

Crown Heights: Unlocking Unprecedented Growth



Comprehensive Market Mastery

A 360-degree view across Residential, Multifamily, Development & Commercial segments.



Strategic Forecasting: Q3 2025

In-depth insights into Q3 2025 data, with critical outlooks for Q4 2025 & 2026.



Expert Analysis by Jeff Zalmy

From Mendy Realty, delivering unparalleled market intelligence.

+5.5% YoY Value Growth

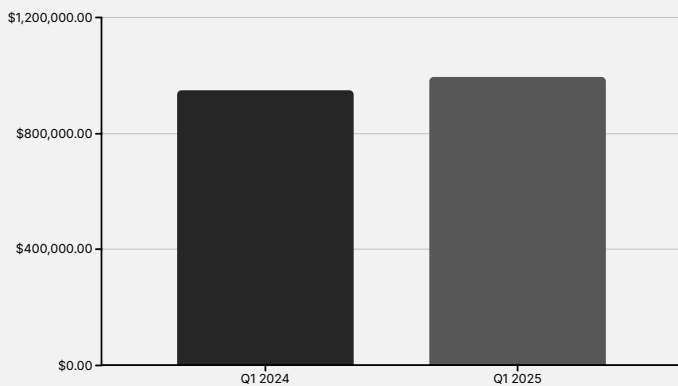
- ❑ Crown Heights isn't merely retaining value; it's in a phase of significant **acceleration**. We've meticulously analyzed the data to pinpoint where smart capital is deploying in Q3, forecast the pivotal opportunities of Q4, and reveal why 2026 is primed for explosive market expansion.



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Brooklyn's Engine Room: The Macro Context

Understanding the broader Brooklyn market context is essential for positioning Crown Heights investments strategically. The regional market dynamics create a strong foundation that amplifies Crown Heights' unique value proposition. While Brooklyn as a whole shows robust performance, Crown Heights is positioned to outperform these already impressive benchmarks.



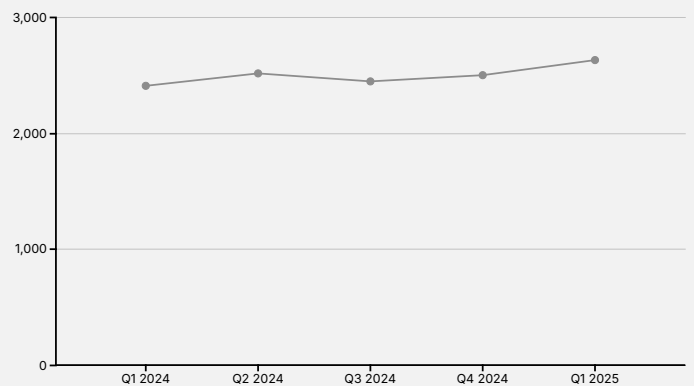
Brooklyn Median Sale Price

+4.7% YoY growth demonstrates strong regional fundamentals

01

Q4 2025 Outlook

Modest appreciation (+3–5%) as supply stabilizes demand. Market fundamentals remain strong with balanced inventory levels supporting continued price growth.



Brooklyn Active Listings

+9.2% YoY increase shows healthy market activity

02

2026 Outlook

Continued strong price growth (+4–6%) assuming stable demand. This strong regional foundation primes Crown Heights for its own accelerated growth trajectory.

The Crown Heights Premium: Value Trajectory

Crown Heights is experiencing a remarkable transformation into a "Million Dollar Neighborhood." The typical home value has surpassed \$1.08 million, representing a robust 5.5% year-over-year increase that significantly outpaces many Brooklyn submarkets. This isn't simply market momentum-it's a fundamental revaluation driven by infrastructure improvements, cultural amenities, and shifting buyer preferences.

The most compelling aspect of this trajectory is the upside potential heading into 2026. Conservative projections place values between \$1.20M and \$1.25M, but the upside case—supported by constrained supply and accelerating demand-targets \$1.25M to \$1.35M. This represents potential growth of up to 9%, a rate that positions Crown Heights among Brooklyn's top-performing investment markets.

