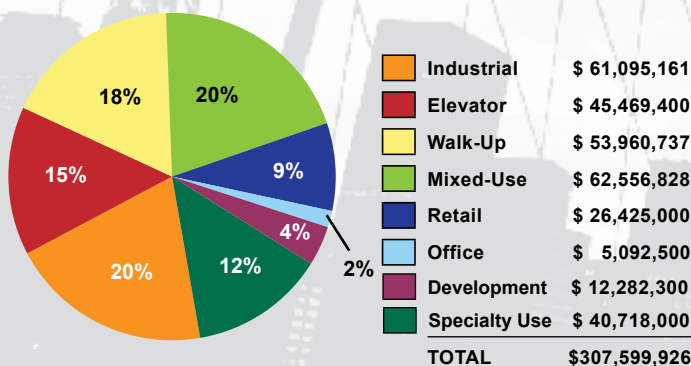
**Other Property Types**

In other property types, the median \$/SF for industrial properties was \$135 per square foot in 1H09 while the median \$/SF for office buildings was \$255 per square foot.

In general, the Brooklyn building sales market has seen a reduction in activity and value. The trend has certainly been toward smaller transactions, for which there is plentiful debt available from community and regional banks. We have also seen a resurgence of high net worth individuals, old-line families and neighborhood owners who had been overpowered by operators backed by institutional capital for the past several years. We anticipate the volume of sales increasing slightly as we move past the paralysis in the market which we witnessed after the failure of Lehman Brothers on September 15, 2008 and the dismantling of Wall Street as we knew it. Based on current market activity, we expect volume to increase as prices drop in 2H09 due to eroding fundamentals caused by increasing unemployment.

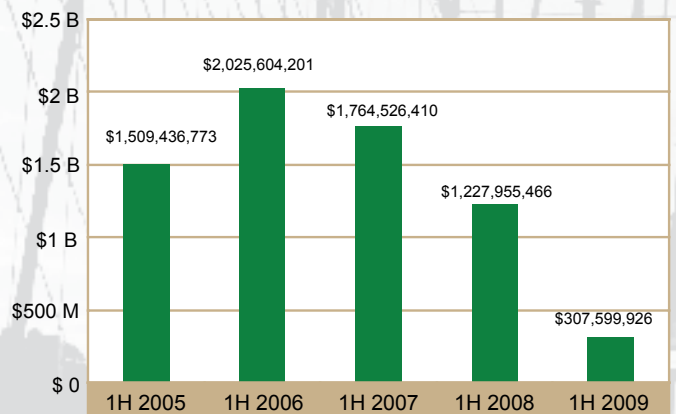
**DOLLAR VOLUME**

1<sup>ST</sup> HALF 2009



**FIRST HALF DOLLAR VOLUME**

2005 - 2009



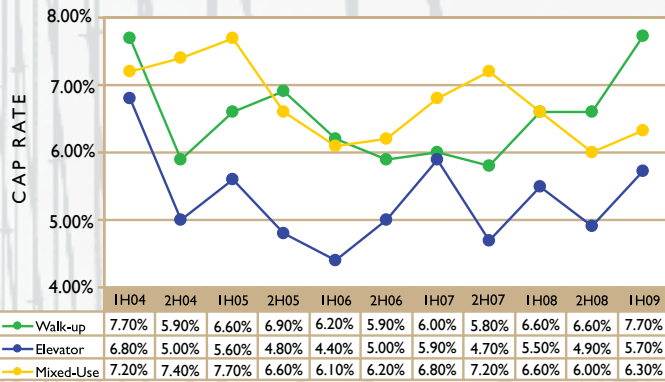
# BROOKLYN BUILDING SALES DATA

# 1<sup>ST</sup> HALF 2009

Data is based on all sales from the first half of 2009.

