

ELLI MAN

REPORT

2Q 2015
BROOKLYN SALES

Quarterly Survey of Residential Sales

CO-OPS, CONDOS & 1-3 FAMILY

DASHBOARD

year-over-year

PRICES

Median Sales Price

5.2%

PACE

Absorption Rate

3 mos.

SALES

Closed Sales

16.8%

INVENTORY

Total Inventory

38.6%

MARKETING TIME

Days on Market

36 days

NEGOTIABILITY

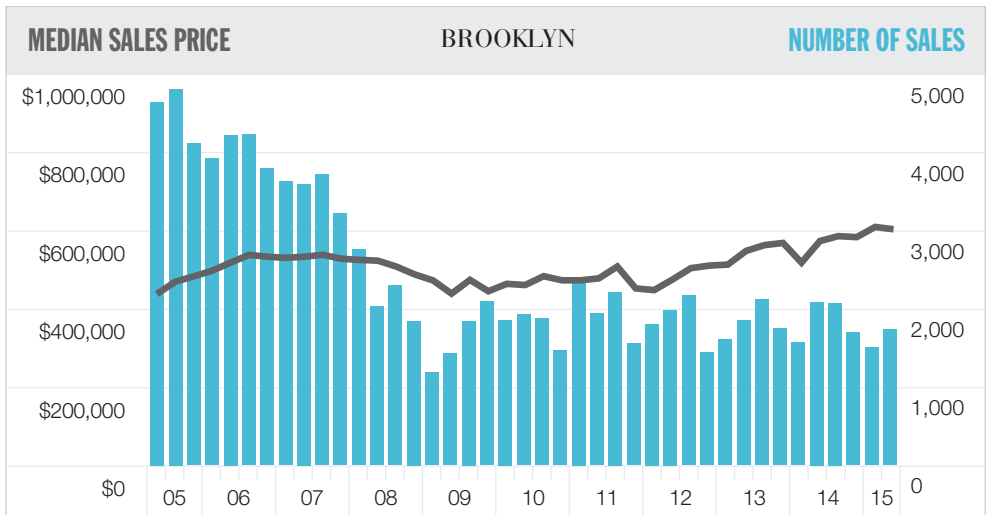
Listing Discount

7%

- Average sales price sets record high
- Fourth consecutive quarter of declining sales
- Absorption rate slowed from rapid to brisk pace

The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

| Brooklyn Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---|-----------|------------|-----------|-----------|-----------|
| Average Sales Price | \$788,529 | 5.2% | \$749,269 | 0.7% | \$783,296 |
| Median Sales Price | \$605,000 | -1.0% | \$610,894 | 5.2% | \$575,000 |
| Number of Sales | 1,735 | 15.1% | 1,507 | -16.8% | 2,086 |
| Days on Market (From Last List Date) | 73 | -34.8% | 112 | -33.0% | 109 |
| Listing Discount (From Last List Price) | 8.0% | | 4.6% | | 1.0% |
| Listing Inventory | 4,269 | -1.4% | 4,331 | 38.6% | 3,081 |
| Absorption Rate (mos) | 7.4 | -14.0% | 8.6 | 68.2% | 4.4 |
| Year-to-Date | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
| Average Sales Price (YTD) | \$770,280 | N/A | N/A | 4.2% | \$739,413 |
| Median Sales Price (YTD) | \$615,000 | N/A | N/A | 10.8% | \$555,000 |
| Number of Sales (YTD) | 3,242 | N/A | N/A | -11.4% | 3,658 |



In what continues to be a recurring theme, Brooklyn housing prices pushed higher and records were set across the market. Attribution for these price gains goes to improving local economic conditions and low, but rising inventory. While median sales price set a record in the previous quarter, average sales price set a new high in the second quarter, rising 0.7% to \$788,529 from the prior year quarter. Median sales price increased 5.2% to \$605,000 over the same period, falling 1% short of the record set in the prior quarter, but year-to-date, was ahead of last year by 10.8%. Condo and co-op median sales price edged 1.7% and 1.2% respectively from the prior year quarter. Median sales price

for 1-3 family sales rose 3.3% to \$680,000 as average price per square foot set a record of \$411, the highest point reached in the twelve years this metric was tracked. Brownstones, a sub-market of the 1-3 family market located in the northwest region, jumped 38.8% to a record \$2,589,500 over the same period. Average sales price for Brownstones also reached a record rising 21.2% to \$2,898,551. The luxury housing market, defined as the top ten percent of all sales during the period, began at \$1,500,000, up 0.7% from the same period last year. Despite the records set in the overall market, luxury price indicators under performed. Median sales price declined 5.3% to \$2,025,000 from the same

period last year. The number of sales declined for the fourth consecutive quarter as low inventory levels, despite recent gains, pushed price indicators to new levels. There were 1,735 sales in the fourth quarter, down 16.8% from the prior year quarter. Although inventory jumped 38.6% to 4,269 from last year as sellers were pulled into the market by rising prices, it remained 2.8% below the decade quarterly average of 4,395.