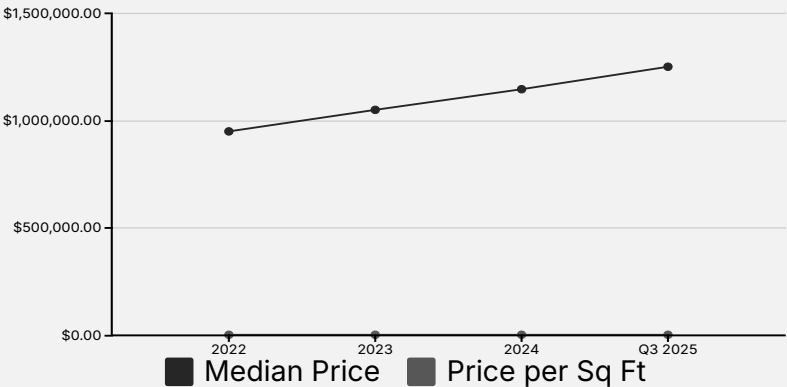
\$1.08M	\$1.20M	\$1.25M	\$1.35M
Q3 2025 Value	Q4 2025 Projection	2026 Base Case	2026 Upside
+5.5% YoY Growth	+6% to +8% Growth	Conservative Estimate	+9% Growth Target

For investors and developers, this trajectory confirms Crown Heights is transitioning from an emerging market to an established premium Brooklyn neighborhood. The data supports strategic entry points now, before the 2026 upside case becomes the new baseline. This is the inflection point where early movers capture maximum value appreciation.

"The most important takeaway is the **upside potential** in 2026. This trajectory confirms Crown Heights is becoming a '**Million Dollar Neighborhood**,' not just a Brooklyn neighborhood."

Townhouses: Price-Per-Foot Pressure, Value Gains

The townhouse segment in Crown Heights presents a fascinating market dynamic that reveals sophisticated investor opportunities. While median sale prices have surged 9.2% year-over-year to approximately \$1.25 million, the price-per-square-foot metric shows modest compression at -2.2% YoY to around \$714 per square foot. This apparent contradiction actually signals a healthy market rebalancing.



The divergence between total price appreciation and per-square-foot metrics indicates buyers are increasingly valuing larger properties and premium locations. This trend favors investors holding larger townhouses in prime blocks, as these assets are capturing disproportionate value gains.

Median Sale Price \$1.25M in Q3 2025 +9.2% YoY growth leading all segments	Price Per Square Foot \$714/sq ft current -2.2% YoY modest compression	Market Liquidity 52 days median DOM Strong demand absorption rate
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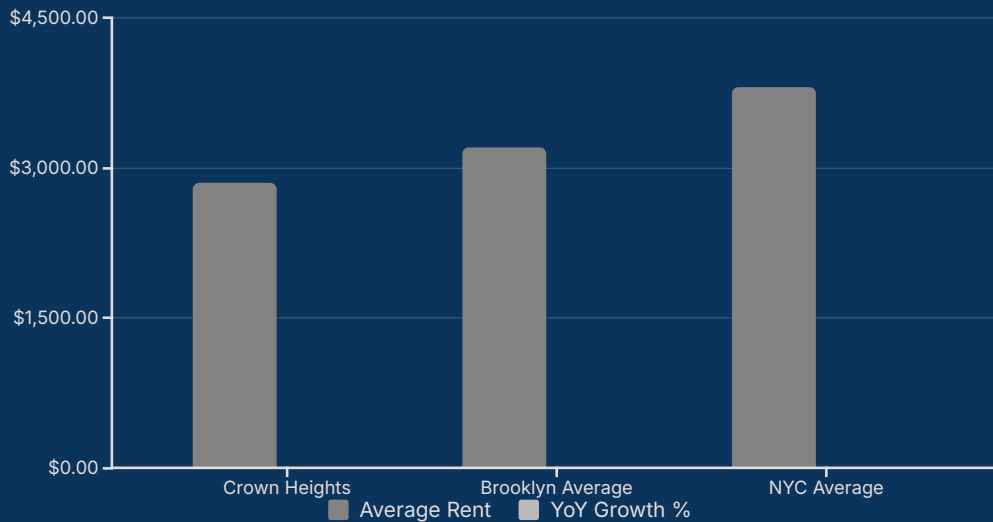
Liquidity metrics remain robust with a median days-on-market of just 52 days, demonstrating that well-priced townhouses move quickly despite higher absolute prices. Looking ahead to 2026, we maintain high confidence in the upside case projecting median townhouse values reaching approximately \$1.45 million. This segment represents the strongest conviction trade in the Crown Heights market, particularly if supply remains constrained for this highly desirable asset class. Investors should prioritize townhouse acquisitions in Q4 2025 to capture this anticipated appreciation.