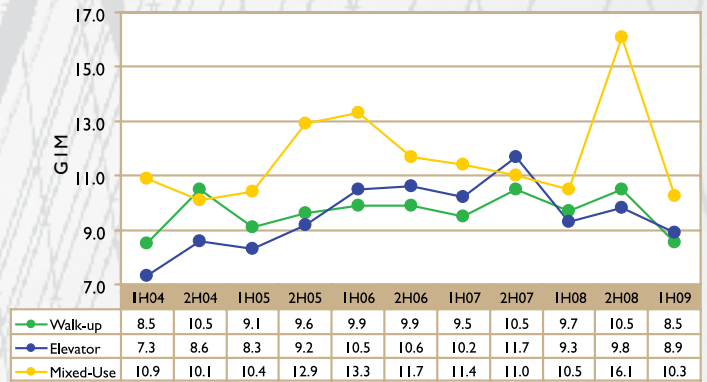
## CAP RATE

1<sup>ST</sup> HALF 2009



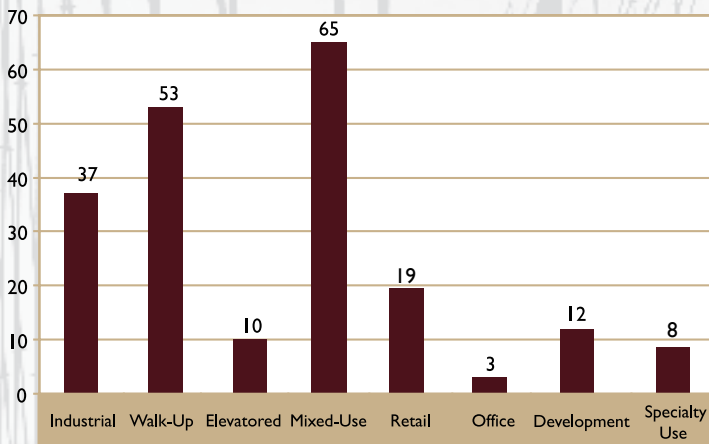
## GROSS INCOME MULTIPLE

1<sup>ST</sup> HALF 2009



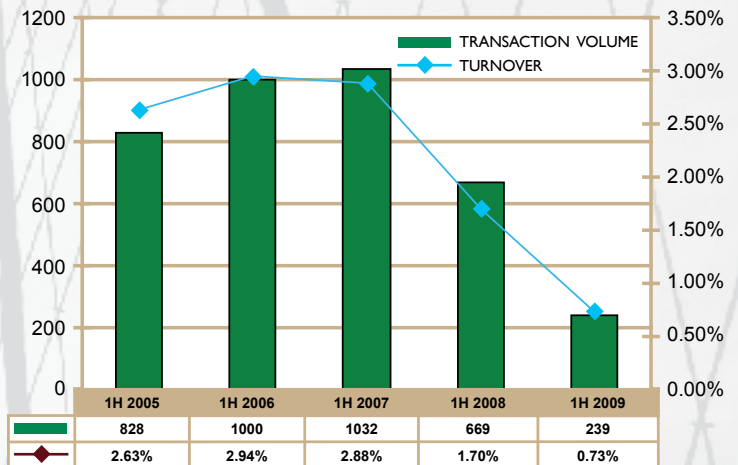
## TRANSACTION VOLUME BY PROPERTY TYPE

1<sup>ST</sup> HALF 2009



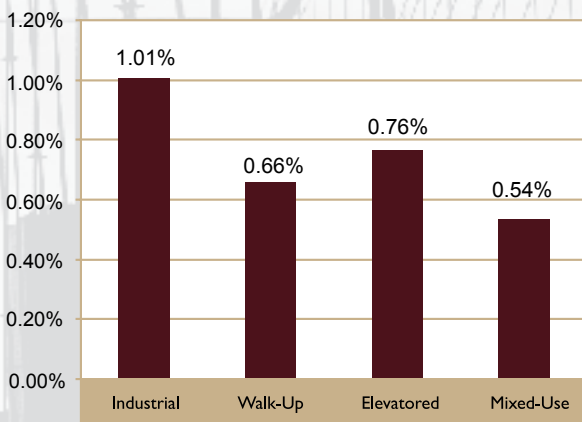
## FIRST HALF TOTAL TRANSACTION VOLUME & ANNUALIZED TURNOVER RATE

2005 - 2009



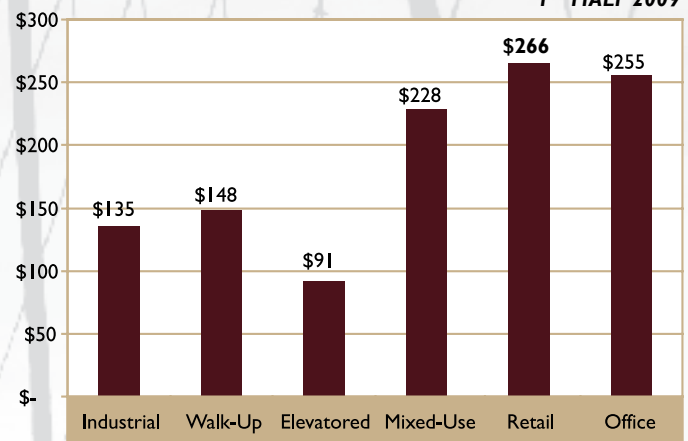
## ANNUALIZED TURNOVER RATE BY PROPERTY TYPE