As a result of falling sales and rising supply, the absorption rate, the number of months to sell all listing inventory at the current rate of sales, rose to 7.4 months. The market pace is 42.6% faster than the 12.9-month peak set in the first quarter of 2009 at the beginning of the financial crisis. Listing discount, the percentage difference between the list price at time of sale and the sales price, was 8%, up from 1% in the prior

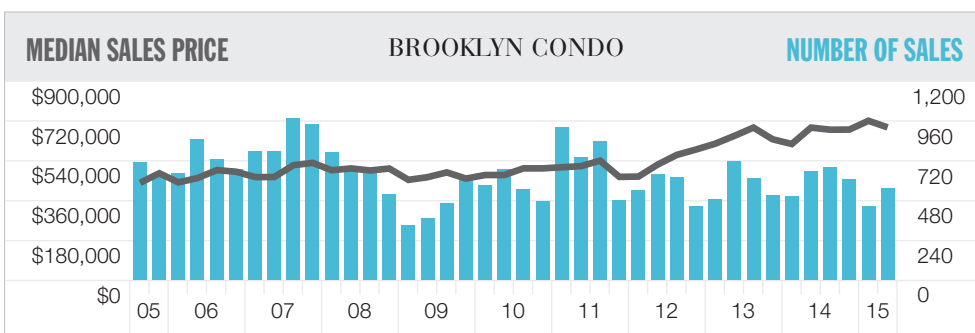
year quarter. The spike in this metric suggests that sellers are setting listing prices further from market value, prompted by record sales prices, but are being met with resistance by buyers. This may help explain the restraint on the number of sales in addition to inventory. Days on market, the average number of days between the last list price change to the contract date, fell 33% to 73 days from the same period last year.

CONDOS

- Overall price indicators reflected stability
- Number of sales remained below prior year levels
- Marketing time dropped as listing discount rose sharply

| Condo Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---|-----------|------------|-----------|-----------|-----------|
| Average Sales Price | \$869,860 | 4.3% | \$833,952 | -4.4% | \$910,347 |
| Average Price Per Sq Ft | \$844 | 10.2% | \$766 | 1.7% | \$830 |
| Median Sales Price | \$700,000 | -4.1% | \$729,750 | 0.1% | \$699,000 |
| Number of Sales | 556 | 25.2% | 444 | -15.6% | 659 |
| Days on Market (From Last List Date) | 62 | -10.1% | 69 | -19.5% | 77 |
| Listing Discount (From Last List Price) | 12.0% | | 3.5% | | 0.0% |

| Quintiles | Med. Sales Price | %Change (YR) |
|-----------|------------------|--------------|
| 5/5 | \$1,552,833 | -11.9% |
| 4/5 | \$954,041 | -2.4% |
| 3/5 | \$700,000 | 0.1% |
| 2/5 | \$554,973 | 13.3% |
| 1/5 | \$306,068 | -5.8% |

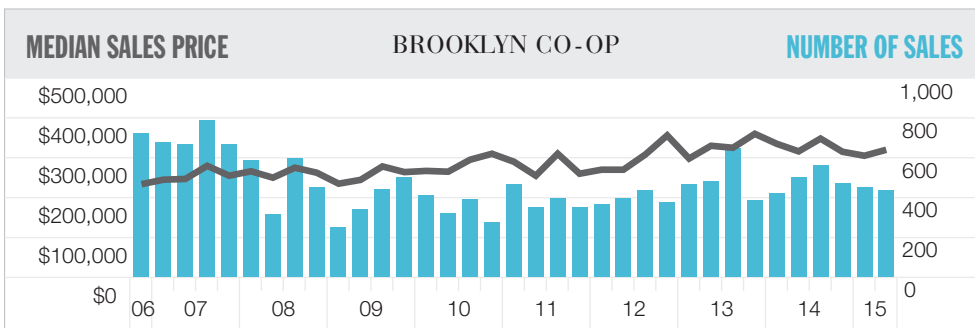


CO-OPS

- Price indicators edged higher
- Number of sales declined
- Marketing time fell as listing discount reflected a premium

