



Market Indicators	1Q 2018	4Q 2018	CURRENT
% AVAILABILITY RATE	13.4%	15.3%	15.5%
\$ AVERAGE ASKING RENT (\$/SF/YR)	\$36.06	\$38.33	\$38.12

The quarterly availability rate for Colliers’ “Brooklyn 30” was stable, up 0.2 pp (percentage points) to 15.5%. Year-over-year, availability was higher by 2.1 pp. Sublet availability rose 0.4 pp to 3.4%, quarter-over-quarter, with new listings at 55 Washington Street (28,000 SF) and 55 Water Street (22,000 SF), both in DUMBO.

The quarterly asking rent average for Colliers’ “Brooklyn 30” decreased 0.5% to \$38.12/ SF. Pricing for the sublets at 55 Washington Street and 55 Water Street were above the “Brooklyn 30” average, but asking rents were lowered at 80 Richards Street (109,000 SF) and above average priced space was leased at 470 Vanderbilt Avenue and removed from the market.

Old and New

Two of Brooklyn’s larger deals during the first quarter again came from cornerstones of the borough’s traditional tenant base: the public sector and health care. In Sunset Park, the Manhattan District Attorney’s Office leased 77,000 SF at 4312 Second Avenue. In Prospect Heights, health care company ResCare leased 59,000 SF at 470 Vanderbilt Avenue.

A relative new-comer to Brooklyn, co-working companies, were also active this past quarter. Soho Works leased 48,000 SF at the newly constructed 10 Jay Street in DUMBO.

In the Navy Yard, design firm Bednark Studios leased 62,000 SF at Building 28 in a relocation from Bushwick. Technology company Nanotronics closed on a 34,000 SF lease at Building 20.

In Williamsburg, New York Studio Factory leased 17,000 SF at 55 Wythe Avenue. Several smaller deals closed in Industry City during 1Q 2019 as well: Shoemaker Estás Brands leased 15,000 SF at 34 35th Street in a relocation from Midtown and bicycle company Jeston relocated from Bushwick to 12,500 SF at 34 34th Street. Besides Estás, the only other Manhattan to Brooklyn relocation over 10,000 SF was the fabrication lab company Collab in a 12,000 SF lease at 309 Starr Street in Bushwick.

Roaring 20’s

More than 10.0% (7.04 million square feet) of Brooklyn’s 56.5 million square foot office market is new or newly renovated construction scheduled for delivery by the end of 2022. Still more development is planned.

In Greenpoint, the Acme Smoked Fish Corp and Rubenstein Partners will redevelop the fishery’s former headquarters at 30-56 Gem Street into a 583,000 SF office building and manufacturing facility. Nearby in Williamsburg, construction of 209 Havemeyer Street, a 350,000 mixed-use building topped out. The project, located at the former Dime Savings Bank, will include 105,000 SF of office space.

In Downtown Brooklyn, construction progressed at 181 Livingston Street with the addition of the exterior curtain wall. Construction of the 624,000 SF former Macy’s is scheduled to be completed by mid-2019.

On Second Thought

Thor Equities has reportedly abandoned its plans to build an 800,000 SF office complex at 280 Richards Street in Red Hook. Instead, warehouse space will be developed.

In Sunset Park, Industry City’s landlords agreed to delay the rezoning application for the 30-acre complex after City Councilman Carlos Menchaca and Sunset Park’s Community Board 7 argued that the ULURP process failed to evaluate the impact of rezoning.¹

Subways and Streetcars

In January, Governor Cuomo announced the L-train would not completely shut down between East 14th Street and Brooklyn. However, partial off-hours service interruptions will likely still be needed to repair tunnels damaged during Superstorm Sandy.

