

# BROOKLYN

## ECONOMIC SNAPSHOT

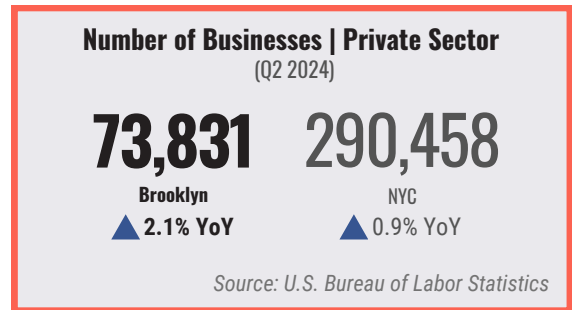
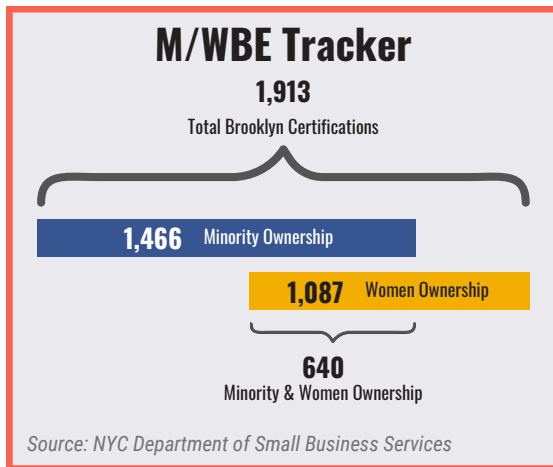


### Key Takeaways

- In a comparison of all U.S. counties to the year prior, Brooklyn recorded the greatest employment expansion (▲ 4%), according to the latest analysis by the U.S. Bureau of Labor Statistics.
- Q4 had the highest office leasing volume since 2022, as reported by CBRE.
- In the industrial real estate market, Brooklyn ended the year with a positive net absorption in contrast to 2023, based on the findings of Cushman & Wakefield.

