



BROOKLYN 2015 YEAR-END SALES REPORT

by Ariel Property Advisors | Released January 2016

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BROOKLYN 2015 YEAR-END SALES REPORT

Dear Friends,

Propelled by several sizeable multifamily and development site transactions, Brooklyn's investment sales market experienced a record year in 2015. Brooklyn saw 1,409 transactions consisting of 1,980 properties totaling approximately \$9.694 billion in gross consideration for the year. This translates to a strong 52% increase in dollar volume, a 2% increase in transaction volume and a 6% increase in property sales volume compared to 2014. Accounting for nearly 28% of the submarket's transaction volume and pushed by a significant number of multifamily trades, Crown Heights, Bedford Stuyvesant, and Bushwick were some of the most active neighborhoods.

The multifamily asset class experienced a strong year in terms of both sales volume and price appreciation. Brooklyn multifamily properties totaled \$4.7 billion in dollar volume in 2015, a 43% increase year-over-year. This growth occurred despite minimal movement in both the number of transactions and properties traded. An uptick in larger scale trades accounts for this discrepancy—in fact Brooklyn saw 4 multifamily transactions take place with values of at least \$200 million. As seen by the ongoing acquisitions by companies like Novel, Benchmark, Kushner Companies and Fairstead Capital, Brooklyn's multifamily market has captivated the attention of institutional investors. That said, these institutions will monitor rental growth in the next few years as the market absorbs several thousand new units scheduled to come online in Downtown Brooklyn and Williamsburg.

Several large-scale transactions drove the dollar volume for Brooklyn development sites to \$3.75 billion in 2015, a 60% increase year-over year despite nominal increases in the total transactions that occurred. The average price per buildable square foot continued to climb higher and several intuitional deals such as JDS and Chetrit Group's \$90 million purchase of the former Dime Savings Bank at 9 Dekalb Avenue, are poised to alter the Brooklyn skyline. Taking a broader look at the condominium market, new developments in Crown Heights are seeing sales prices over \$1,000 per SF and others in Bushwick are seeing sales range \$900-\$1,000 per SF. Notable condo buildings include Douglaston Development's "The Edge" at 22 North 6th Street, which saw several sales top \$1,800 per SF and 142 North 1st Street which saw values climb to \$1,300 per SF. Large-scale rental and condominium conversions slated to take place, such as 181 Montague Street in Brooklyn Heights and 184 Kent Street in Williamsburg, which speak to the residential market's growing appetite for unique Brooklyn residences.

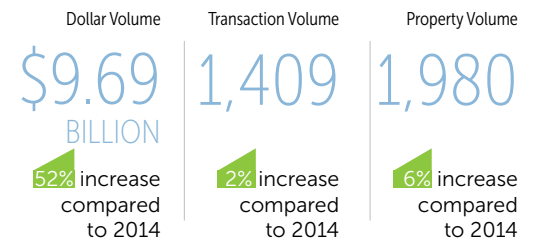
The 2015 dollar volume for Brooklyn commercial, retail and office properties was nearly double from 2014 levels, rising to approximately \$1.024 billion in gross consideration. With creative office projects such as Industry City, the Brooklyn Navy Yard as well as blockbuster trades such as the Whale Oil Building in Sunset Park, which traded in August for \$82.5 million, the borough is experiencing a continued shift into a destination to both live and work.

Our near term outlook for Brooklyn and the broader New York City market remains positive. Unemployment is said to be approaching 'full employment' status, the city continues to draw significant capital as a 'safe haven' investment, and supply continues to lag demand. Though the Fed raised rates in December and the global economy has gotten off to a turbulent start in 2016, New York City real estate remains a premier destination for long term investment, especially if the macroeconomic picture leads the Fed to delay additional rate increases.

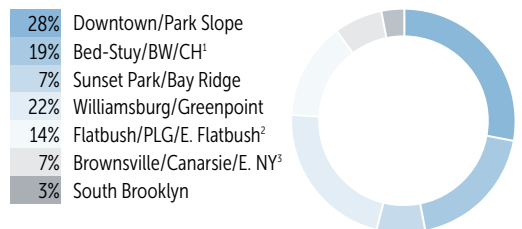
We look forward to our continued efforts in providing the Brooklyn real estate community with the most informative and insightful market knowledge available. For further information regarding any of the enclosed properties or to discuss real estate trends in general, please feel free to contact us at any time.

We wish you all a healthy and prosperous new year.