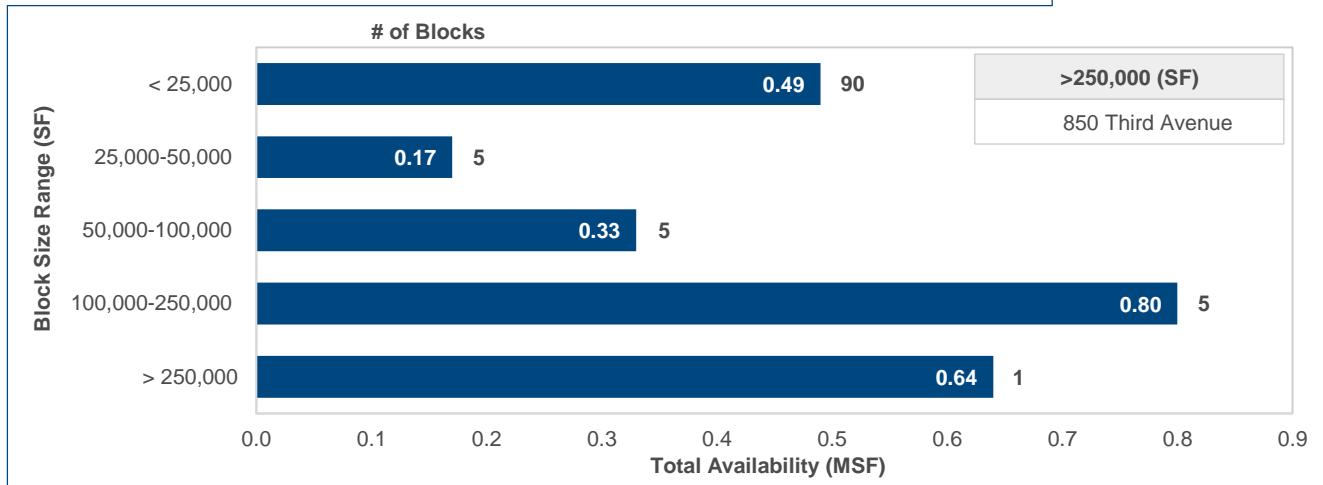
In February, the City’s Economic Development Corporation approved the selection of a consultant for the environmental review phase of the planned Brooklyn-to-Queens streetcar.² The projected cost has jumped to \$2.73 billion and completion will be further delayed until 2029.

¹ Source: The Real Deal
² Source: The Wall Street Journal



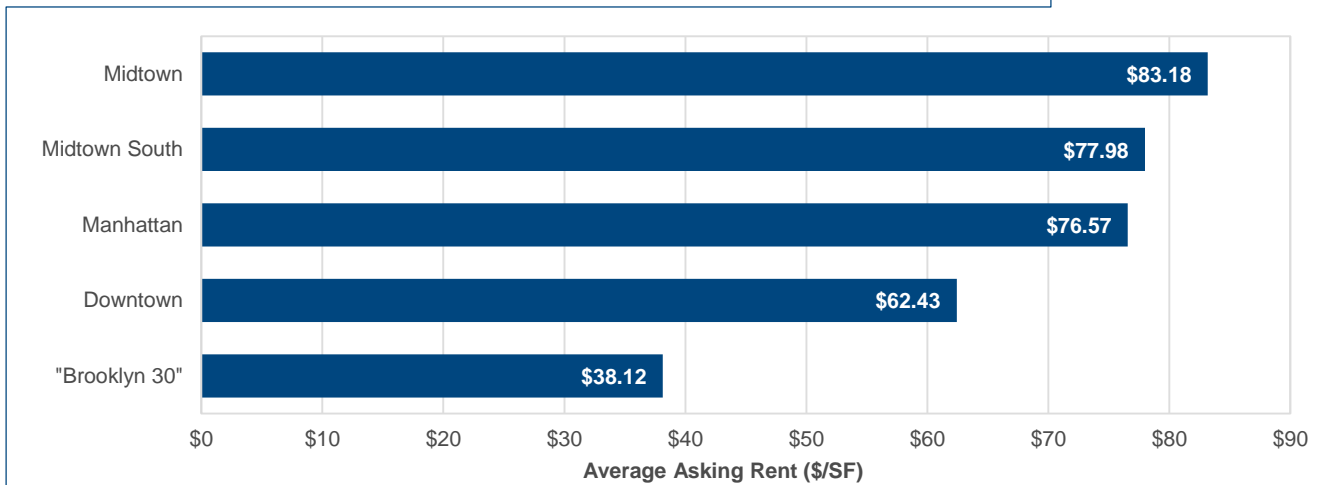
Note: The “Colliers Brooklyn 30” is a statistical sample set including 30 geographically diverse and actively leased Brooklyn office buildings.
Note: pp (percentage points)
Note: The availability rate is based on actively marketed space scheduled for tenant build-out within 12 months