| Co-op Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---|-----------|------------|-----------|-----------|-----------|
| Average Sales Price | \$447,755 | -3.1% | \$462,144 | 3.8% | \$431,335 |
| Median Sales Price | \$325,000 | 4.8% | \$310,000 | 1.2% | \$321,000 |
| Number of Sales | 436 | -4.0% | 454 | -12.8% | 500 |
| Days on Market (From Last List Date) | 91 | -5.2% | 96 | -9.0% | 100 |
| Listing Discount (From Last List Price) | -2.4% | | 5.4% | | 1.0% |

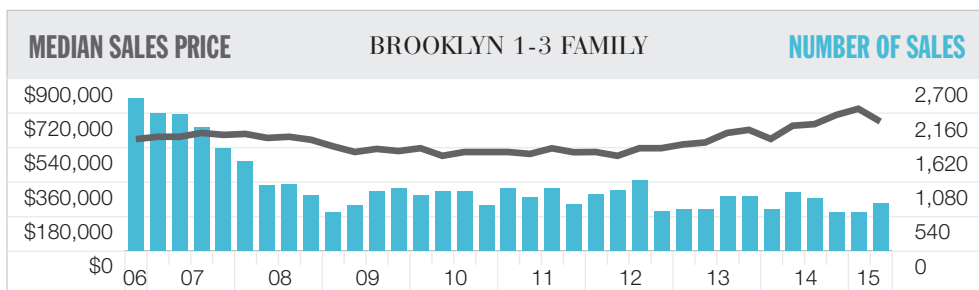
| Quintiles | Med. Sales Price | %Change (YR) |
|-----------|------------------|--------------|
| 5/5 | \$804,000 | -0.3% |
| 4/5 | \$460,000 | -4.7% |
| 3/5 | \$325,000 | 1.2% |
| 2/5 | \$225,000 | 1.6% |
| 1/5 | \$149,000 | 11.0% |



1-3 FAMILY

- All price indicators increased
- Number of sales fell from prior year levels
- Price per square foot set new record.

| 1-3 Family Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---|-----------|------------|-----------|-----------|-----------|
| Average Sales Price | \$927,637 | 2.9% | \$901,578 | 5.1% | \$882,815 |
| Average Price Per Sq Ft | \$411 | 8.2% | \$380 | 8.4% | \$379 |
| Median Sales Price | \$680,000 | -9.0% | \$747,000 | 3.3% | \$658,000 |
| Number of Sales | 743 | 22.0% | 609 | -19.8% | 927 |
| Days on Market (From Last List Date) | 99 | 10.0% | 90 | 10.0% | 90 |
| Listing Discount (From Last List Price) | 4.1% | | 4.8% | | 2.5% |



| Quintiles | Med. Sales Price | %Change (YR) |
|-----------|------------------|--------------|
| 5/5 | \$1,672,000 | 4.4% |
| 4/5 | \$964,000 | 7.3% |
| 3/5 | \$680,000 | 3.3% |
| 2/5 | \$499,000 | 2.9% |
| 1/5 | \$290,000 | -1.0% |

Brooklyn Market by LOCATION

NORTH

- All price indicators had large gains
- The number of sales declined from prior year quarter

| North Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|-------------------------|-------------|------------|-------------|-----------|-------------|
| Average Sales Price | \$1,390,013 | 25.0% | \$1,112,070 | 33.4% | \$1,041,624 |
| Average Price Per Sq Ft | \$1,175 | 55.6% | \$755 | 59.9% | \$735 |
| Condo | \$1,033 | 9.8% | \$941 | 14.5% | \$902 |
| Median Sales Price | \$1,050,000 | 7.4% | \$977,500 | 22.4% | \$858,050 |
| Number of Sales | 135 | 27.4% | 106 | -24.2% | 178 |