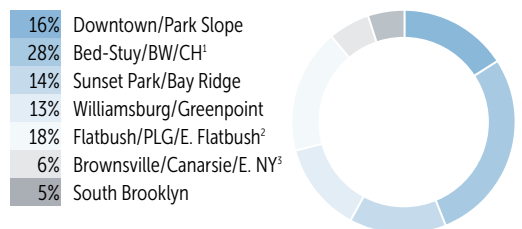
2015 YEAR-END SALES REPORT



DOLLAR VOLUME COMPARISON BY LOCATION



TRANSACTION VOLUME COMPARISON BY LOCATION



¹Bedford-Stuyvesant / Bushwick / Crown Heights

²Flatbush / Prospect Lefferts Gardens / East Flatbush

³Brownsville / Canarsie / East New York

BROOKLYN 2015 YEAR-END SALES REPORT: MARKET OBSERVATIONS

Multifamily | The multifamily asset class in Brooklyn had its strongest year ever, experiencing a 43% increase in gross dollar volume compared to 2014 with \$4.7 billion in sales. This increase occurred despite nominal movement in both the number of transactions and properties traded. As shown by the 2015 pricing metrics, strong fundamentals and low interest rates continued to push prices higher. The average cap rate in the borough in 2015 was 4.56%, down from 4.94% in 2014 while the average GRM was 14.63 in 2015, up almost 10% from 13.53 in 2014. The average price per foot was \$328 in 2015, up from \$289 in 2014 and the average price per unit was \$284K in 2015, up from \$261K in 2014. Notable transactions included the sale of a recently-constructed elevator building at 385 Union Avenue in Williamsburg for \$374 million, which equates to nearly \$800K per unit, 704 & 719 8th Avenue in Park Slope, two buildings with a combined sale price of \$37 million or roughly a 4% cap rate, and 494 Sterling Place in Crown Heights, a 77-unit building which transacted for over \$48 million, or approximately \$775 per SF.

Development Sites | The Brooklyn development market continues to surpass prior years with dollar volume reaching \$3.75 billion marking a 60% jump from 2014. With condominium prices hitting new highs and a rapidly expanding market for residential rentals, Brooklyn development sites continue to be in high demand with limited supply. Roughly 70% of the development transactions took place in Northern Brooklyn areas, most of which occurred in Downtown, Bedford Stuyvesant and Williamsburg. Notable transactions include the Spitzer family's \$165 million purchase of 418-422 Kent Avenue in Williamsburg, and the sale of the 600,000 BSF development site at 625 Fulton Street to the Rabsky Group. The Fulton Street sale equates to \$263 per buildable SF. Another notable transaction was the sale of the 550,000 BSF development known as the Cascade Linen site to Abraham Brach for \$70 million. The plans call for 450,000 SF of residential and 100,000 SF of commercial development.

Commercial | The dollar volume of commercial, retail, and office properties nearly doubled between 2014 and 2015, rising to \$1.2 billion from \$545 million a year ago. Changing demographics in many of Brooklyn's neighborhoods have attracted capital to build or redevelop commercial properties to serve a changing labor force and a more affluent consumer. 177 N 7th Street in prime Williamsburg traded this past year for \$20,500,000, or \$2,278 per SF, which reflects continued optimism for Williamsburg retail even for locations just off major corridors. Another example of the perceived strength of Brooklyn retail was the \$15.25 million sale of 250-260 Court Street in Cobble Hill, which translates to \$1,651 per existing square foot and \$777 per buildable SF. 37 Flatbush Avenue, a 190,750 SF commercial building traded for \$89.4 million or \$468 per SF. This property was purchased by an active Brooklyn developer and will be repurposed into office and retail. As we move forward into 2016 we expect that confidence in commercial opportunities in Brooklyn will continue.

PRODUCT TYPE		2015	% CHANGE '15 - '14	2014	% CHANGE '15 - '13	2013
DOLLAR VOLUME	Commercial	\$602,760,856	81%	\$333,192,042	91%	\$316,260,474
	Ind / Gar / Dev*	\$3,749,476,163	60%	\$2,350,011,524	112%	\$1,767,674,309
	Multifamily	\$4,767,893,409	43%	\$3,327,573,133	153%	\$1,888,156,139
	Office	\$421,841,740	98%	\$212,746,442	68%	\$251,064,999
	Special Purpose	\$152,735,466	-1%	\$154,354,888	281%	\$40,090,380
	GRAND TOTAL	\$9,694,707,634	52%	\$6,377,878,029	127%	\$4,263,246,301
TRANSACTION VOLUME	Commercial	107	45%	74	84%	58
	Ind / Gar / Dev*	403	8%	372	30%	310
	Multifamily	863	-2%	885	31%	657
	Office	15	-46%	28	-35%	23
	Special Purpose	21	-13%	24	91%	11
	GRAND TOTAL	1,409	2%	1,383	33%	1,059
PROPERTY VOLUME	Commercial	169	78%	95	117%	78
	Ind / Gar / Dev*	661	5%	629	27%	519
	Multifamily	1083	0%	1079	45%	745
	Office	21	-48%	40	-22%	27
	Special Purpose	46	70%	27	283%	12
	GRAND TOTAL	1,980	6%	1,870	43%	1,381