Investor Alert: Crown Heights' Rental Alpha

This is the most critical insight for income-focused investors: Crown Heights is delivering extraordinary rental performance that significantly outpaces broader market benchmarks. The average rent in Q3 2025 reached approximately \$2,850 per month, representing a remarkable 11.98% year-over-year increase. To put this in context, Crown Heights is outperforming Brooklyn's average rent growth by a full six percentage points.

This "Crown Heights Rental Alpha" validates the neighborhood's strengthening fundamentals across multiple dimensions—employment accessibility, cultural amenities, transit connectivity, and quality-of-life improvements are all driving tenant demand and rental pricing power. For multifamily investors and developers, this rent growth rate translates directly to superior cash-on-cash returns and accelerated payback periods on capital investments.



Q3 2025 Performance

\$2,850/month average rent with **+11.98% YoY** growth—nearly double Brooklyn's average

Q4 2025 Outlook

Continued surge expected with **+9% to +12%** rent growth maintaining momentum through year-end

2026 Strategy

Strong growth continues; new supply absorption will be key for long-term hold strategies

The Q4 outlook anticipates continued exceptional performance with rent growth in the 9-12% range. However, 2026 introduces a critical variable: new supply absorption. With over 600 units expected to hit the market, the neighborhood's capacity to maintain this rental alpha will depend on continued demand growth. For sophisticated investors, this presents both opportunity and timing considerations. Current acquisitions benefit from peak rental growth before new supply potentially moderates increases, while 2026-2027 may offer value-add opportunities in newer inventory. The key insight: Crown Heights rental fundamentals are strong enough to absorb new supply while maintaining superior returns relative to comparable Brooklyn markets.

The Development Pipeline: Supply & The Absorption Test

The Crown Heights development pipeline represents the single most important variable for 2026-2027 market dynamics. Three major projects will collectively add over 600 residential units to the neighborhood inventory, fundamentally testing the market's absorption capacity and potentially moderating the aggressive price appreciation we've observed through 2025.



The 600 Crown Street project arrives first in Q2 2026, delivering 100 units that will provide the initial absorption test. This mixed-income development includes affordable housing components, which will serve a different market segment but still impacts overall neighborhood dynamics. The true stress test comes from 970 Franklin Avenue—an institutional-scale development of approximately 355 units representing nearly 300,000 buildable square feet. This \$54.3 million site acquisition signals major capital conviction in Crown Heights' long-term trajectory.



The 76-99 Empire Boulevard project adds another 261 units but remains in rezoning review, creating timeline uncertainty. For investors, the strategic insight is clear: 2026 becomes the pivotal absorption year. Current fundamentals—11.98% rent growth, 5.5% value appreciation, and 52-day median DOM—suggest the market has capacity to absorb this supply. However, if demand softens or if units come online simultaneously rather than in staggered waves, we could see price growth moderation in late 2026 through 2027. The sophisticated play is positioning now to capture 2025-early 2026 appreciation before new supply impacts, while preparing for potential value-add opportunities in 2027 if absorption creates temporary softness.