SOUTH

- All price indicators moved higher
- The number of sales slipped

| South Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---------------------|-----------|------------|-----------|-----------|-----------|
| Average Sales Price | \$573,193 | 0.0% | \$573,185 | 6.9% | \$536,337 |
| Median Sales Price | \$483,500 | 6.1% | \$455,650 | 4.6% | \$462,185 |
| Condo | \$525,000 | 3.3% | \$508,000 | 12.9% | \$465,000 |
| Co-op | \$235,000 | 8.3% | \$217,000 | 4.7% | \$224,500 |
| 1-3 Family | \$665,000 | -6.3% | \$710,000 | 5.1% | \$632,500 |
| Number of Sales | 867 | 12.3% | 772 | -3.5% | 898 |

EAST

- Number of sales declined from prior year level
- Price indicators increased from prior year quarter

| East Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---------------------|-----------|------------|-----------|-----------|-----------|
| Average Sales Price | \$629,900 | -8.6% | \$689,302 | 5.5% | \$596,939 |
| Median Sales Price | \$575,000 | -11.7% | \$651,250 | 9.9% | \$523,172 |
| Condo | \$611,734 | 22.1% | \$500,965 | 22.5% | \$499,250 |
| 1-3 Family | \$584,876 | -16.4% | \$700,000 | 3.5% | \$565,000 |
| Number of Sales | 358 | 58.4% | 226 | -17.5% | 434 |

NORTHWEST

- Number of sales fell sharply
- Price indicators continued to rise

| Northwest Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|-------------------------|-------------|------------|-------------|-----------|-------------|
| Average Sales Price | \$1,221,289 | 18.9% | \$1,026,992 | -0.6% | \$1,228,897 |
| Median Sales Price | \$910,000 | 12.1% | \$811,500 | 7.1% | \$849,500 |
| Condo | \$999,000 | 7.8% | \$926,607 | 5.2% | \$950,000 |
| Co-op | \$617,500 | 2.9% | \$600,000 | 13.9% | \$542,000 |
| 1-3 Family | \$2,589,500 | 32.8% | \$1,950,000 | 38.8% | \$1,866,118 |
| Number of Sales | 375 | -6.7% | 402 | -34.9% | 576 |

BROWNSTONE

- Number of sales fell sharply
- Price indicators continued to surge

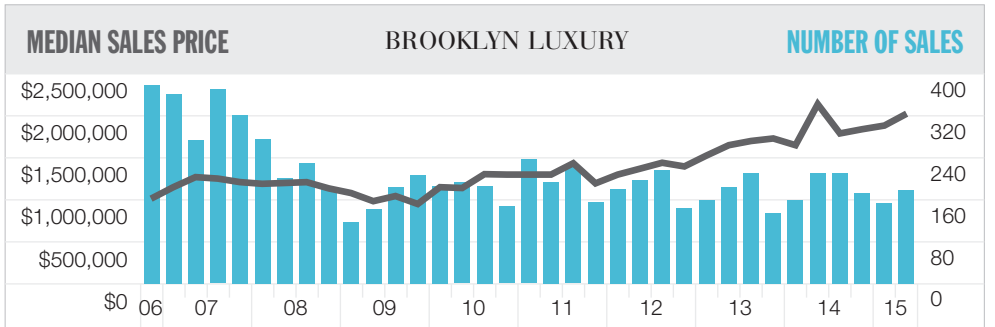
| Brownstone Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|--------------------------|-------------|------------|-------------|-----------|-------------|
| Average Sales Price | \$2,898,551 | 30.6% | \$2,219,358 | 21.2% | \$2,391,985 |
| Average Price Per Sq Ft | \$1,039 | 32.5% | \$784 | 21.1% | \$858 |
| Median Sales Price | \$2,589,500 | 32.8% | \$1,950,000 | 38.8% | \$1,866,118 |
| 1-Family | \$2,700,000 | 12.5% | \$2,400,000 | -4.2% | \$2,818,750 |
| 2-Family | \$2,300,000 | 13.6% | \$2,025,000 | 42.2% | \$1,617,500 |
| 3-Family | \$2,394,750 | 31.2% | \$1,825,000 | 76.4% | \$1,357,500 |
| Number of Sales | 51 | 18.6% | 43 | -51.0% | 104 |

