575 Classon Avenue, LLC

Risk Report: 575 Classon Avenue, Clinton Hill/Bed-Stuy

Brooklyn, NY | July 2026

Executive summary

575 Classon Avenue sits at the border of Clinton Hill and Bedford-Stuyvesant, benefiting from strong 2025 fundamentals: Clinton Hill rents are up 7% year-over-year, and Bed-Stuy average occupancy remains above 95%. The property's overall risk profile is low-to-moderate, with the main items to manage being rent-growth pacing relative to a strong single-year increase, and the cost implications of its included-utilities, no-broker-fee leasing model.

Market position at the Clinton Hill/Bed-Stuy border

Rents in Clinton Hill have risen 7% year-over-year, while Bed-Stuy's average occupancy rate remains above 95% — both reflecting real tenant demand rather than short-term volatility. Straddling both submarkets gives 575 Classon Avenue a broad demand base, though renewal pricing should reference sustained multi-year trends rather than a single strong year of Clinton Hill appreciation.

Transit and connectivity

The Classon Avenue G train is steps away, giving residents access to Downtown Brooklyn, Williamsburg, and Manhattan in under 25 minutes. This connectivity is a core driver of the property's appeal to commuters, though it remains a dependency on service outside direct ownership control.

Leasing model and unit positioning

- Included utilities and no broker fees reduce friction for renters, but shift heat, hot water, and leasing-related costs onto ownership — a structure that should be reflected in base rent rather than treated as a fixed, absorbed cost.
- Units featuring natural light, hardwood floors, and functional layouts support a differentiated position relative to less renovated inventory nearby.

Risk summary

Risk area	Observation	Risk level	Mitigation
Rent growth pace	Clinton Hill rents up 7% YoY	**Moderate**	Price renewals to sustained trend; avoid anchoring to a single strong year
Occupancy stability	Bed-Stuy average occupancy above 95%	**Low**	Maintain unit turnaround speed and quality to sustain high occupancy
Transit dependency	Value tied to G train access; under 25 min to Downtown Brooklyn, Williamsburg, Manhattan	**Low**	Monitor transit service reliability and any planned changes
Included utilities / no-fee model	Heat and hot water included; no broker fees	**Moderate**	Model utility and leasing-cost exposure into base rent
Amenity / neighborhood dependency	Appeal tied to Fulton Street, Myrtle Avenue, cafes, markets, parks, and public art	**Low**	Monitor local business turnover and neighborhood commercial mix

Neighborhood amenities and property stewardship

Much of the property's appeal depends on the surrounding neighborhood: cafes, markets, parks, and public art spaces along Fulton Street and Myrtle Avenue. This is a shared community asset rather than something ownership controls directly. On the property side, consistent investment in maintenance and safety supports resident experience and long-term value, and should continue on a proactive, year-round basis.

Outlook and recommendation

575 Classon Avenue's overall risk profile is low-to-moderate, supported by strong submarket fundamentals and a differentiated leasing model. We recommend pricing renewals to sustained multi-year rent trends rather than the recent single-year increase, modeling the cost of included utilities and no-fee leasing into base rent, and maintaining consistent property maintenance and safety investment as core differentiators.