*Ind / Gar / Dev: Industrial / Garage / Development

BROOKLYN 2015 TRANSACTION MAP BY PROPERTY TYPE

LEGEND

● Multifamily

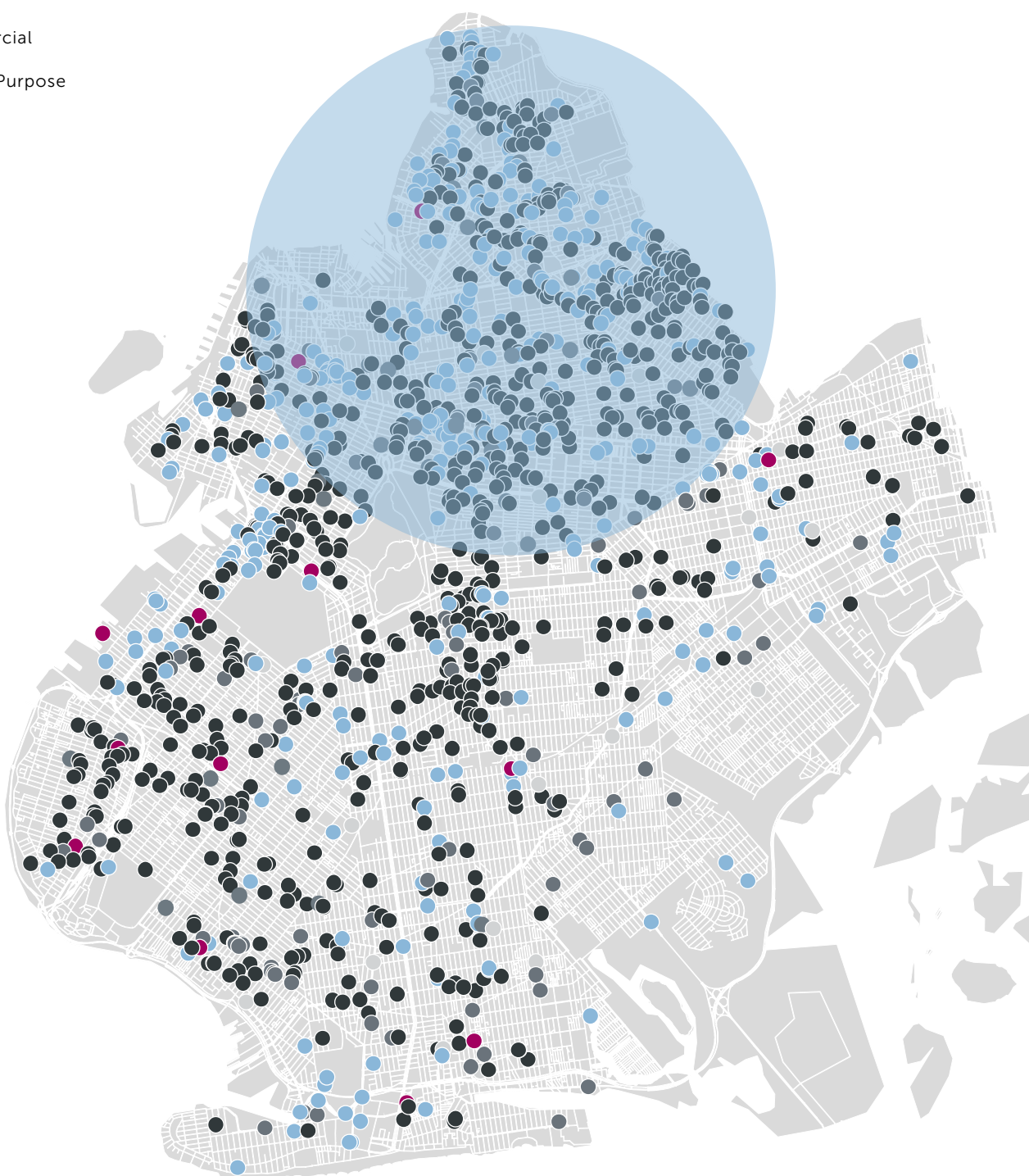
● Industrial, Garage and Development

● Office

● Commercial

● Special Purpose

Activity
Cluster



BROOKLYN 2015 REGIONAL OVERVIEW

NEIGHBORHOOD	TRANSACTION VOLUME	PROPERTY VOLUME	DOLLAR VOLUME
Downtown / Park Slope	203	328	\$2,758,567,878
Bedford-Stuyvesant / Bushwick / Crown Heights	399	538	\$1,780,983,485
Sunset Park / Bay Ridge	205	242	\$703,420,475
Williamsburg / Greenpoint	187	245	\$2,122,234,030
Flatbush / East Flatbush / Prospect Lefferts Gardens	249	340	\$1,298,046,636
Brownsville / Canarsie / East NY	86	176	\$713,851,666
South Brooklyn	80	111	\$317,603,464
GRAND TOTAL	1,409	1,980	\$9,694,707,634