LUXURY

- Price indicators fell short of prior year levels
- Listing discount stabilized as marketing time dropped
- Entry threshold saw nominal rise

| Luxury Mix | Luxury Sales Share | Median Sales Price |
|------------|--------------------|--------------------|
| Condo | 37.4% | \$1,736,116 |
| Co-op | 7.8% | \$2,262,500 |
| 1-3 Family | 54.7% | \$2,084,000 |

| Luxury Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---|-------------|------------|-------------|-----------|-------------|
| Average Sales Price | \$2,443,808 | 16.4% | \$2,100,132 | -3.3% | \$2,526,708 |
| Median Sales Price | \$2,025,000 | 7.5% | \$1,883,500 | -5.3% | \$2,138,325 |
| Number of Sales | 179 | 16.2% | 154 | -15.2% | 211 |
| Days on Market (From Last List Date) | 71 | 2.9% | 69 | -16.5% | 85 |
| Listing Discount (From Last List Price) | 1.4% | | 1.4% | | 1.3% |
| Entry-Price Threshold | \$1,500,000 | 7.1% | \$1,400,000 | 0.7% | \$1,490,000 |

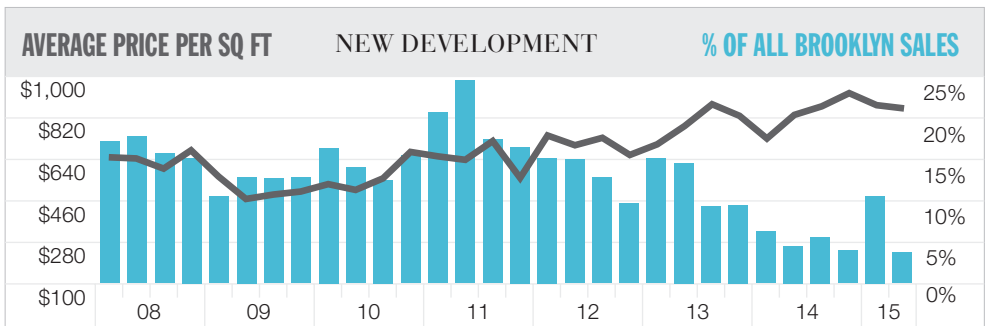


NEW DEVELOPMENT Condos

- Median sales price was unchanged as other indicators declined
- Sales and market share declined
- Marketing time fell as average sale sold slightly above asking price

| New Development Mix | Condo Sales Share | Median Sales Price |
|---------------------|-------------------|--------------------|
| < \$1M | 73.8% | \$594,225 |
| \$1M - \$3M | 24.6% | \$1,490,209 |
| > \$3M | 1.5% | \$3,054,750 |

| New Development Market Matrix | 2Q-2015 | %Chg (QTR) | 1Q-2015 | %Chg (YR) | 2Q-2014 |
|---|-----------|------------|-----------|-----------|-------------|
| Average Sales Price | \$899,666 | -2.6% | \$923,806 | -15.3% | \$1,062,152 |
| Average Price Per Sq Ft | \$828 | -5.5% | \$876 | -0.7% | \$834 |
| Median Sales Price | \$725,000 | -12.6% | \$829,500 | 0.0% | \$725,000 |
| Number of Sales | 65 | -59.4% | 160 | -30.1% | 93 |
| Days on Market (From Last List Date) | 134 | 61.4% | 83 | 32.7% | 101 |
| Listing Discount (From Last List Price) | -0.4% | | 2.1% | | 0.2% |
| Sales Share of Overall Market | 3.7% | | 10.6% | | 4.5% |



NEIGHBORHOODS OF BROOKLYN

NORTH BROOKLYN

Greenpoint
Williamsburg

NORTHWEST BROOKLYN

"Brownstone Brooklyn"
Boerum Hill
Brooklyn Heights
Carroll Gardens
Clinton Hill
Cobble Hill
Downtown
Dumbo
Fort Greene

SOUTH BROOKLYN

Gowanus
Navy Yard
Park Slope
Park Slope South
Prospect Heights
Red Hook
Vinegar Hill
Windsor Terrace

Bath Beach
Bay Ridge
Bensonhurst
Bergen Beach
Borough Park
Brighton Beach
Bush Terminal
Canarsie
Coney Island
Dyker Heights
Flatbush
Flatlands
Gerritsen Beach
Gravesend
Kensington
Madison
Manhattan Beach
Marine Park

Midwood
Mill Basin
Ocean Parkway
Old Mill Basin
Seagate
Sheepshead Bay
Sunset Park

EAST BROOKLYN

Bedford Stuyvesant
Brownsville
Bushwick
Crown Heights
Cypress Hills
East New York
Farragut
Homecrest
Ocean Hill
Wingate
Wyckoff Heights

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