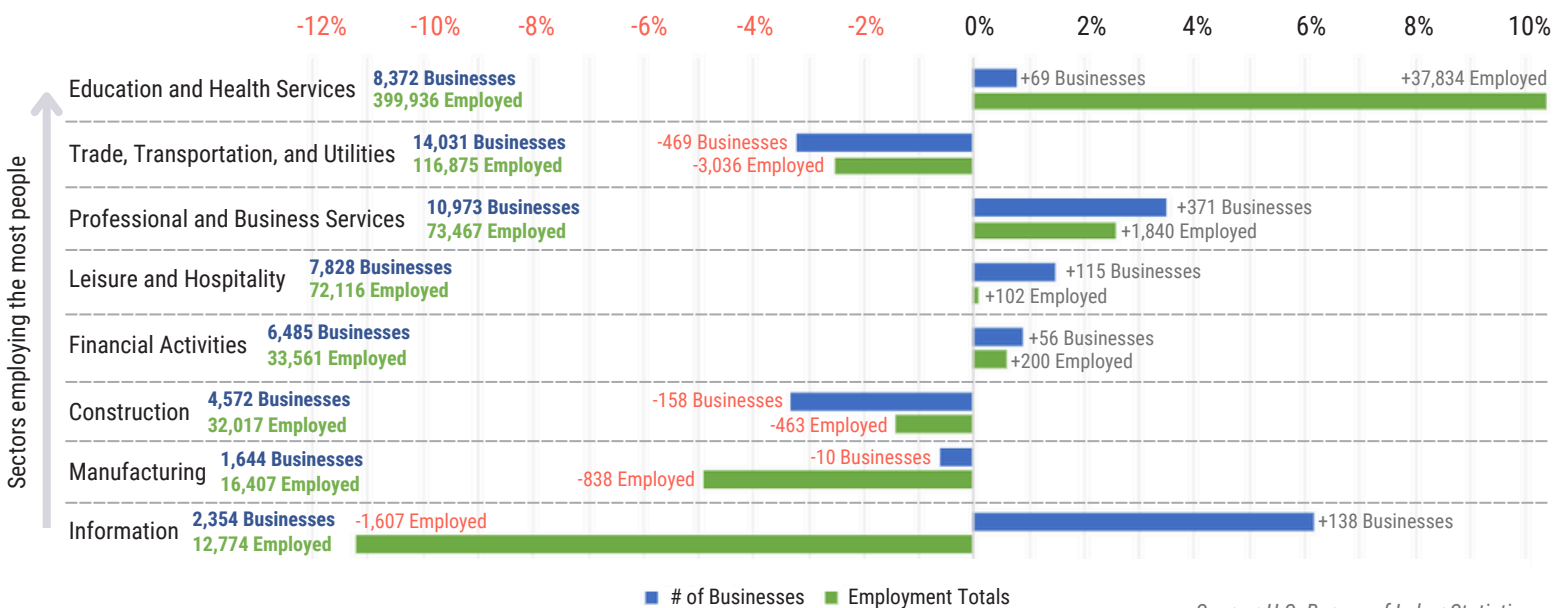
## Business Activity

As of January 2025, NYC Small Business Services listed 1,913 M/WBE certified businesses in Brooklyn.



Brooklyn has continued to demonstrate a 2% uptick in the number of private businesses, with the greatest year-over-year increases occurring in the Professional & Business Services and the Information sectors. The Trade, Transportation & Utilities category comprised of the largest number of private businesses, but reported fewer establishments than the previous year.

### Private Sector Percent Changes YoY (Q2 2024 vs Q2 2023)



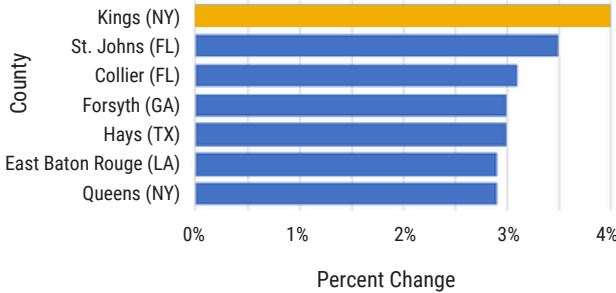
Source: U.S. Bureau of Labor Statistics

# BROOKLYN ECONOMIC SNAPSHOT



## Labor Market

Counties with the Largest Percent Changes in Employment YoY (June 2024 vs June 2023)



Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of St. Louis; NYCEDC

In a nationwide county-level analysis, Brooklyn led with the greatest year-over-year employment increase. Education and Health Services was the key sector behind this, which includes hospitals, care facilities, social assistance, and home health care. Other industries with job gains included architectural and engineering professional services and wholesale trade in lumber, construction materials, and commercial equipment.

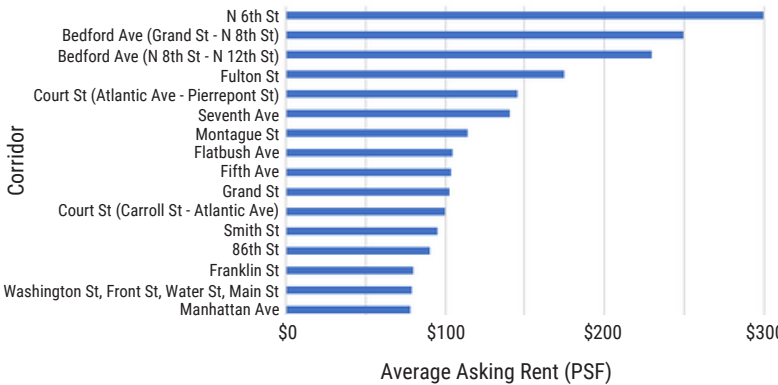
### Unemployment Rate (Dec 2024)

