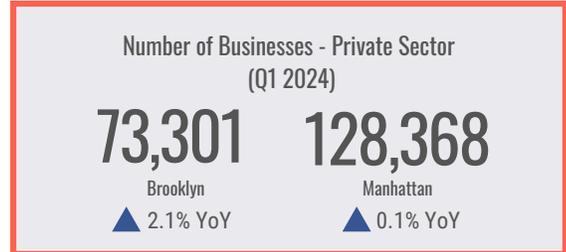


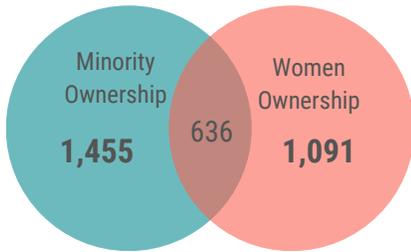
Business Activity

In Q3, the number of M/WBE grew by 69 businesses in Brooklyn. Among the total of 1,910 certified in the borough: 1,455 had minority owners and 1,091 had women owners.

Source: U.S. Bureau of Labor Statistics



M/WBE Tracker

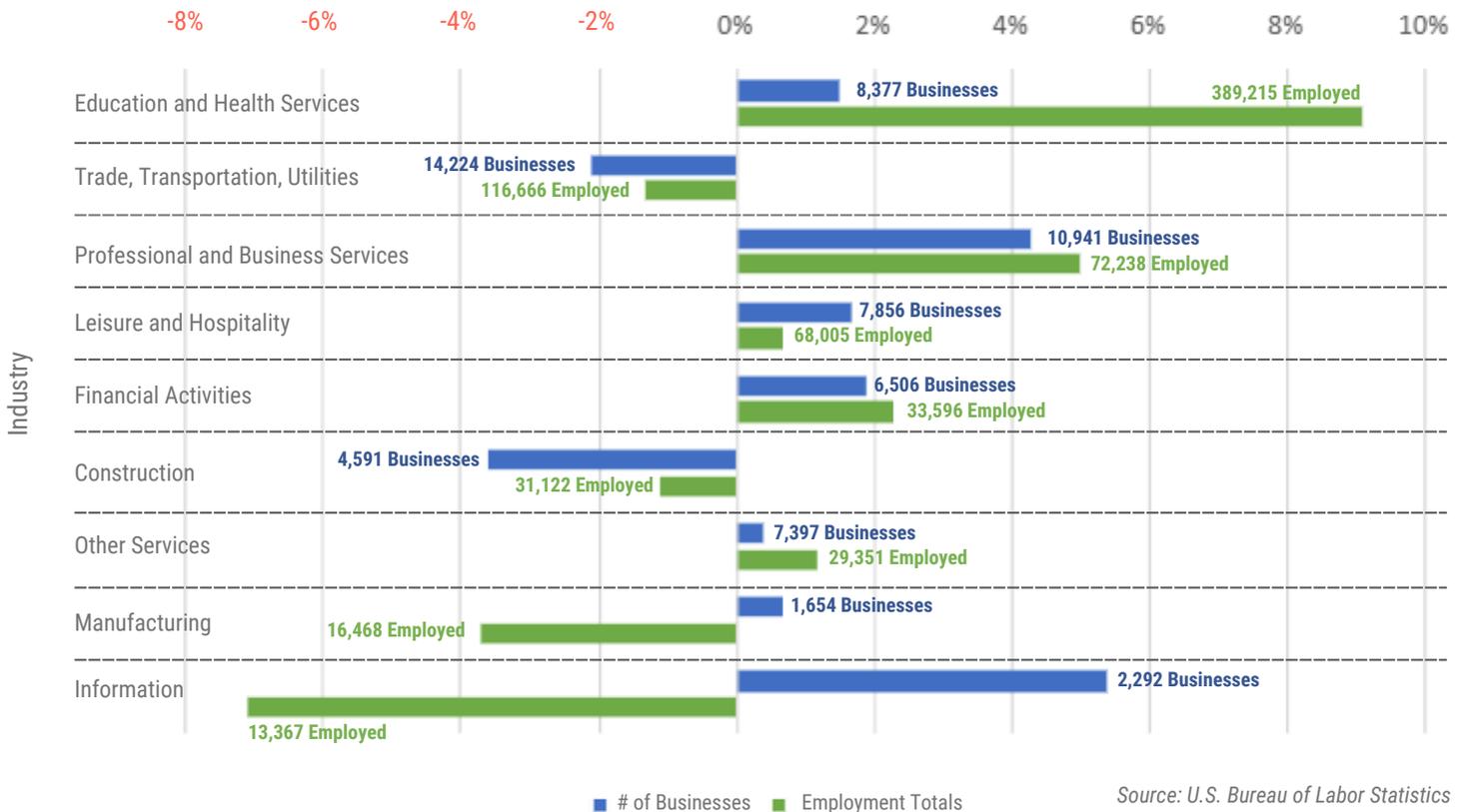


Number Certified M/WBE in Brooklyn
(October 2024)

Source: NYC Department of Small Business Services

The most recent data on business formation continues to illustrate Brooklyn as an economy of flourishing entrepreneurship, with the net number of privately owned businesses increasing by over 2% YoY. The Information industry saw the fastest growth on this measure by 5.4% YoY, though it remains the smallest nominally. The Trade, Transportation, and Utilities industry accounted for the largest number of existing enterprises at 14,224.

