

# NYC REAL ESTATE CASE STUDY

MET AD571 ASSIGNMENT 2

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## **Executive Summary**

This report presents an analysis of the average price per square foot for residential real estate in Bushwick and compares it with several nearby neighborhoods, namely Williamsburg-North, East New York, Brownsville, Cypress Hills, Bedford Stuyvesant, Ocean Hill, and Greenpoint. The analysis spans from 2003 to 2021 and uses data visualizations and statistical summaries to draw insights. This analysis was conducted using RStudio.

The significant increase in Bushwick's price per square foot indicates strong demand and growing desirability, presenting substantial opportunities for real estate investments. The rapid price appreciation suggests that properties in Bushwick are likely to yield high returns. Bushwick's stable performance during economic downturns, compared to more volatile nearby neighborhoods, underscores its resilience. This characteristic is attractive to risk-averse investors seeking stable markets. While Bushwick has become more expensive, it remains competitive. Neighborhoods such as Williamsburg-North, East New York, and Greenpoint still have higher or comparable prices, indicating that Bushwick is catching up but is not yet the most expensive market.

Based on the comparative data analysis, stakeholders should also consider nearby neighborhoods. Areas like Williamsburg-North, East New York, and Greenpoint show promising trends and could provide high returns on investment. Given the market's resilience and stable growth trajectory, starting a real estate company in Bushwick is highly recommended compared to its nearby neighborhoods. This analysis was conducted using RStudio, ensuring detailed insights and data-driven decision-making.

## **Price Trends in Bushwick**

From 2003 to 2021, the average price per square foot in Bushwick has shown a significant upward trend (*Appendix 1*). In 2003, the price was approximately \$75.08 per square foot, and by 2021, it had risen to \$552.87 per square foot. This represents a substantial increase of over 635% over the period.

The data indicate periods of both rapid growth and stabilization (*Appendix 2*). For example, between 2003 and 2007, the price increased steadily from \$75.08 to \$137.94 per square foot. There was a slight dip during the economic downturn in 2008-2010, but the prices quickly rebounded, and from 2011 onwards, the upward trajectory resumed, peaking sharply in 2021.

## **Comparison with Nearby Neighborhoods**

### *Initial Comparison:*

In the early 2000s, Bushwick had lower average prices per square foot compared to neighborhoods like Williamsburg-North and East New York. For example, in 2003, Williamsburg-North had an average price of \$93.15 per square foot compared to Bushwick's \$75.08.

### *Mid-Period Stability:*

During the mid-2000s, Bushwick's price growth was relatively moderate compared to some nearby neighborhoods. However, the prices in Bushwick were more stable during the economic downturn, which indicates resilience in the market.

### *Recent Trends:*

In recent years, Bushwick has seen a dramatic increase in prices, surpassing many of the nearby neighborhoods. For instance, in 2021 (*Appendix 2*), Bushwick's average price per square

foot was \$552.87, while nearby neighborhoods like Greenpoint and Bedford Stuyvesant had prices of \$352.13 and \$428.47 respectively.

### **Assessment and Implications**

#### *Growth Opportunity:*

The substantial increase in price per square foot in Bushwick indicates strong demand and a growing desirability of the area. This trend presents significant opportunities for real estate investments. The rapid price appreciation suggests that properties in Bushwick are likely to yield high returns on investment.

#### *Market Resilience:*

Bushwick's relatively stable performance during economic downturns compared to more volatile nearby neighborhoods underscores its market resilience. This characteristic is appealing to risk-averse investors looking for stable markets.

#### *Competitive Market:*

The comparison with nearby neighborhoods shows that while Bushwick has become more expensive, it remains competitive. Neighborhoods like Williamsburg-North, East New York, and Green Point still have higher or comparable prices, (*Appendix 3*) indicating that Bushwick is catching up but is not yet the most expensive market.

## **Recommendations**

### *Invest in Bushwick:*

The upward trend in property prices and the market's resilience make Bushwick a promising area for starting a real estate company. The growth potential remains high, and early investment could yield substantial returns.