<b>5.5%</b>	<b>5.2%</b>	<b>4.1%</b>	<b>3.8%</b>
<b>Brooklyn</b>	<b>NYC</b>	<b>NYS</b>	<b>U.S.</b>
5.4% in Dec 2023	5.1% in Dec 2023	4.4% in Dec 2023	3.5% in Dec 2023

**Why the Gap?** | A higher unemployment rate has persisted in NYC's economic recovery from COVID, driven by a relatively larger (and thus more competitive) labor pool, different industry composition, and higher cost of living compared to national conditions.

## Retail Real Estate Market

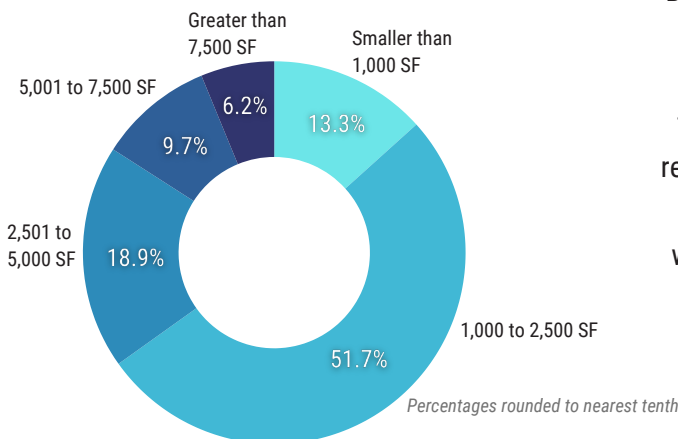
Brooklyn Retail Asking Rent by Corridor (2024)



Compared to the second half of 2023, average asking rent per sq ft...

- |   |  |
|---|--|
| <p><b>▲ Up</b></p> <ul style="list-style-type: none"> <li>Bedford Ave (Grand St - N 8th St) <b>[\$+\$55]</b></li> <li>Seventh Ave <b>[\$+\$29]</b></li> <li>Bedford Ave (N 8th St - N 12th St) <b>[\$+\$25]</b></li> <li>N 6th St <b>[\$+\$25]</b></li> <li>Grand St <b>[\$+\$8]</b></li> <li>Washington St, Front St, Water St, Main St <b>[\$+\$7]</b></li> <li>Manhattan Ave <b>[\$+\$5]</b></li> <li>Franklin Street <b>[\$+\$4]</b></li> </ul> | <p><b>▼ Down</b></p> <ul style="list-style-type: none"> <li>Court St (Atlantic Ave - Pierrepont St) <b>[-\$20]</b></li> <li>Fulton St <b>[-\$20]</b></li> <li>Court St (Carroll St - Atlantic Ave) <b>[-\$15]</b></li> <li>Montague St <b>[-\$11]</b></li> <li>86th St <b>[-\$8]</b></li> <li>Fifth Ave <b>[-\$7]</b></li> <li>Flatbush Ave <b>[-\$5]</b></li> <li>Smith St <b>[-\$4]</b></li> </ul> |
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Overall Ground-level Retail Space by Size

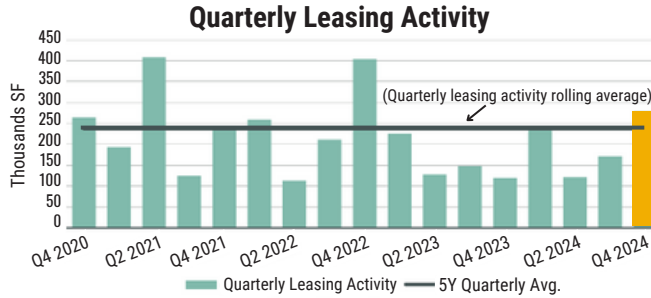


Brooklyn is a hot market for retailers in the food & beverage and the fashion, wellness & beauty sectors. Among the *available* retail spaces in the commercial corridors surveyed, 80% were smaller than 2,500 sq ft. Larger storefronts were more scarce due to fewer residential developments that would have created such ground-level space. Those looking for a retail footprint larger than 5,000 sq ft were more likely to find them in Downtown Brooklyn and Bay Ridge, where 48% are concentrated from "vacant department stores, banks, and pharmacies" - a lingering sign of COVID's impact.