MULTIFAMILY PRICING INDICATORS

4.56%

CAP RATE

\$328

\$/SF

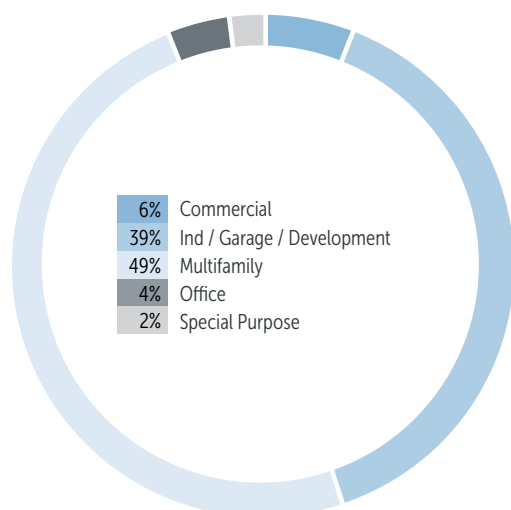
14.63

GRM

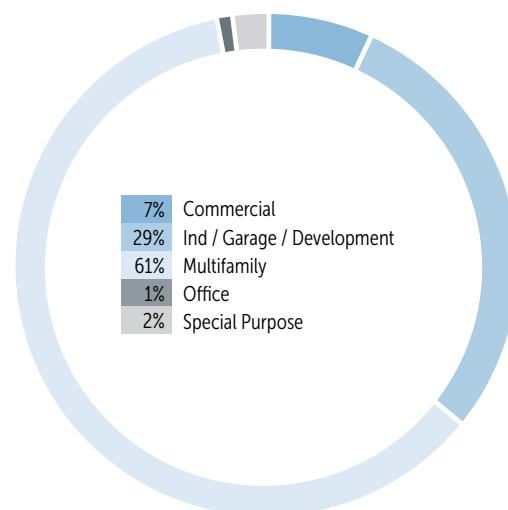
\$284k

\$/UNIT

DOLLAR VOLUME BREAKDOWN BY PROPERTY TYPE








TRANSACTION VOLUME BREAKDOWN BY PROPERTY TYPE



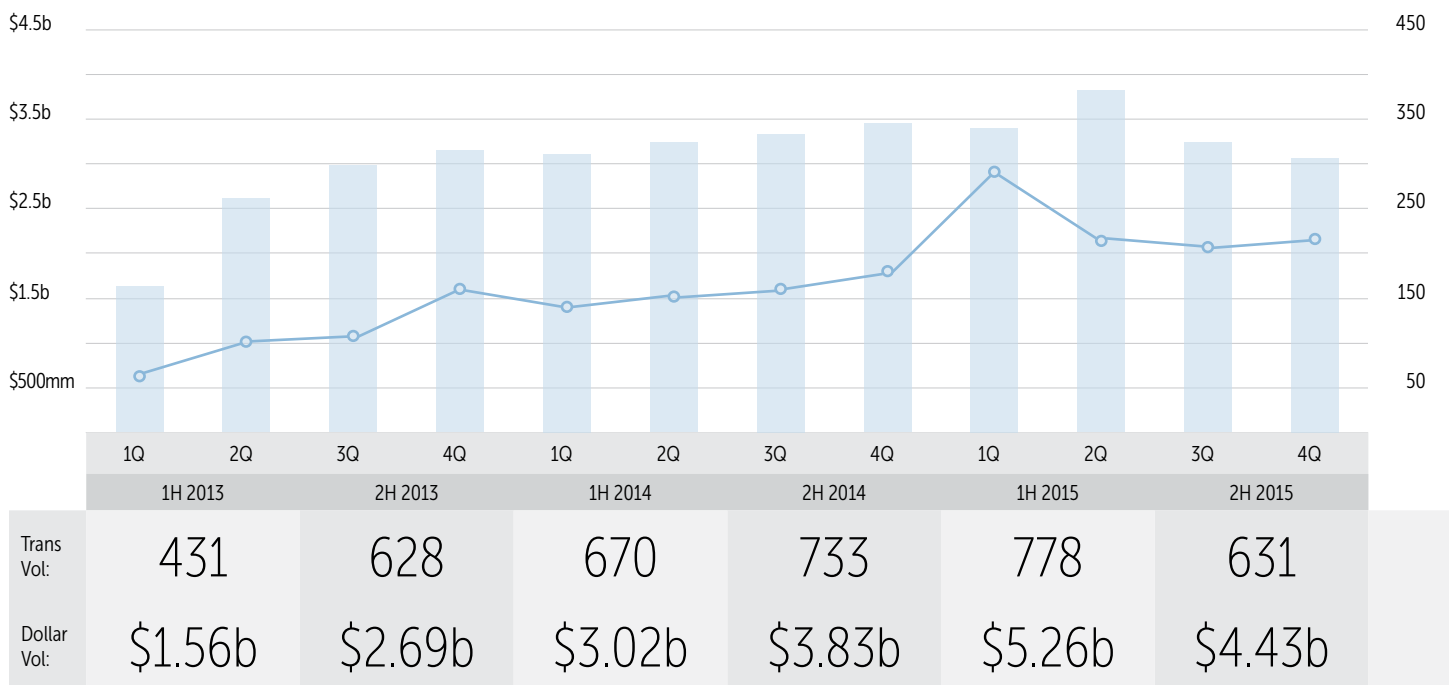
BROOKLYN 2013 - 2015 REAL ESTATE TIMELINE

BROOKLYN FEATURED 2015 INVESTMENT SALES TRANSACTIONS

236 NORTH 10 TH STREET Williamsburg	625 FULTON STREET Fort Greene	37 FLATBUSH AVENUE Fort Greene	225 4 TH AVENUE Park Slope	36 LINDEN STREET Bushwick
				
Multifamily Sale Amount: \$169,000,000 \$/SF: \$699 Sale Date: 5/1/2015	Development Sale Amount: \$158,000,000 \$/BSF: \$252 Sale Date: 11/1/2015	Conversion Sale Amount: \$89,400,000 \$/SF: \$469 Sale Date: 3/1/2015	Development Sale Amount: \$13,500,000 \$/BSF: \$700 Sale Date: 1/20/2015	Multifamily Sale Amount: \$10,500,000 \$/SF: \$281 Sale Date: 8/31/2015

BROOKLYN 2013 - 2015 REAL ESTATE TIMELINE

LEGEND: Transaction Volume ● | Dollar Volume ○



PROPERTY VALUE METRIC COMPARISON (2012-'15)

INDICATOR:	2012	2013	2014	2015
\$ / SF - MF	\$194	\$230	\$289	\$328
\$ / Unit - MF	\$171,600	\$197,029	\$261,305	\$284,617
Cap Rate - MF	6.56%	5.77%	4.94%	4.56%
GRM - MF	9.79	10.93	13.53	14.63
\$ / BSF - Development	\$141	\$165	\$211	\$247
\$ / SF - Comm	\$431	\$461	\$542	\$529

BROOKLYN DEVELOPMENT PROJECTS IN PROGRESS

BOROUGH-WIDE PROJECT UPDATES

Brooklyn

GOWANUS CLEANUP

Projected to exceed \$500 million in costs by its completion, phase 1 of the Gowanus Canal cleanup is expected to begin in 2016. Phase 2, the construction and dredging of the canal, is expected to begin in 2017. The hope is that the rejuvenated canal will spur development in the surrounding areas.