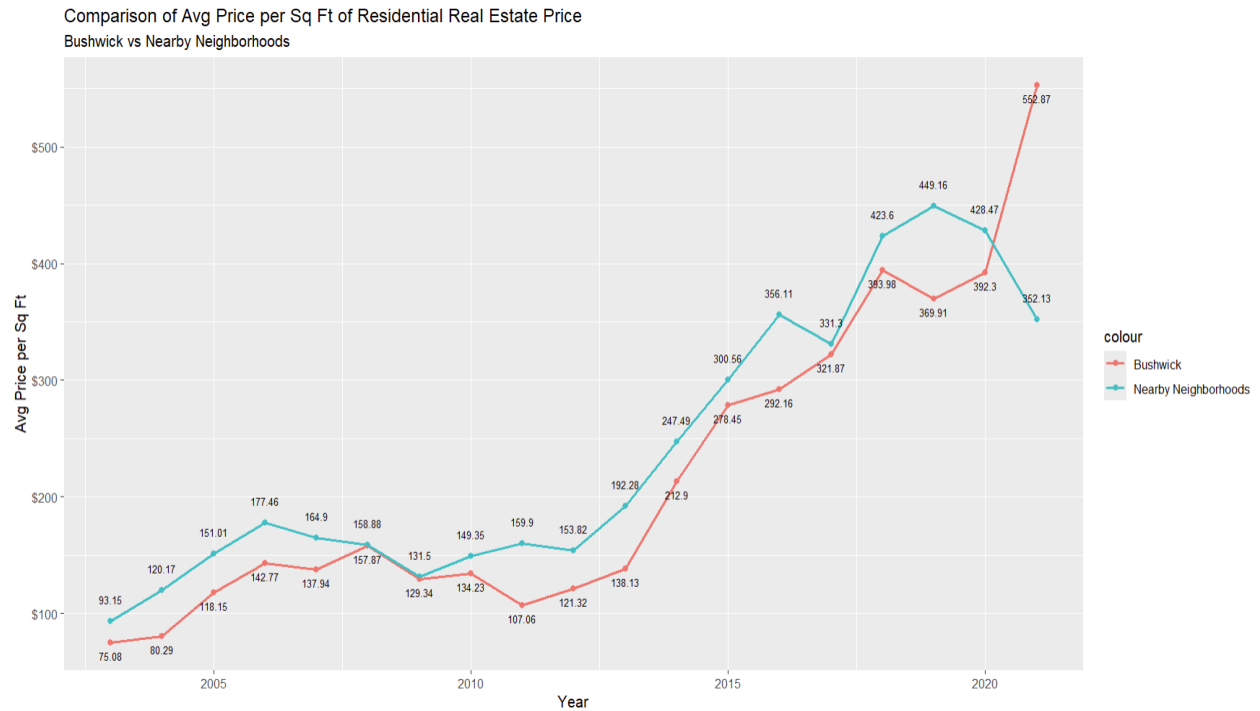
### *Consider Alternatives:*

Based on the comparative data analysis (*Appendix 3*), stakeholders should also consider nearby neighborhoods, areas like Williamsburg-North and Greenpoint also show promising trends and could provide high return on investment.

## **Conclusion**

The analysis of residential real estate prices in Bushwick indicates a strong upward trend with significant investment potential. The comparison with nearby neighborhoods underscores Bushwick's growing desirability and competitive edge. Given the market's resilience and stable growth trajectory, starting a real estate company in Bushwick is highly recommended when compared to its nearby neighborhoods.

**Appendix 1:( Bushwick Vs nearby neighborhoods, namely Williamsburg-North, East New York, Brownsville, Cypress Hills, Bedford Stuyvesant, Ocean Hill, and Greenpoint)**



**Appendix 2:**

	SaleYear	Avg_Price_per_sqft_Bushwick	Avg_Price_per_sqft_Nearby
1	2003	75.07594	93.14541
2	2004	80.29124	120.16563
3	2005	118.15015	151.00578
4	2006	142.77002	177.46157
5	2007	137.93922	164.90001
6	2008	157.87058	158.87583
7	2009	129.34016	131.49660
8	2010	134.23119	149.34725
9	2011	107.06008	159.89566
10	2012	121.32322	153.81856
11	2013	138.12793	192.27852
12	2014	212.90127	247.49231
13	2015	278.45098	300.55922
14	2016	292.16401	356.11111
15	2017	321.87145	331.29674
16	2018	393.97530	423.60213
17	2019	369.91257	449.16453
18	2020	392.29696	428.46924
19	2021	552.87321	352.12615

### Appendix 3: ( Bushwick Vs Few Nearby Neighborhoods, namely Williamsburg-North, East New York, and Greenpoint)