1<sup>ST</sup> HALF 2009



## MEDIAN PRICE PER SQUARE FOOT BY PROPERTY TYPE

1<sup>ST</sup> HALF 2009



## INDUSTRIAL

AVG. PRICE: \$1,678,500  
GROSS SF: 163,629

AVG. PRICE / SF: \$102  
Q2 TOTAL SALES: 10



**1**  
145 12<sup>TH</sup>  
STREET

PRICE: \$675,000  
DATE: 4/1/2009  
GROSS SF: 5,000  
PRICE / SF: \$135



**2**  
1032 UTICA  
AVENUE

PRICE: \$1,135,000  
DATE: 4/2/2009  
GROSS SF: 4,800  
PRICE / SF: \$236



**3**  
2207 ALBERMARLE  
ROAD

PRICE: \$5,170,000  
DATE: 4/3/2009  
GROSS SF: 70,800  
PRICE / SF: \$73



**4**  
186 24<sup>TH</sup>  
STREET

PRICE: \$1,300,000  
DATE: 4/27/2009  
GROSS SF: 5,811  
PRICE / SF: \$224



**5**  
22-46 POWEL  
STREET

PRICE: \$1,700,000  
DATE: 4/29/2009  
GROSS SF: 22,650  
PRICE / SF: \$75



**6**  
5725 FOSTER  
AVENUE

PRICE: \$1,550,000  
DATE: 5/7/2009  
GROSS SF: 23,800  
PRICE / SF: \$65



**7**  
211-215 COOK  
STREET

PRICE: \$1,150,000  
DATE: 5/12/2009  
GROSS SF: 10,000  
PRICE / SF: \$115



**8**  
159 42<sup>ND</sup>  
STREET

PRICE: \$1,300,000  
DATE: 5/13/2009  
GROSS SF: 7,978  
PRICE / SF: \$163



**9**  
551 39<sup>TH</sup>  
STREET

PRICE: \$1,135,000  
DATE: 5/15/2009  
GROSS SF: 4,900  
PRICE / SF: \$232



**10**  
3379-81 SHORE  
PARKWAY

PRICE: \$1,670,000  
DATE: 5/21/2009  
GROSS SF: 7,890  
PRICE / SF: \$212

## 5+ FAMILY ELEVATOR

AVG. PRICE: \$6,266,667  
GROSS SF: 199,328

AVG. PRICE / SF: \$94  
Q2 TOTAL SALES: 3



**11**  
720 ST. MARK'S  
AVENUE

PRICE: \$4,275,000  
DATE: 4/7/2009  
GROSS SF: 65,046  
PRICE / SF: \$66  
UNITS: 60  
CAP RATE: 4.68%  
GRM: 8.2  
PR. / UNIT: \$71,250



**12**  
40 EAST 17<sup>TH</sup>  
STREET

PRICE: \$3,300,000  
DATE: 4/30/2009  
GROSS SF: 42,058  
PRICE / SF: \$78  
UNITS: 42  
PR. / UNIT: \$78,571



**13**  
333 OVINGTON  
AVENUE

PRICE: \$11,225,000  
DATE: 5/20/2009  
GROSS SF: 92,224  
PRICE / SF: \$122  
UNITS: 119  
CAP RATE: 6.00%  
GRM: 9.0  
PR. / UNIT: \$94,328

## 5+ FAMILY WALK-UP

AVG. PRICE: \$1,541,818  
GROSS SF: 178,752

AVG. PRICE / SF: \$94  
Q2 TOTAL SALES: 11



**14**  
**131 STARR STREET**

PRICE: \$800,000  
DATE: 4/2/2009  
GROSS SF: 7,800  
PRICE / SF: \$103  
UNITS: 8  
CAP RATE: 6.10%  
GRM: 8.4  
PR. / UNIT: \$100,000