Capital Influx: Valuing the Buildable Land

Land transactions provide the clearest signal of where institutional capital sees value and what developers are willing to underwrite. The Crown Heights buildable land market has witnessed significant transactions that reveal sophisticated pricing dynamics and investment theses. Two recent deals—970 Franklin Avenue and 1550 Bedford Avenue—illustrate how the market values development sites based on scale, location, and readiness.

Major Land Transactions

970 Franklin Avenue

Sale Price: \$54.3 million

Buildable: 290,000 BSF

Price/BSF: \$187

Institutional-scale acquisition demonstrating conviction in corridor transformation and development economics at scale

1550 Bedford Avenue

Sale Price: \$10.1 million

Price/BSF: \$262

Premium pricing for smaller, shovel-ready site reflects scarcity value and faster development timeline

The striking difference in per-buildable-square-foot pricing—\$187/BSF for 970 Franklin versus \$262/BSF for 1550 Bedford—reveals crucial market dynamics. Smaller sites command a 40% premium because they offer faster entitlement paths, lower capital requirements, and reduced market risk exposure. For boutique developers, this premium is justified by quicker turns and more manageable project complexity. Larger sites like 970 Franklin benefit from economies of scale but require institutional capital, longer development timelines, and greater market risk.

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Q4 2025 Transaction Outlook

Fewer mega-deals anticipated as developers shift focus to mid-size, niche sites. Capital is becoming more selective, prioritizing sites with clear paths to certificate of occupancy.

02

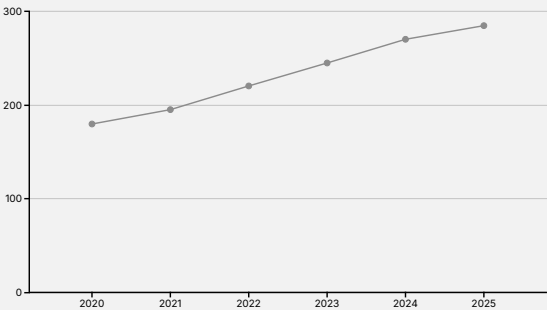
2026 Volume Projection

Transaction volume expected to **increase significantly** as developers lock in sites ahead of project completions. Competition for prime parcels will intensify.

The Q4 2025 outlook suggests a shift toward mid-sized acquisitions as developers seek risk-adjusted opportunities that balance scale economics with manageable execution timelines. Looking into 2026, we anticipate transaction volume increasing as developers rush to secure sites before the current development pipeline completes and potentially impacts pricing. The strategic insight for landowners: prime Franklin and Bedford Avenue sites will command premium valuations, while secondary corridors may see pricing pressure if new supply moderates rent growth. For developers, the focus should be on acquiring entitled sites that can move quickly through construction to beat the next supply wave.

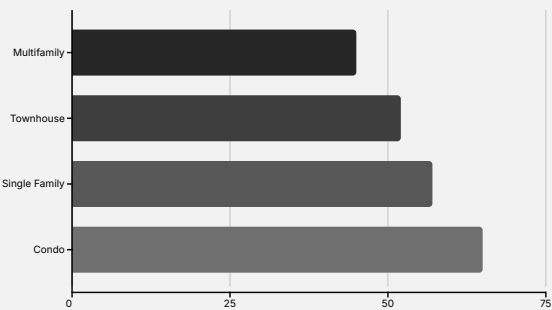
The Liquidity Test: Inventory vs. Absorption

Market liquidity metrics provide critical insights into supply-demand balance and pricing power sustainability. Crown Heights has experienced a dramatic 58% increase in active listings since 2020, rising from approximately 180 properties to 285 in 2025. While this surge might initially signal oversupply concerns, a deeper analysis reveals a maturing market with healthy turnover rather than distressed inventory accumulation.