RHEINGOLD BREWERY

Amid controversy over affordable units, the former brewery turned residential development site has had several new developers jump on board. When it is built, plans call for 385 units, some of which may be affordable, pending city review.

Developer: Rabsky Group



71 WHITE STREET

Converted from a former 1930s manufacturing building, 71 White will preserve its graffitied brick exterior. The new development will feature a 100-key hotel, an elevated market square with a theater, retail, restaurants and bars, with the five upper floors comprising the hotel.

Developer: All Year Management



BUSHWICK GENERATOR

Toby Moskowitz' Heritage Equity Partners and Lichtenstein Group are redeveloping five vacant Bushwick warehouses encompassing 75,000 square feet into office space catered to tech and creative firms. The property was purchased for \$28.3 million in 2014, and is asking rents of \$50 per square foot.

Developer: Heritage Equity Partners & Lichtenstein Group



781 METROPOLITAN AVE

Formerly the site of a White Castle, plans call for an 81-unit residential building, 20% of which would be affordable housing. The property will have 10,000 square feet of retail.

Developer: Adam America RE Group

470 FOURTH AVE & 235-243 11TH ST

The first of three projects that will total about 325 units, 470 Fourth Ave & 235-243 11th St was part of a seven property portfolio that sold for \$20 million in the first half of 2014. It is now slated to be developed into a 12-story, mixed-use building consisting of 105 residential units.

Developer: Slate Property Group, Adam America RE Group



CASCADE LINEN FACTORY

The former Cascade Linen Factory project, once completed will hold seven six-story buildings. The buildings will contain 228 apartments spread over 333,000 square feet with ground floor commercial space.

Developer: Abraham Brach



BROOKLYN DEVELOPMENT* ACTIVITY 2015 BY NEIGHBORHOOD

LOCATION	TOTAL DOLLAR VALUE TRADED	TOTAL TRANSACTIONS	TOTAL PROPERTIES TRADED	TOTAL BSF
Bath Beach	\$1,440,000	1	1	4,841
Bedford-Stuyvesant	\$120,357,500	18	37	594,225
Bergen Beach	\$3,650,000	2	2	44,400
Boerum Hill	\$13,480,000	3	4	50,241
Borough Park	\$1,200,000	1	1	7,450
Bushwick	\$136,143,086	12	29	711,819
Canarsie	\$1,058,000	1	4	20,000
Carroll Gardens	\$16,050,000	4	11	42,267
Clinton Hill	\$21,667,420	6	26	200,125
Cobble Hill	\$5,000,000	1	2	12,600
Columbia Waterfront District	\$3,400,000	1	1	7,314
Coney Island	\$46,555,000	7	14	491,375
Crown Heights	\$76,410,000	11	25	354,881
Downtown	\$74,580,906	4	8	244,057
East Flatbush	\$20,250,000	3	8	114,611
East New York	\$5,674,150	2	8	44,283
East Williamsburg	\$1,880,000	1	1	6,204
Flatbush	\$1,750,000	1	3	40,000
Fort Greene	\$170,750,000	4	4	680,178
Gowanus	\$2,700,000	1	2	18,426
Gravesend	\$3,200,000	2	7	17,912
Greenpoint	\$149,443,000	7	18	988,393
Greenwood Heights	\$13,500,000	2	7	64,108
Kensington	\$7,650,000	2	3	40,275
Madison	\$6,275,000	3	7	62,979
Midwood	\$12,131,407	4	4	98,686
Ocean Hill	\$15,723,403	4	4	61,454
Ocean Parkway	\$19,740,000	3	9	127,032
Park Slope	\$19,800,000	2	4	38,407
Prospect Heights	\$7,150,000	4	5	26,549
Prospect Lefferts Garden	\$14,494,997	2	5	210,085
Red Hook	\$6,530,000	3	7	38,407
Sheepshead Bay	\$2,490,000	2	3	63,300
Sunset Park	\$17,200,000	3	5	59,851
Williamsburg	\$347,987,500	21	49	817,760
Wyckoff Heights	\$6,472,524	3	7	44,553
GRAND TOTAL	\$1,373,783,893	151	335	6,449,046

*includes vacant land & conversion properties only

BROOKLYN NEWS TIMELINE



April - July '15

April 6 | In the first quarter, developers filed more applications for projects in the Bedford Stuyvesant section of Brooklyn, than any other neighborhood in New York City, the Real Deal reports. The 33 proposed Bed Stuy developments include a 188-unit rental at 21 Kane Place, while other projects are planned for smaller vacant lots. The analysis found at least 103 applications for projects with 3,311 units in Brooklyn; at least 36 applications for buildings with 2,381 units in Queens; and at least 18 applications for developments with 2,089 units in Manhattan.

The median sales price of a home in Brooklyn increased 17.5 percent to \$610,894, and the average sales price rose 10 percent to \$749,269 in the first quarter of 2015 compared to the first quarter of 2014, according to the Elliman Report: Quarterly Survey of Residential Sales for Brooklyn.