**15**  
**259 20TH STREET**

PRICE: \$750,000  
DATE: 4/6/2009  
GROSS SF: 4,680  
PRICE / SF: \$160  
UNITS: 6  
CAP RATE: 6.10%  
GRM: 9.1  
PR. / UNIT: \$125,000



**16**  
**394 MANHATTAN AVENUE**

PRICE: \$965,000  
DATE: 4/15/2009  
GROSS SF: 3,750  
PRICE / SF: \$257  
UNITS: 6  
CAP RATE: 7.90%  
GRM: 8.9  
PR. / UNIT: \$160,833



**17**  
**1733 80TH STREET**

PRICE: \$970,000  
DATE: 4/21/2009  
GROSS SF: 5,382  
PRICE / SF: \$180  
UNITS: 6  
PR. / UNIT: \$161,667



**18**  
**84 LAWRENCE AVENUE**

PRICE: \$3,150,000  
DATE: 4/22/2009  
GROSS SF: 32,000  
PRICE / SF: \$98  
UNITS: 35  
PR. / UNIT: \$90,000



**19**  
**473 E 92ND STREET**

PRICE: \$2,200,000  
DATE: 4/22/2009  
GROSS SF: 30,880  
PRICE / SF: \$71  
UNITS: 37  
PR. / UNIT: \$59,459



**20**  
**114-158 PENNSYLVANIA AVENUE**

PRICE: \$3,400,000  
DATE: 4/23/2009  
GROSS SF: 44,500  
PRICE / SF: \$76  
UNITS: 48  
CAP RATE: 9.29%  
GRM: 6.4  
PR. / UNIT: \$70,833



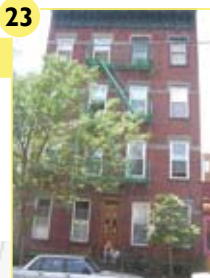
**21**  
**1150 PRESIDENT STREET**

PRICE: \$950,000  
DATE: 5/1/2009  
GROSS SF: 14,720  
PRICE / SF: \$65  
UNITS: 16  
PR. / UNIT: \$59,375



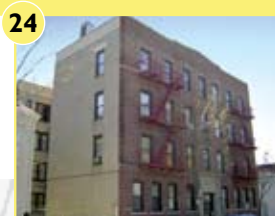
**22**  
**906 AVENUE S**

PRICE: \$1,375,000  
DATE: 5/7/2009  
GROSS SF: 10,440  
PRICE / SF: \$132  
UNITS: 12  
CAP RATE: 5.20%  
GRM: 9.5  
PR. / UNIT: \$114,583



**23**  
**172 N 8TH STREET**

PRICE: \$800,000  
DATE: 5/27/2009  
GROSS SF: 5,400  
PRICE / SF: \$148  
UNITS: 8  
PR. / UNIT: \$100,000



**24**  
**2708 CORTELYOU ROAD**

PRICE: \$1,600,000  
DATE: 6/16/2009  
GROSS SF: 19,200  
PRICE / SF: \$83  
UNITS: 23  
CAP RATE: 10.50%  
GRM: 5.3  
PR. / UNIT: \$69,565