Active Listings Trajectory

+58% increase since 2020 signals market maturation and increased transaction volume



Days on Market by Type

Multifamily assets demonstrate strongest velocity

The key validation of healthy market conditions comes from days-on-market (DOM) metrics. With a median DOM around 57 days overall—and multifamily properties moving in just 45 days—absorption remains robust despite elevated inventory. Multifamily assets demonstrate the strongest liquidity, reflecting investor appetite for income-producing properties in a high-rent-growth environment. Condos, at 65 days DOM, move more slowly due to higher price points and smaller buyer pools, but this pace still indicates reasonable market clearing.

285 Active Listings

Current inventory represents healthy selection for buyers without market saturation

57-Day Median DOM

Balanced absorption rate confirming strong demand fundamentals across segments

Velocity by Type

Multifamily fastest at 45 days, condos slowest at 65 days—clear segment differentiation

The Q4 2025 outlook anticipates inventory rising slightly as seasonal patterns and new development completions add supply, but DOM is expected to remain stable in the 55-65 day range. Demand is keeping pace with supply growth, preventing the inventory buildup from translating to pricing pressure. The critical test arrives in 2026 when the development pipeline adds 600+ units. If listings climb significantly while DOM extends beyond 75-80 days, price growth will moderate. However, current fundamentals—11.98% rent growth and sustained buyer activity—suggest the market has capacity to absorb this supply without major disruption. For sellers, Q4 2025 and Q1 2026 represent optimal exit timing before new supply potentially impacts pricing leverage. For buyers, monitoring DOM trends provides early warning signals if market conditions shift toward buyer advantage.

Block-by-Block Intelligence: Your Hyper-Local Edge

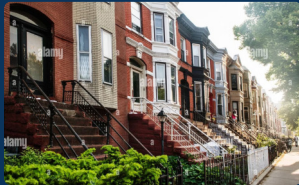
Generic neighborhood data isn't sufficient for making superior investment decisions. The Crown Heights market demonstrates significant block-by-block variation in buyer profiles, rental yields, appreciation trajectories, and risk profiles. Understanding these micro-market dynamics is the difference between a good deal and a great deal. Our hyper-local intelligence identifies distinct corridors, each with unique characteristics and optimal investment strategies, grouped into premium residential and commercial/mixed-use zones.

The Premier Address: Eastern Parkway – Unparalleled Prestige

Profile: The grand boulevard, unparalleled in Crown Heights for its prestigious properties, highest values, and most exclusive buyer profile. It represents generational wealth and enduring prestige.

Strategy: Ultra-luxury investment for long-term appreciation, appealing to the most discerning buyers seeking iconic, statement residences.

Premium Residential Streets: Stability and Long-Term Appreciation



President Street

Profile: The most expensive corridor in Crown Heights, featuring luxury brownstones and grand residences.

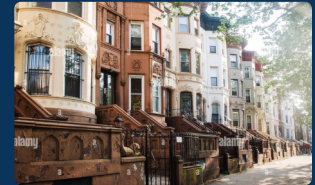
Strategy: Prime blue-chip investment for discerning buyers and long-term appreciation, appealing to high-net-worth individuals.



Crown Street

Profile: Premium brownstones with stable owner-occupier base, known for historic architecture and community.

Strategy: Blue-chip assets for long-term appreciation and wealth preservation, offering maximum value stability with limited rental yield.



Carroll Street

Profile: Classic residential charm with historic homes, tree-lined streets, and strong community appeal.

Strategy: Steady value growth and desirable for families, offering a blend of heritage and modern living.

Commercial and Mixed-Use Corridors: Diverse Opportunities



Kingston Avenue

Vibrant commercial and residential corridor, heart of the local Jewish community. Features diverse retail, strong pedestrian traffic, and consistent rental demand. Ideal for investors seeking stable commercial tenants and community-integrated residential assets.



Nostrand Avenue

Profile: Strong transit corridor with highest rental demand, benefiting from excellent subway access.

