

BROOKLYN ECONOMIC SNAPSHOT

Economic Development Headlines to Watch | What implications will the state and city budgets have for Brooklyn businesses?

State Budget (*passed May 2025*)

- **Energy:** \$300 million is invested into the POWER UP Fund to enhance under-developed sites, making them power-ready to attract industries like advanced manufacturing with anticipated high energy needs. (FY 2026 Executive Budget Briefing Book)
- **Healthcare:** NYS allocated \$1 billion for capital and \$300 million for operating resources to the Safety Net Hospital Transformation Program, but the plan is expected to fall short of the needed revenue due to new federal restrictions on the MCO tax. (Empire Center)

City Budget (*passed June 2025*)

- **Minority Owned Business:** \$1 million is allocated for a new Accelerator program to help minority-owned businesses access and secure private sector contracts. (New York City Council)

Private Sector Overview

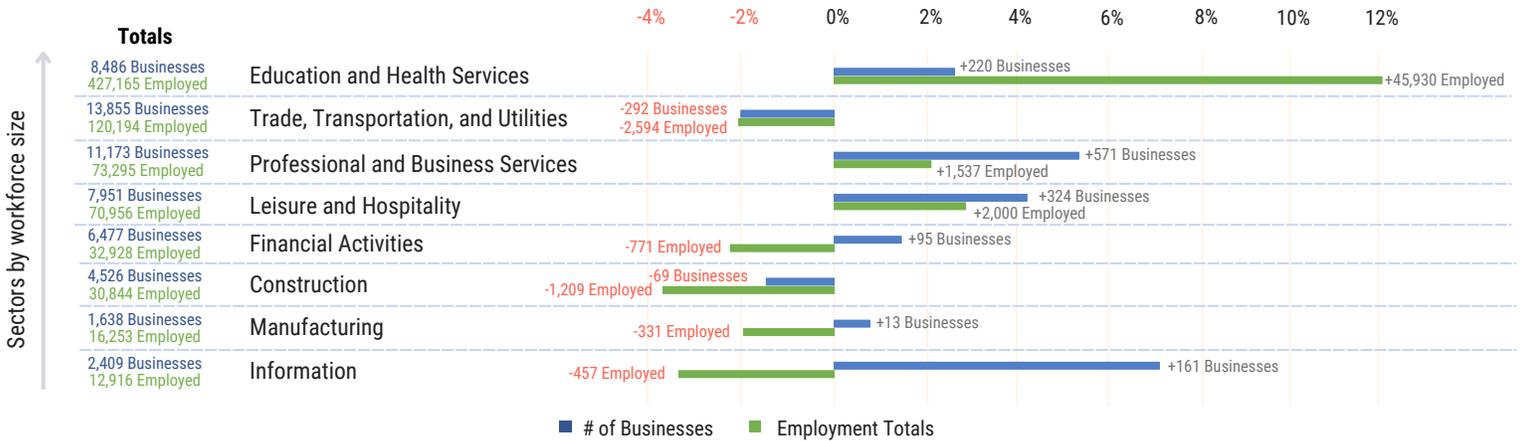
Source: U.S. Bureau of Labor Statistics

Number of Businesses
(Q4 2024)

74,141 289,860

▲ 3.2% YoY ▲ 1.9% YoY
Brooklyn NYC

Shifts in the Private Sector (Q4 2024 vs Q4 2023)

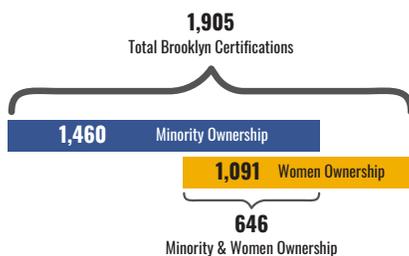


The **Education and Health Services**, **Professional and Business Services**, and **Leisure and Hospitality** sectors in Brooklyn have been consistent **areas of growth** in both the number of business establishments and job creation, often exceeding broader city trends. In the Leisure and Hospitality sector, for instance, although Manhattan still retains the majority of the city's hotel accommodations, **the number of hotel rooms in Brooklyn grew by 500%** over the past 2 decades, outpacing NYC's overall increase of 78% and underscoring Brooklyn as the leading borough for future development.