## MIXED-USE

AVG. PRICE: \$1,159,583  
GROSS SF: 56,068

AVG. PRICE / SF: \$289  
Q2 TOTAL SALES: 14



**24**  
**6318 11TH AVENUE**

PRICE: \$920,000  
DATE: 4/2/2009  
GROSS SF: 4,740  
PRICE / SF: \$194



**25**  
**1651 SHEEPSHEAD BAY ROAD**

PRICE: \$900,000  
DATE: 5/5/2009  
GROSS SF: 2,250  
PRICE / SF: \$400



**26**  
**1607 SHEEPSHEAD BAY ROAD**

PRICE: \$1,325,000  
DATE: 5/5/2009  
GROSS SF: 3,576  
CAP RATE: 5.40%  
GRM: 11.2  
PRICE / SF: \$371



**27**  
**8617 5TH AVENUE**

PRICE: \$820,000  
DATE: 5/14/2009  
GROSS SF: 2,600  
CAP RATE: 8.00%  
GRM: 10.1  
PRICE / SF: \$315



**28**  
**1402 MERMAID AVENUE**

PRICE: \$1,150,000  
DATE: 5/21/2009  
GROSS SF: 5,265  
PRICE / SF: \$218

## MIXED-USE



**29**  
**7023 18<sup>TH</sup> AVENUE**

**PRICE:** \$1,200,000  
**DATE:** 5/27/2009  
**GROSS SF:** 5,200  
**PRICE / SF:** \$231



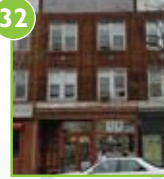
**30**  
**21 GREENPOINT AVENUE**

**PRICE:** \$1,320,000  
**DATE:** 5/28/2009  
**GROSS SF:** 3,500  
**PRICE / SF:** \$377



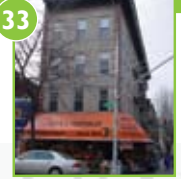
**31**  
**500 PROSPECT PLACE**

**PRICE:** \$991,158  
**DATE:** 4/1/2009  
**GROSS SF:** 3,360  
**PRICE / SF:** \$295



**32**  
**140 COURT STREET**

**PRICE:** \$1,300,000  
**DATE:** 6/2/2009  
**GROSS SF:** 3,300  
**PRICE / SF:** \$394



**33**  
**7302 3<sup>RD</sup> AVENUE**

**PRICE:** \$2,135,000  
**DATE:** 6/3/2009  
**GROSS SF:** 7,800  
**PRICE / SF:** \$274  
**CAP RATE:** 5.40%  
**GRM:** 12.0



**34**  
**7311 3<sup>RD</sup> AVENUE**

**PRICE:** \$1,125,000  
**DATE:** 6/3/2009  
**GROSS SF:** 3,600  
**PRICE / SF:** \$313  
**CAP RATE:** 4.80%  
**GRM:** 12.5



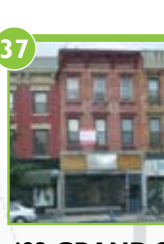
**35**  
**6606 18<sup>TH</sup> AVENUE**

**PRICE:** \$1,318,000  
**DATE:** 5/20/2009  
**GROSS SF:** 2,560  
**PRICE / SF:** \$515



**36**  
**4319 14<sup>TH</sup> AVENUE**

**PRICE:** \$850,000  
**DATE:** 6/9/2009  
**GROSS SF:** 4,417  
**PRICE / SF:** \$192



**37**  
**483 GRAND STREET**

**PRICE:** \$880,000  
**DATE:** 6/5/2009  
**GROSS SF:** 3,900  
**PRICE / SF:** \$226

## RETAIL

**AVG. PRICE:** \$947,500 **AVG. PRICE / SF:** \$186  
**GROSS SF:** 10,200 **Q2 TOTAL SALES:** 2



**38**  
**3140 CONEY ISLAND AVENUE**

**PRICE:** \$1,000,000  
**DATE:** 4/22/2009  
**GROSS SF:** 3,200  
**PRICE / SF:** \$313



**39**  
**2613 AVENUE U**

**PRICE:** \$895,000  
**DATE:** 5/15/2009  
**GROSS SF:** 7,000  
**PRICE / SF:** \$128

## DEVELOPMENT

**AVG. PRICE:** \$1,266,150 **AVG. PRICE / SF:** \$171  
**GROSS SF:** 14,728 **Q2 TOTAL SALES:** 2



**40**  
**101/103 BOERUM PLACE**

**PRICE:** \$825,500  
**DATE:** 5/6/2009  
**LOT AREA:** 2,400  
**ZONING:** R6  
**FAR:** 2.43  
**BSF:** 5,832  
**PRICE / BSF:** \$142



**41**  
**1538 47<sup>TH</sup> STREET**

**PRICE:** \$1,700,000  
**DATE:** 6/15/2009  
**LOT AREA:** 4,007  
**ZONING:** R6  
**FAR:** 2.22  
**BSF:** 8,896  
**PRICE / BSF:** \$192

