

# Brooklyn Office Market

## Quarterly Leasing Velocity Increases Quarter Over Quarter

Fourth-quarter leasing velocity in Brooklyn totaled 310,157 square feet, a quarter-over-quarter improvement of 24.7%. The nonprofit Jewish Child Care Association signed the borough's largest deal, a 67,679-square-foot lease at 57 Willoughby Street in Downtown Brooklyn. Other notable deals included a 42,000-square-foot lease at Dock 72 by Food52 and a 16,000-square-foot lease by Egg Collective at Building 77, both in the Navy Yard. For the second straight quarter, there were also multiple deals finalized in the recently constructed 10 Grand Street, for a total of 44,382 square feet. These included a 13,300-square-foot deal for DICE and a 6,083-square-foot deal for Chronograph. Sunset Park, including Industry City, accounted for 9.8% of overall activity in Brooklyn in 2021.

## Availability Rate Falls Following Boost in Leasing Velocity

The Brooklyn availability rate decreased 110 basis points from the third quarter to 18.7%, marking the first decrease in five quarters. Each of the five Brooklyn submarkets saw availability fall. The largest quarter-over-quarter declines were recorded in the Navy Yard, where availability fell by 340 basis points to 23.3%, and in Williamsburg/Bushwick, where availability dropped by 190 basis points to 28.3%, still the highest in Brooklyn.

The significant drops in availability coincided with strong quarters of leasing activity for the Navy Yard and Williamsburg/Bushwick. This combination resulted in positive absorption of 91,815 square feet across those two submarkets. Overall Brooklyn absorption posted positive, at 4,040 square feet, for the first time since the first quarter of 2020.

## Nearly Three Million Square Feet Remains in Brooklyn Pipeline

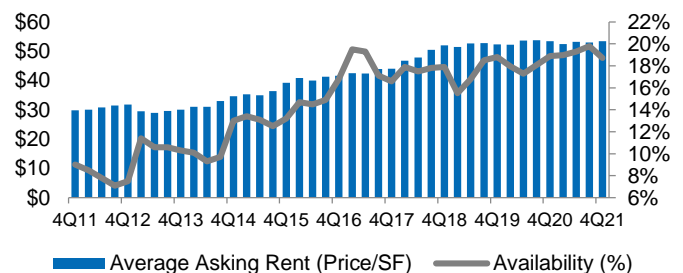
The lone fourth-quarter delivery was at 532 Fulton Street in Downtown Brooklyn, which added 137,075 square feet to market inventory. Following this addition, 12 projects remain under construction or in the planning stages and are expected to add 3 million square feet of new supply. The largest projects include 425,000 square feet at 292 Kent Avenue, 310,077 square feet at 141 Willoughby Street, and 63,000 square feet of office space at 347 Flushing Avenue, each slated to deliver in the next 24 months.

## Current Conditions

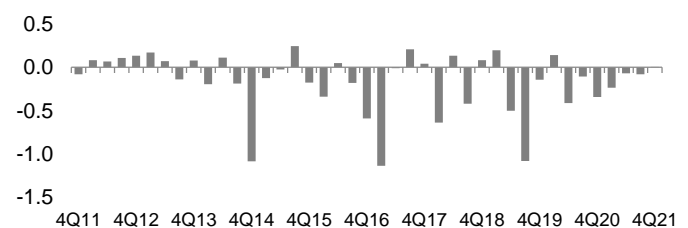
- The Brooklyn availability rate declined 110 basis points quarter over quarter to 18.7%, falling for the first time in six quarters.
- Asking rents remained stable, increasing by \$0.41/SF from the third quarter to \$53.44/SF.
- Absorption posted positive for the first time since the first quarter of 2020, closing at 4,040 square feet.

## Market Analysis

### ASKING RENT AND AVAILABILITY



### NET ABSORPTION (SF, MILLIONS)



## Market Summary

	Current Quarter	Prior Quarter	Prior Year	12-Month Forecast
Total Inventory	37.8 MSF	37.6 MSF	37.3 MSF	↑
Availability Rate	18.7%	19.8%	18.9%	↑
Quarterly Net Absorption	4,040	-79,246	-340,674	↓
Avg. Ask Rent	\$53.44	\$53.03	\$53.36	↓
Under Const.	1.5 MSF	1.6 MSF	2.0 MSF	↑
Deliveries	0.1 MSF	0 MSF	0.4 MSF	↑

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