Source: REBNY Research, Brooklyn Retail 2024

## Office Market

Brooklyn had a very active office market in Q4. Most notably, leasing activity reached its highest level since 2022, and was a 63% increase from the previous quarter. The borough ended the year with a positive absorption of 736k sq ft - more space leased than left vacant. Overall, 2024's office leasing activity was higher than that of 2023, but still sat 39% below pre-pandemic levels.



<b>278K</b> Total Leasing Activity (SF)	<b>18.2%</b> Vacancy Rate
<b>Average Asking Rent PSF</b>	
<b>\$54.74</b> Brooklyn	<b>\$76.83</b> Manhattan
<b>▲ 3% YoY</b>	<b>■ 0% YoY</b>

Source: CBRE, Brooklyn Office Q4 2024

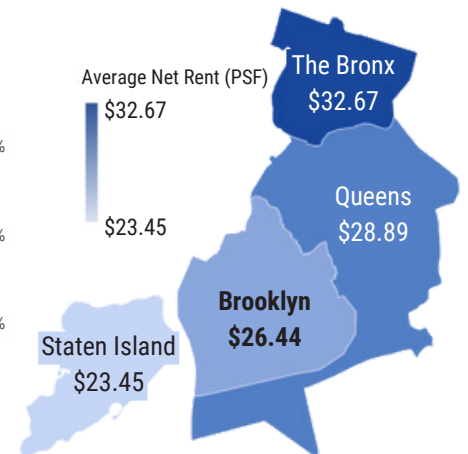
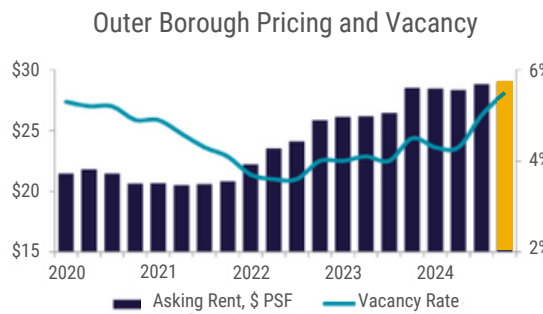
## Industrial Real Estate Market

In Q4, Brooklyn and Queens together once again accounted for the majority of industrial leasing activity. The industrial real estate market continues to have high confidence in the demand for industrial properties as new developments are slated. In contrast to last year, Brooklyn ended 2024 with a positive YTD absorption, of over 384k sq ft. Brooklyn transactions revealed high interest in outdoor and low building density storage sites.

Source: Cushman & Wakefield, Industrial Q4 2024

**Brooklyn Industrial Properties**

<b>54.3M</b> Inventory (SF) ▲ 1.24% YoY	<b>1M</b> YTD Leasing Activity (SF) ▲ 9.9% YoY	<b>4.6%</b> Vacancy Rate 4.5% in Q4 2023
<b>+384.7K</b> YTD Net Absorption (SF) -219.8K in Q4 2023	<b>\$26.44</b> Avg Net Rent (Weighted) ▲ 7.4% YoY	



## Brooklyn by the Numbers

<b>2,736,074</b> Total Population	<b>72 sq mi</b> Land Area	<b>\$125B</b> Nominal GDP	<b>62</b> Public Libraries
<b>37</b> Median Age	<b>\$76,912</b> Median Household Income	<b>43.5%</b> Bachelor's Degree or Higher	<b>35.9%</b> Born Outside the U.S.

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