## SPECIALTY USE

**AVG. PRICE:** \$2,176,000 **AVG. PRICE / SF:** \$156  
**GROSS SF:** 41,790 **Q2 TOTAL SALES:** 3



**42**  
**64-70 NORTH 9<sup>TH</sup> STREET**

**PRICE:** \$3,500,000  
**DATE:** 5/8/2009  
**GROSS SF:** 25,000  
**PRICE / SF:** \$140



**43**  
**9701 AVENUE L**

**PRICE:** \$1,253,000  
**DATE:** 5/10/2009  
**GROSS SF:** 9,790  
**PRICE / SF:** \$128



**44**  
**2632 E 14<sup>TH</sup> STREET**

**PRICE:** \$1,775,000  
**DATE:** 5/12/2009  
**GROSS SF:** 7,000  
**PRICE / BSF:** \$254

Massey Knakal is uniquely able to produce this comprehensive sales report because of our exclusive Territory System. Each sales agent continuously tracks all property sales that occur in his or her territory. For more information about particular transactions, contact a neighborhood sales agent below:

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Clinton Hill / Fort Greene

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Gowanus / Park Slope  
Carroll Gardens  
Cobble Hill / Red Hook  
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Waterfront District

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Canarsie / Flatlands  
Marine Park / Brownsville  
Ocean Hill / Cypress Hill  
Mill Basin / New Lots  
Weeksville

**BRIAN HANSON**

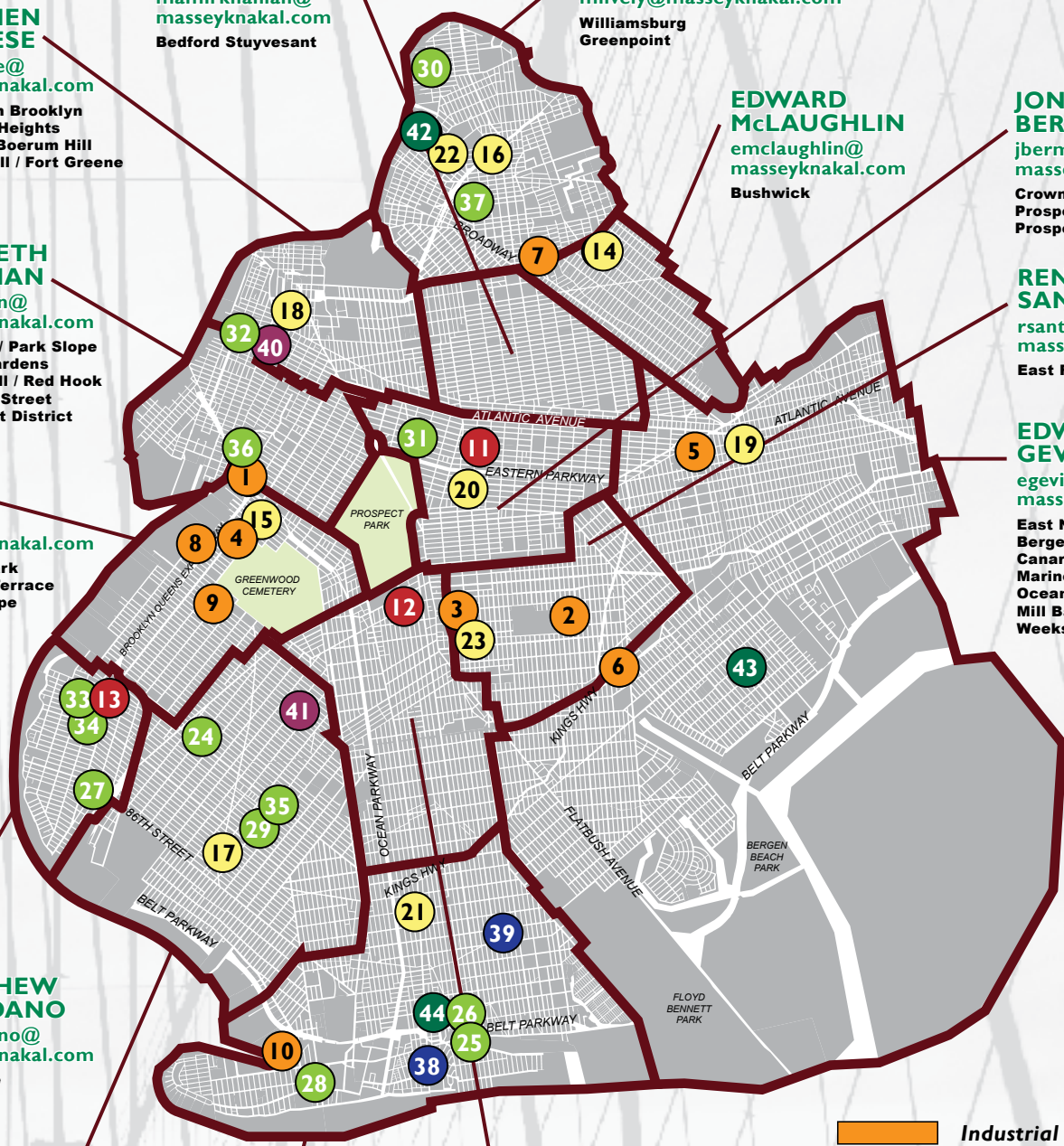
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Sheepshead Bay  
Coney Island / Homecrest  
Brighton Beach  
Manhattan Beach