Private Sector Changes YoY
(Q1 2024 vs Q1 2023)



Source: U.S. Bureau of Labor Statistics

BROOKLYN

ECONOMIC SNAPSHOT



Labor Market

Brooklyn's unemployment rate ticked up to 5.7% in Q3, likely due to recent higher levels of labor force participation. The borough has largely mirrored NYC overall on this measure, though there remains a gap with the U.S. unemployment rate due to lingering COVID economic impacts. In Brooklyn, the Education and Health Services workforce is both the largest (389,215 employed in the private sector) and fastest growing (9.1% YoY), whereas the workforce in the Information industry shrunk the most at a rate of 7.1%.



Source: Federal Reserve Bank of St. Louis; NYCEDC

Office Market

While Brooklyn's office leasing activity in Q3 2024 was a 40% increase compared to the previous quarter, Q3 was still 29% below the quarterly average of the past 5 years. As this has been the case for the 7th consecutive quarter, the Brooklyn office market exhibits signs of persisting struggles in demand. One submarket did outperform this trend: startups in the creative and technology sectors was a driver to the Williamsburg/Greenpoint area's leasing activity, which surpassed the quarterly average by 64%. Additionally, with the 5 top transactions in Q3 taking place in new and renovated buildings, demand has followed recent developments. Overall, YTD absorption was +574,000 sf, and the availability rate stayed the same at Q2's 20.1%. In NYC, the number of office-using workers came back down from 2024's rebound earlier in the year.



Retail Real Estate Market

Brooklyn is a hot market for businesses in the food & beverage and fashion, wellness & beauty sectors looking to build a retail footprint. Features like vented space with gas and ample power supply have particular appeal. Retail leasing activity in the first half of 2024 was distinguished by solid demand and options for smaller retailers (<2,000 SF), but a limited inventory of larger storefronts (>7,000 SF). City of Yes rezoning and the availability of large retail space on the ground floor of new commercial/residential developments over primary corridors are shifts in the retail real estate market. Most storefront pricing across Brooklyn commercial corridors remain below prior peaks.

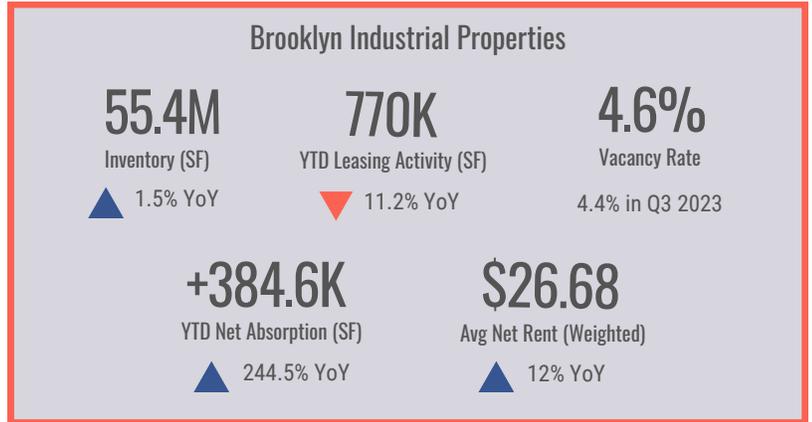


Source: REBNY Research, First Half 2024

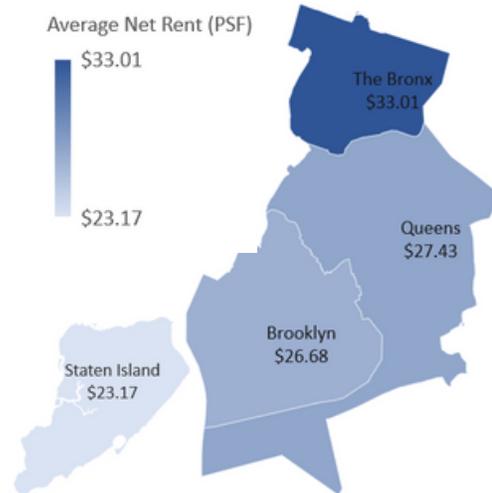
Industrial Real Estate Market

In the outer boroughs, YTD industrial leasing activity by the end of Q3 2024 has already matched that of the total activity in 2023. Brooklyn and Queens remain the market leaders in industrial properties, with both boroughs comprising 85.5% of Q3's leasing volume as well as the top 5 deals. A new trend to note: vacancy rates increased across the board compared to the previous quarter due to supply outpacing demand, with new construction and industrial spaces becoming available. Additionally, premium listings have maintained asking rents in the outer boroughs the highest in the nation - 36.2% more than the next highest market (San Francisco). On-site parking and industrial outdoor storage were key amenities that enhanced the demand of certain industrial spaces over others.

Source: Cushman & Wakefield, Industrial Q3 2024



Outer Borough Pricing and Vacancy



Brooklyn by the Numbers

2,736,074 Total Population	70 sq mi Land Area	\$125B Nominal GDP	62 Public Libraries
37 Median Age	\$76,912 Median Household Income	43.5% Bachelor's Degree or Higher	35.9% Born Outside the U.S.

Source: U.S. Census Bureau; Federal Reserve Bank of St. Louis; Brooklyn Public Library

For more information, contact:

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