May 4 | TIAA-CREF broke a Brooklyn borough record the past week when it bought 250 North 10th Street in Williamsburg for \$169 million from a partnership between LCOR and the California State Teachers Retirement System (CalSTRS), Crain's reports. The luxury building, located just south of McCarren Park, consists of 234 units and was originally developed by the Rabsky Group in 2011. LCOR and CalSTRS had originally planned to hold on to the building for seven years, but with prices rising in Williamsburg, the partnership decided to sell sooner rather than later.

Kushner Companies, in tandem with LIVWRK and the Rockpoint Group, is planning a condo conversion at 184 Kent Avenue in East Williamsburg, The Real Deal reports. After paying \$275 million for the rental building in April, Kushner filed plans that will have a total sellout value of around \$415 million.

May 18 | Bushwick's rapid gentrification became more pronounced this week as two separate developers filed plans to build hotels, hoping the neighborhood can become New York's next tourist destination, The Real Deal reports. Yoel Goldman proposed adding six floors to an existing one-story building at 71 White Street, totaling 80,000 square feet. The project will incorporate a retail component on the first and second floors and will feature a bar and gym on the hotel's seventh floor. Less than a mile from Goldman's project, Riverside Developers filed plans to construct a 140-key hotel at 27 Stewart Avenue.

June 1 | Extell Development has pioneered into Brooklyn for its first project outside of Manhattan, the New York Times reports. The developers known for One57 will pay \$120 million to Washington Square Partners and Acadia Realty Trust, who control the development site, to build City Point, a \$1 billion, 1.8 million-square-foot mixed-use project in Downtown Brooklyn. In addition to a 60-story tower that plans to house 500 rental units, Extell will also construct a four-level mall at the base of the tower that has already secured tenants such as Century 21 and CityTarget.

June 8 | Rental prices in both Manhattan and Brooklyn continued to rise in May, as the median rental price in Manhattan hit \$3,380, a 2.4 percent increase from May of last year, The Real Deal reports.

Slate Property Group filed permits to construct a 126-unit rental building at 432 Rodney Street in Brooklyn, The Real Deal reports. The property, currently a one-story industrial building and former Quaker Sugar distribution center, sits just east of the Brooklyn Queens Expressway and is in close proximity to the L and G subway lines. The project will rise seven stories and span 99,000 square feet in total, 14,000 of which will be set aside for commercial space. Slate is unclear whether the new project will include any affordable units, as it will depend on the outcome of the 421a tax abatement program legislation.

July 12 | This week, media giant Time, Inc. announced its plan to relocate 300 employees to Brooklyn's Industry City, Commercial Observer reports. Time has signed a 15-year lease for 55,000 square feet in the 16-building, 6-million-square-foot complex owned by Belvedere Capital, Jamestown and Angelo Gordon. Industry City rents range from \$15 to \$35 per square foot, and Time is scheduled to move in December.

July 19 | Recently, many of the restaurants and food businesses on Smith Street have closed shop and are being replaced by larger national retailers, Commercial Observer reports. Rising residential and commercial rents, which have more than doubled for many commercial tenants to \$90-130 per square foot, changing neighborhood demographics, and the popularity of the nearby Court Street have led to the changes seen on Smith Street. It is also possible Williamsburg tenants could replace storefronts in the area due to comparatively lower rents on Smith than on Bedford Avenue in

August - September '15

Williamsburg

August 16 | Macy's announced this week that it will be leaving its current space in Downtown Brooklyn for a larger photo studio and set space in Long Island City, Crain's reports. The large department store will be taking 150,000 square feet at the Factory Building, owned by a partnership between Invesco, Atlas Capital and Square Mile. Macy's studios had previously been scattered on various floors of their store in the Fulton Street Mall, and their new location will allow consolidation and more modern amenities. The lease is one of the largest in Long Island City this year as the neighborhood continues to attract creative tenants.

August 23 | Large-scale development in Northern Brooklyn, which extends from Red Hook to Bushwick, should more than double over the next two years according to Crain's and a study conducted by CityRealty. The study focused on projects that will include at least 20 units, and projects that 22,000 units will be constructed by 2019. With many of these buildings rising at least 10 stories, these large-scale buildings have the potential to dramatically alter Brooklyn's skyline and building environment. Two such projects include Pacific Park (formerly known as Atlantic Yards), which will house 6,500 units, and Greenpoint Landing, which will include 5,500 apartments.

September 6 | Two Trees Management is currently in the process of securing a construction loan worth \$180 million to fund its large project at the iconic Domino Sugar factory located at 325 Kent Avenue in Williamsburg, The Real Deal reports. The mixed-use project, which is estimated to cost a total of \$300 million to develop after factoring in land, hard and soft costs, will include a total of 2,300 apartments and 500,000 square feet of commercial space. The project will also be designated as an 80/20 building after Mayor deBlasio pushed for more affordable units in early 2014.

September 13 | As demand in Brooklyn continues to push forward, developers have reacted by building even more and in new neighborhoods, The Real Deal reports. Since January 1st of 2013, developers have initiated plans for 35.3 million square feet and 38,375 residential units. Hudson Companies has been the borough's most active developer since 2011, followed by Two Trees Development and Forest City Ratner.