"Brooklyn 30" | Available Blocks of Space



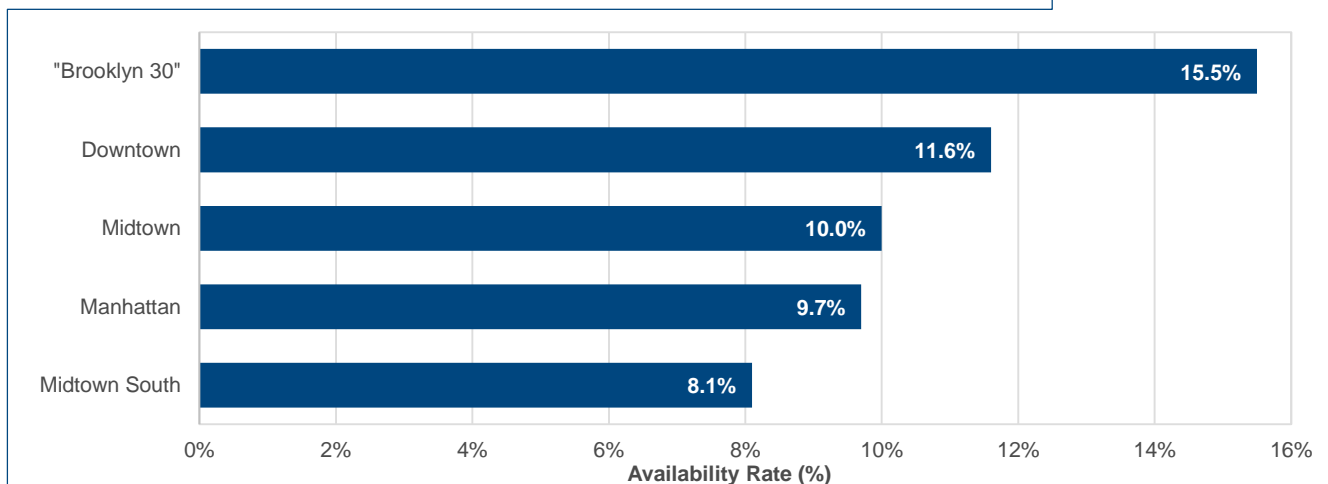
Source: Colliers International Research

"Brooklyn 30" | Overall Average Asking Rent Comparison



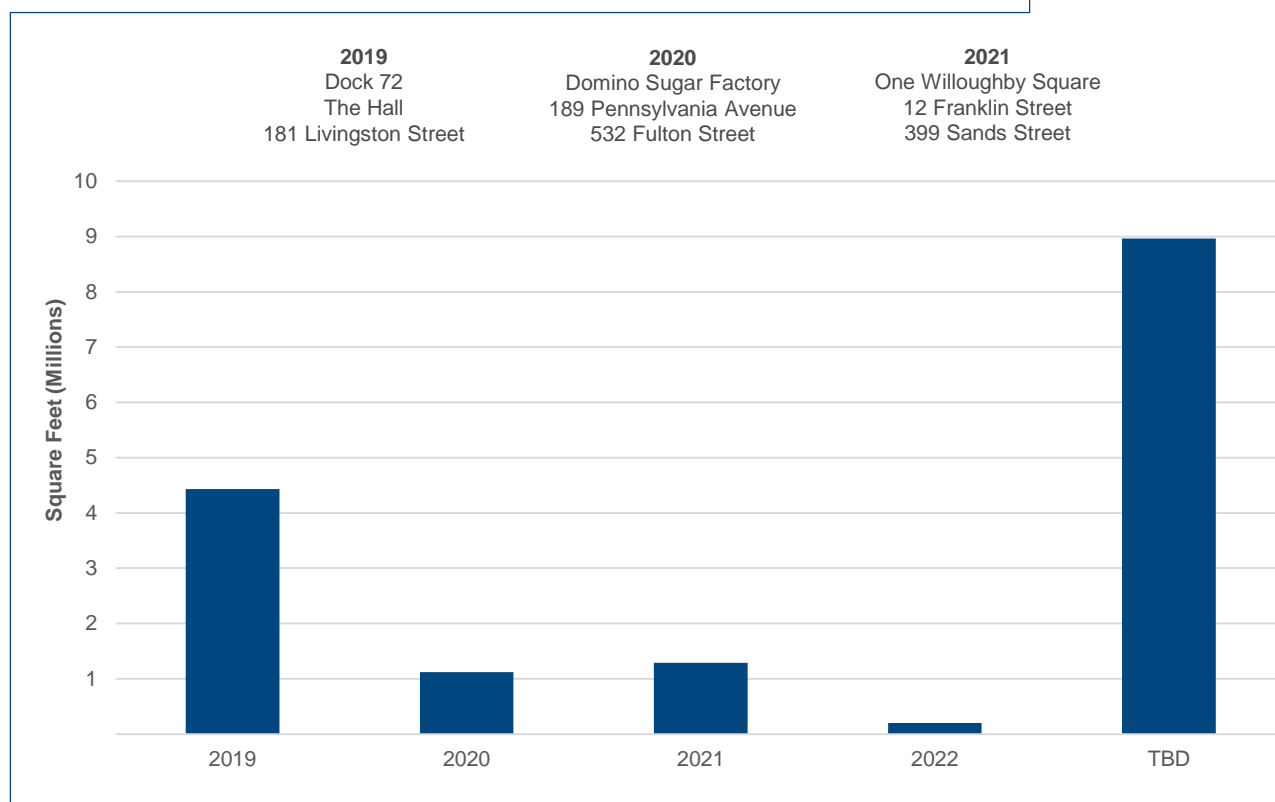
Source: Colliers International Research

"Brooklyn 30" | Availability Rate Comparison



Source: Colliers International Research

Brooklyn | New Construction/Renovation

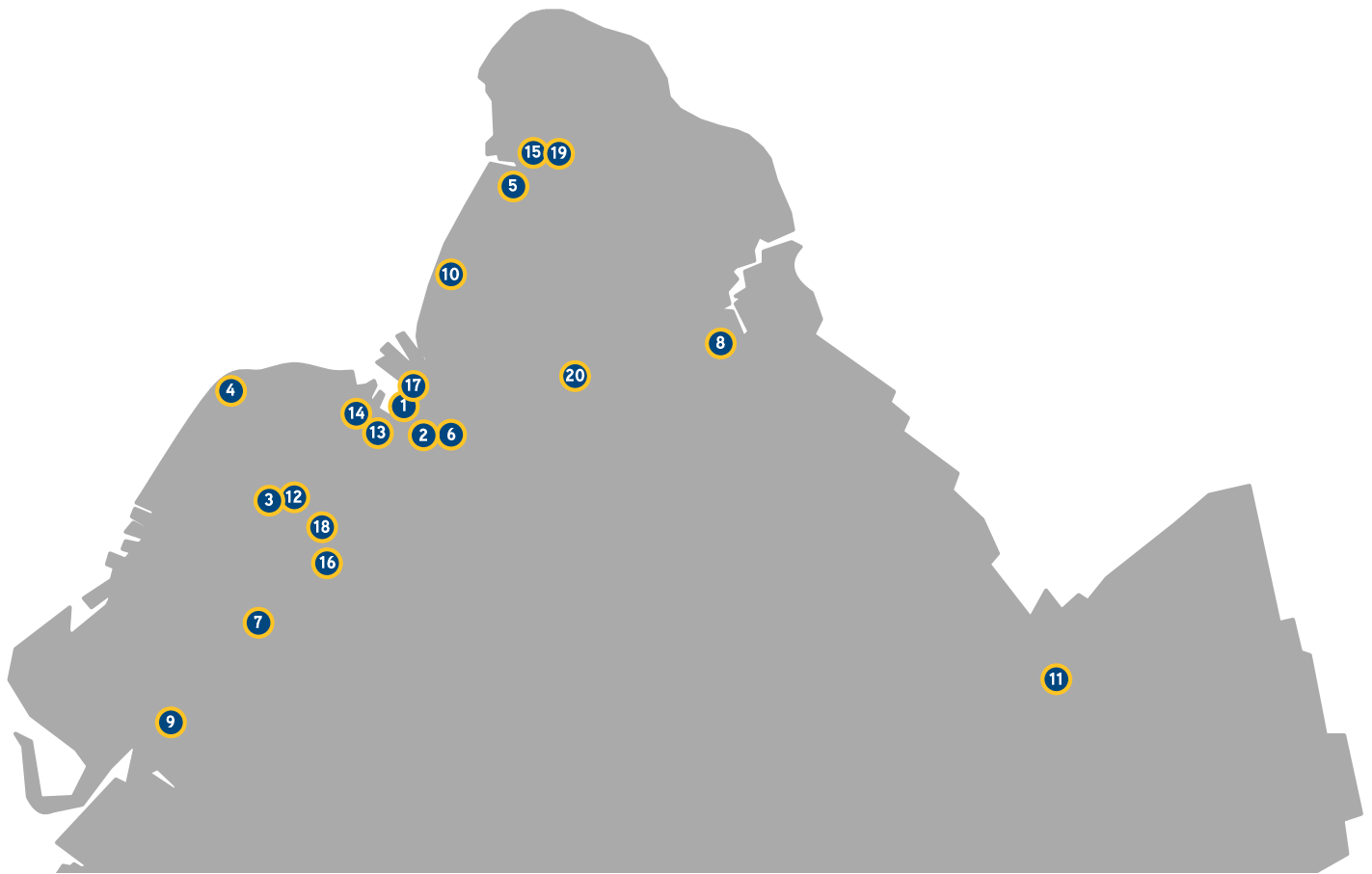


Source: Colliers International Research

Brooklyn | Notable Relocations & Expansions from Manhattan

Qtr/Yr	Tenant	Previous Location	New Location	RSF
1Q17	Lafayette 148 New York	148 Lafayette Street	Building 77	94,000