Strategy: Value-add multifamily, optimal for rental income and forced appreciation through improvements and unit renovations.



Franklin Avenue

Profile: Mixed-use redevelopment hotspot with active investor interest, experiencing significant revitalization.

Strategy: Development plays and value-add repositioning, offering highest risk but significant upside for those willing to navigate construction.



Bedford Avenue

The commercial 'spine' of Crown Heights featuring highest foot traffic and retail rents. Ground-floor retail with residential above commands premium valuations. Ideal for mixed-use investors seeking retail income diversification alongside residential appreciation.

President, Crown, and Carroll Streets offer stable, long-term appreciation through historic brownstones and a strong owner-occupier base, ideal for wealth preservation. In contrast, commercial corridors like Nostrand Avenue provide strong rental yields due to subway access, Franklin Avenue is a high-risk, high-reward redevelopment hub, Bedford Avenue offers mixed-use retail and residential opportunities, and Kingston Avenue blends cultural richness with stable commercial and residential assets.

Ready to Invest? Strategic Positioning & Your Next Steps

Crown Heights' investment thesis rests on three unassailable structural advantages: world-class amenities, exceptional transit connectivity, and a thriving cultural and retail ecosystem. These aren't speculative future improvements—they're established infrastructure assets that drive sustained demand across economic cycles. Prospect Park's 585 acres provide recreational amenities comparable to Manhattan's Central Park, while the Brooklyn Museum and Brooklyn Botanic Garden anchor the neighborhood's cultural prestige.



Quality of Life Amenities

Prospect Park (585 acres), Brooklyn Museum, Brooklyn Botanic Garden—world-class cultural and recreational infrastructure driving long-term value and resident satisfaction



Unmatched Transit Access

Multiple subway lines (2/3/4/5, B/Q) provide direct access to Manhattan, Downtown Brooklyn, and major employment centers—critical for rental demand and commuter appeal



Thriving Retail & Culture

Franklin and Bedford Avenue corridors feature diverse dining, retail, and cultural venues including Weeksville Heritage Center—creating vibrant street life and neighborhood identity

Transit connectivity is perhaps the single most important demand driver. With access to six subway lines providing direct routes to Manhattan's major business districts, Crown Heights offers commute times competitive with neighborhoods commanding 30-40% price premiums. This accessibility gap creates the investment opportunity—Crown Heights delivers comparable infrastructure at a valuation discount that continues to narrow as the market reprices the neighborhood.

The retail and cultural ecosystem along Franklin and Bedford Avenues has reached critical mass, transforming from emerging corridors to established destinations. The Weeksville Heritage Center adds unique cultural significance, differentiating Crown Heights from generic Brooklyn submarkets. These amenities compound over time—each new restaurant, gallery, or retail opening reinforces neighborhood desirability and attracts additional investment.

The strategic opportunity is clear: Crown Heights offers institutional-quality amenities at pre-institutional pricing. The 2026 development pipeline will accelerate neighborhood maturation, likely closing the valuation gap with adjacent markets. Investors who position now, before the upside case becomes the base case, capture maximum appreciation while locking in strong rental yields.



- ☐ **Don't wait for the upside case to become the base case.** The convergence of strong fundamentals, constrained supply, and world-class amenities positions Crown Heights for exceptional returns through 2026 and beyond. Let's turn this data into your next successful transaction.

Turn Data Into Action

The Crown Heights opportunity window is open now. With 5.5% value appreciation, 11.98% rent growth, and a major development pipeline arriving in 2026, the market fundamentals support aggressive positioning. Whether you're seeking stable cash flow, forced appreciation, or development opportunities, Crown Heights offers differentiated risk-adjusted returns across multiple investment strategies.

Your Next Steps - get in touch Today



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Custom Strategy Development

Block-level analysis tailored to your investment criteria, timeline, and risk profile-leveraging proprietary market intelligence

Portfolio Opportunities

Access to off-market deals, development sites, and value-add multifamily assets across all Crown Heights corridors

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