BROOKLYN NEWS TIMELINE



September - October '15

Hudson has been instrumental in leading the charge deeper into Brooklyn, as its largest project thus far will be Gowanus Green, which calls for 790,000 square feet and 774 condo and rental units.

September 20 | The New York City Housing Authority (NYCHA) announced its plan for private development at two different public housing sites as the agency tries to cope with \$17 billion in capital debt, Real Estate Weekly reports. The two sites, Wyckoff Gardens in Boerum Hill and Holmes Towers on the Upper East Side, will provide an additional 1,000 housing units, half of which will be affordable. The implementation of private development is part of NYCHA's larger ten-year investment plan, "NextGen NYCHA."

On Tuesday, CityRealty CEO Daniel Levy proposed an aerial gondola system that would run along the Brooklyn waterfront and into Manhattan, Crain's reports. The proposed system, known as The East River Skyway, would aim to alleviate overcrowding and congestion along the L subway line. Additionally, with new waterfront developments bringing thousands of units to the area, a new mode of transportation could prove useful. Levy noted that several major cities around the world including Santiago, Chile and Rio de Janeiro, Brazil have already incorporated gondolas and that in many instances they are cheaper to build than other forms of transportation.

September 27 | On Monday, The City Planning Commission began their public review process for the administration's three major housing policies: mandatory inclusionary zoning, zoning for quality and affordability, and the East New York rezoning, New York Yimby Reports. Last weekend the commission posted its first round of documents on inclusionary zoning and zoning for quality and affordability (ZQA). The inclusionary program named "mandatory inclusionary housing," or "MIH" will assure that developers seeking a rezoning will adhere to strict guidelines that take area median income into account. In East New York, City Planning predicts that the rezoning will produce 6,300 new apartments in the 190 blocks that will be rezoned.

October 25 | According to DNAinfo and the MNS Real Estate report, twenty percent of the new construction condos (27 out of 134) sold in the third quarter in Brooklyn were located in Crown Heights. The median sales price for new construction condos in Crown



November '15

Heights was \$529,490, while the median sales price for Brooklyn as a whole was \$955,358. The third quarter also saw a large uptick in new construction condo dollar volume compared to the second quarter, jumping 136% from \$63.6 million to \$150.3 million.

November 15 | Details on Brooklyn's first supertall skyscraper emerged this week, which will rise at 340 Flatbush Avenue Extension on the southeastern edge of Downtown Brooklyn, YIMBY reports. JDS Development had originally filed plans that called for a 775-foot tower, but updated details and a rendering show that the building will rise 1,000 feet, making it New York's largest building outside of Manhattan. SHoP Architects designed the building and have familiarity with both JDS Development and supertall structures, as the two are also working together on the development of 111 West 57th Street in Midtown Manhattan.

On Tuesday, Brooklyn's Community Board 6, which encompasses Carroll Gardens and Park Slope, approved two zoning text amendments proposed by Mayor deBlasio, DNAinfo reports. The two zoning amendments - Mandatory Inclusionary Housing and Zoning for Quality and Affordability - aim to increase affordable and senior housing while also encouraging better building design. Although the board voted in favor of the proposals, they urged developers to create affordable units and market rate units under one roof rather than placing the affordable units at a separate off-site location, which is currently an option under today's regulations.

November 22 | JEMB Realty, a Manhattan-based developer, will construct Brooklyn's first commercial building of any significance since the Bloomberg administration rezoned a portion of Downtown Brooklyn in 2004, Crain's reports. A hot condo market in recent years has prevented the construction of office or other commercial buildings in the area as developers have opted for residential projects instead. JEB had originally planned a 65-story, 620-unit condo tower at 420 Albee Square in 2014, but the city urged the developer to switch gears and build office space. The city sold JEB an additional 150,000 square feet of air rights and the new plans call for a 40-story, 600-foot tower with 400,000 square feet of office space.

The giant shared office space provider WeWork continued its push into Brooklyn this week, signing a lease



December '15

for 77,000 square feet on the top four floors at 195 Montague Street in Downtown Brooklyn, Commercial Observer reports. The four-story office condominium is owned by Long Wharf Real Estate Partners, KABR Group and Treeline, and the space was asking \$49 per square foot. The lease marks WeWork's third Brooklyn location, having already signed two leases in Dumbo Heights.

December 6 | Jehovah's Witnesses are in the process of relocating their headquarters from Brooklyn to Warwick in Orange County, New York and have placed another three of its Downtown Brooklyn properties on the market, The Real Deal reports. The properties include two buildings, one of which is its current Watchtower headquarters located at 25-30 Columbia Heights, and a large 135,000 square foot development site. The organization has been slowly selling off its New York City portfolio in recent years, highlighted by the sale of five Watchtower buildings for \$375 million to Kushner Companies, RFR Realty, Invesco and LIVWRK.

December 13 | The Landmarks Preservation Commission has voted to designate the Bedford Historic District, DNAinfo reports. Locals have been fighting in favor of the proposal for the past eight years and the area is home to several landmark buildings including Nostrand Avenue's Girls High School and Boys High School on Marcy Avenue. If approved by the City Council, the Bedford Historic District will join the Stuyvesant Heights Historic District, which was approved for designation in 1971, and its expansion, which was approved in 2013.

December 27 | Russian billionaire Mikhail Prokhorov completed a deal last week that makes him the sole owner of Barclays Center and the Brooklyn Nets, Bloomberg reports. The acquisition of the team and arena from Forest City Enterprises values the team at \$875 million and the arena at \$825 million, including debt. Up until the deal was made, Prokhorov had an 80 percent stake in the Nets and a 45 percent stake in Barclays Center.