1Q17	2U	Chelsea Piers	55 Prospect Street	80,000
4Q11	American Transit Insurance Co.	330 West 34 th Street	1 MetroTech Center	77,000
2Q16	Amazon	Expansion from Manhattan	850 Third Avenue (Liberty View Industrial Plaza)	54,000
3Q15	Time Inc.	Expansion from Manhattan	241 37 th Street (Industry City)	53,000
4Q14	BaubleBar	230 Fifth Avenue	241 37 th Street (Industry City)	53,000
3Q15	Koppers Specialty Chocolate	39 Clarkson Street	850 Third Avenue (Liberty View Industrial Plaza)	50,000
4Q16	Laundry Service (Cycle)	40 West 25 th Street	55 Water Street (Empire Stores)	50,000
1Q17	Bjarke Engels Group	61 Broadway	45 Main Street	50,000

Source: Colliers International Research



Brooklyn | Notable Construction/Renovation Projects

#	Building Address	Delivery	#	Building Address	Delivery
1	Dock 72	2019	11	189 Pennsylvania Avenue	2020
2	The Hall	2019	12	One Willoughby Square	2021
3	181 Livingston Street	2019	13	Admirals Row	2021
4	25-58 Columbia Heights	2019	14	399 Sands Street	2021
5	25 Kent Avenue	2019	15	12 Franklin Street	2021
6	29 Ryerson Street	2019	16	80 Flatbush	2022
7	473 President Street	2019	17	Brooklyn Navy Yard	TBD
8	121 Morgan Avenue	2019	18	625 Fulton Street	TBD
9	94 Ninth Street	2019	19	30-56 Gem Street	TBD
10	The Refinery at the Domino Sugar Factory	2020	20	525 Broadway	TBD