**ERIC GREENFIELD**

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Ditmas Park / Flatbush  
Kensington / Ocean Parkway  
Midwood



- Industrial
- 5+ Family Elevator
- 5+ Family Walk-Up
- Mixed-Use
- Retail / Commercial
- Development
- Specialty Use

# BROOKLYN BUILDING SALES | 1<sup>ST</sup> HALF 2009



Realty Services

## METHODOLOGY

The Cap Rates, Gross Income Multipliers, Median Price per Square Foot and Total Volume presented in this report pertain to closed sales researched by or sold by Massey Knakal Realty Services during the period 1/1/09 - 6/30/09. These transactions occurred at a minimum sales price of \$500,000 and were located in Brooklyn. These sales may be found in the public record and were reported by ACRIS and other sources deemed reliable. This information has been compiled for informational purposes only and Massey Knakal Realty Services shall not be liable for any reliance thereon.

We use the following of New York classifications:

- Industrial buildings: B, CO and C3.
- 5+ Family Walk-Up buildings: C1, C2, C4, C5, C7, C8 and C9 (excluding C6 which represent Co-Ops).
- 5+ Family Elevatored buildings: D1, D2, D3, D5, D6, D8 and D9 (excluding D0, D4 which represent Co-Ops).
- Mixed-Use buildings: K and S classes.
- Retail buildings: L1, L8, L9, O, R5, R7 and R8.
- Office buildings and commercial condos: O, R5, R7 and R8.
- Development: VO, V1, V2 and other buildings that were purchased for development.
- Specialty Use: Buildings that, because of their intended uses (such as religious, medical, government, educational, non-profit uses), do not fall into any of the above building classes.

Each sale was analyzed and categorized on a case by case basis.

**Cap Rate:** net operating income divided by the sales price.

**Gross Rent Multiplier:** sales price divided by the gross income.

**Median Price Per Square Foot:** sales price divided by gross building area above grade, as reported in the public record.

**Average Price Per Square Foot:** sales price divided by the building's gross square feet.

**Average Price Per Buildable Square Foot:** sales price divided by the building's maximum buildable square feet as allowed by the zoning of New York City.

**Turnover Rate:** number of sales divided by total inventory.

When expenses were not available for calculating the cap rate and gross rent multiplier for multi-family buildings, we used the following guidelines:

	6-20 Units	21-50 Units	51+ Units
<b>Real Estate Tax:</b>	Actual	Actual	Actual
<b>Vacancy &amp; Credit Loss:</b>	1.5%	1.5%	1.5%
<b>Water &amp; Sewer:</b>	\$.50 / sf	\$.50 / sf	\$.50 / sf
<b>Insurance:</b>	\$500 / unit	\$400 / unit	\$375 / unit
<b>Fuel:</b>	\$1.60 / sf	\$1.60 / sf	\$1.60 / sf
<b>Electric:</b>	\$.25 / sf	\$.25 / sf	\$.25 / sf
<b>Payroll:</b>	\$4,800 / year	\$20,000 / year	\$20,000 / year
<b>Cleaning &amp; Maintenance:</b>	\$300 / month	\$400-\$600 / month	\$1,000 / month
<b>Elevator Maintenance:</b>	\$4,000 elev / yr	\$5,000 elev / yr	\$5,000 elev / yr
<b>Repairs:</b>	\$550 unit / yr	\$550 unit / yr	\$550 unit / yr
<b>Management:</b>	5%	4%	3%

For more information or a complimentary property evaluation in today's market, please contact:

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