2015 FEATURED MARKET ACTIVITY BY ARIEL PROPERTY ADVISORS



PLAZA APARTMENTS, Brooklyn, NY

Location: **Crown Heights, Prospect Heights**
Property Type: **Elevated Building; Walk-Up Building**

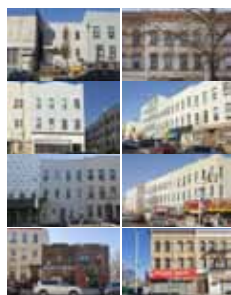
SOLD: \$28,850,000



THE MONTROSE AVENUE ASSEMBLAGE, Brooklyn, NY 11206

Location: **Williamsburg, East Williamsburg**
Property Type: **Vacant Lot**

FOR SALE: \$23,500,000



BUSHWICK MIXED-USE PORTFOLIO, Brooklyn, NY

Location: **Bushwick**
Property Type: **Mixed Use Buildings**

FOR SALE: \$12,500,000



286 CLINTON AVENUE, Brooklyn, NY 11205

Location: **Clinton Hill**
Property Type: **Walk-Up Building**

SOLD: \$8,150,000



1514 STERLING PLACE, Brooklyn, NY 11213

Location: **Crown Heights**
Property Type: **Walk-Up Building**

FOR SALE: \$6,800,000



5255 KINGS HIGHWAY & 2-24 PRESTON COURT, Brooklyn, NY 11234

Location: **East Flatbush**
Property Type: **Industrial Site**

SOLD: \$6,400,000



677 VANDERBILT AVENUE, Brooklyn, NY 11238

Location: **Prospect Heights**
Property Type: **Conversion**

FOR SALE: \$5,500,000



392 1ST STREET, Brooklyn, NY 11215

Location: **Park Slope**
Property Type: **Walk-Up Building**

FOR SALE: \$4,850,000



1536 PUTNAM AVENUE & 406 CORNELIA STREET, Brooklyn, NY 11237

Location: **Bushwick**
Property Type: **Vacant Lots**

SOLD: \$3,800,000



402-422 SNEDIKER AVENUE & 485-515 VAN SINDEREN AVENUE, Brooklyn, NY 11207

Location: **East New York**
Property Type: **Warehouse**

SOLD: \$3,275,000

ABOUT ARIEL PROPERTY ADVISORS

INVESTMENT SALES, INVESTMENT RESEARCH & CAPITAL SERVICES



QUALITY BROKERAGE SERVICES



EXCLUSIVE MARKET REPORTS



ASSET EVALUATIONS



Ariel Property Advisors is a commercial real estate services and advisory company located in New York City.

Our company is unique to the industry in that it is structured like an investment bank, with separate divisions for investment sales, capital services and research. This strategic approach to commercial brokerage services allows our professionals to deploy greater resources and provide consistent, seamless execution to every transaction.

We cover all major commercial asset types throughout the New York metropolitan area, but maintain a very sharp focus on multifamily, mixed-use, development, commercial and industrial properties.

From consultation through closing, our professionals are dedicated to achieving optimal results for our clients. Combining the insights of veteran brokers with the latest real estate market intelligence, we find solutions that meet the specific needs of both the client and the asset.

Cultivating long-lasting relationships with the real estate community is essential to the success of both our firm and our clients, so we encourage all market participants to use our company as a resource.

Contact us today for Asset Evaluations, listing information, financing opportunities or our latest market reports.

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OUR METHODOLOGY

DATA COLLECTION:

- Property transfers are collected through ACRIS and Property Shark each week, vetted by research team, and cross-checked with news articles.
- Information collected from third party sites such as Costar and Loopnet, along with news articles from sites such as The Real Deal.
- Information from appraisers and brokers on sales not yet publicized.

CRITERIA:

- Minimum sales price of \$850k
- Does not include city transactions, internal sales, notes & ground leases

PROJECTIONS:

- Sales are averaged on a per-day basis throughout the year, and projected as such.
- The assumed ACRIS transfer lag time is 30 days—if final data collection is January 15, we are projecting the sales that will eventually surface from December 16-31.

LOCATION DEFINITIONS:

Manhattan - South of East 96th Street and South of West 110th Street
Northern Manhattan - North of East 96th Street, North of West 110th Street
The Bronx - Bronx Borough
Brooklyn - Brooklyn Borough
Queens - Queens Borough

If you would like to use or quote this report on the web, we ask that you quote the source as "Brooklyn Sales Report by Ariel Property Advisors" and link report from our website page (arielpa.nyc/investor-relations/research-reports)

INSIDE NYC'S NEIGHBORHOODS

Our neighborhood reports provide an overview of local activities, transactions, projects and current events which directly affect the area.

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The information contained herein has either been given to us by the owner of the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy but we do not guarantee the accuracy of any information provided herein. As an example, all zoning information, buildable footage estimates and indicated uses must be independently verified. Vacancy factors used herein are an arbitrary percentage used only as an example, and does not necessarily relate to actual vacancy, if any. The value of this prospective investment is dependent upon these estimates and assumptions made above, as well as the investment income, the tax bracket, and other factors which your tax advisor and/or legal counsel should evaluate. The prospective buyer should carefully verify each item of income, and all other information contained herein. February 1, 2016 5:22 PM