Source: Office of the NYC Comptroller

The number of certified M/WBE in Brooklyn stood at 1,905 in Q2 2025, remaining relatively steady over the past four quarters. In an analysis of **FY25 city contracts**, **104 Brooklyn M/WBE certified businesses** were awarded **255 contracts** that amounted to **\$119,197,348**.

M/WBE Tracker



Source: Checkbook NYC; NYC Department of Small Business Services

Labor Market

Source: NYSDOL

(June 2025)

1,257,700

Employed
▲ 0.7% YoY

1,322,600

Labor Force
= 0% YoY

Unemployment Rate

4.9%

4.8%

3.8%

4.4%

Brooklyn

NYC

NYS

U.S.

5.6% in June 2024

5.4% in June 2024

4.3% in June 2024

4.3% in June 2024

4.6% from Q1 2025

4.5% from Q1 2025

4.1% from Q1 2025

4.2% from Q1 2025

BROOKLYN

ECONOMIC SNAPSHOT



Economic Development Headlines to Watch | What implications will the federal budget have for Brooklyn businesses? Federal Budget (passed July 2025)

- **Supermarkets, Grocery, and Convenience Stores:** Brooklyn is home to 3,288 SNAP-authorized retailers (USDA) who could face declining sales due to a rollback in SNAP benefits.
- **Hospitals:** With 16 hospitals located in Brooklyn (NYS Department of Health), Medicaid cuts are expected to reduce hospital jobs and related economic activity, such as suppliers and local business spend (NYS Governor's Office).
- **Manufacturers:** Capital investments are incentivized by a 100% tax deduction that allows businesses to fully write off equipment costs for Qualified Production Property put into service before 2031. (Nelson Mullins)
- **Middle-class Tax Break:** The SALT deduction, which allows taxpayers to subtract state and local taxes from federal taxable income, was raised from \$10,000 to \$40,000 through 2029 and is expected to boost disposable income. (Thomas Reuters)

Property Market

Q2 Proposals in Brooklyn

Source: CBRE

102
buildings

Brooklyn submitted 24.1% of NYC's new building filings

2.3M SF

Brooklyn accounted for 27% of total proposed construction space by square footage

2,054

multifamily housing units

Brooklyn plans to build 31.7% of all proposed units

223

renovations

Brooklyn submitted 16% of the city's alteration proposals (ranging from structural to cosmetic)

Q2 construction activities show a robust property market and pipeline in Brooklyn. Between the 5 boroughs, Brooklyn was second in new building job application filings and total proposed space for projects, behind Queens. Brooklyn also had the second largest number of proposed multifamily housing units behind The Bronx in Q2, and was second behind Manhattan with office-to-residential conversions since 2020. At 217K sq ft, Brooklyn's largest proposed project in Q2 was a mixed-used building in Brownsville.

Source: REBNY; NYC Department of Buildings; Office of the NYC Comptroller

Office Market

221K

Leasing Activity (SF)

▲ 81.1% YoY

136K

Net Absorption (SF)

106k in Q2 2024

17.9%

Vacancy Rate

19.1% in Q2 2024

Average Asking Rent (PSF)

\$54.06

Brooklyn

▼ 0.9% YoY

\$76.83

Manhattan

▼ 1% YoY

Industrial Properties

54.2M

Inventory (SF)

■ 0% YoY

403.5K

YTD Leasing Activity (SF)

▼ 30% YoY

4.7%

Vacancy Rate

3.8% in Q2 2024

-320.5K

Net Absorption (SF)

-54K in Q2 2024

\$26.09

Avg Net Rent (Weighted)

▲ 4.8% YoY

Source: Cushman & Wakefield

Brooklyn by the Numbers

2,736,074 Total Population	69.4 sq mi Land Area	\$136B 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