ELLIMAN REPORT

Q4 2017

BROOKLYN SALES

Quarterly Survey of Residential Sales

CO-OPS, CONDOS & 1-3 FAMILY

DASHBOARD

year-over-year

PRICES Median Sales Price ▲ 2.7%

PACE Absorption Rate ▼ 0.6 mos.

SALES Closed Sales ▲ 1.7%

INVENTORY Total Inventory ▼ 23.3%

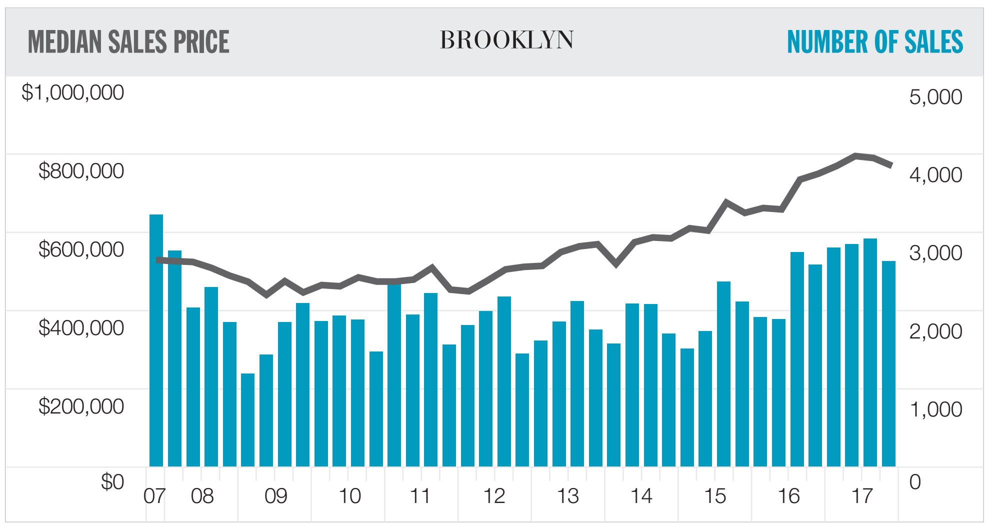
MARKETING TIME Days on Market ▼ 2 days

NEGOTIABILITY Listing Discount ▲ 2.4%

- **Both price trend indicators increased on a year over year basis**
- **Continued decline in rate of sales growth but eleventh consecutive quarterly gain**
- **Tenth consecutive quarter with annual decline in listing inventory**

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	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$948,706	-3.4%	$981,623	0.1%	$947,553
Median Sales Price	$770,000	-2.5%	$790,000	2.7%	$750,000
Number of Sales	2,627	-9.8%	2,914	1.7%	2,582
Days on Market (From Last List Date)	92	8.2%	85	-2.1%	94
Listing Discount (From Last List Price)	4.1%		3.4%		1.7%
Listing Inventory	1,711	-6.3%	1,826	-23.3%	2,232
Absorption Rate (mos)	2.0	5.3%	1.9	-23.1%	2.6
Year-to-Date	**Q4–2017**	**%Δ (QTR)**	**Q3–2017**	**%Δ (YR)**	**Q4–2016**
Average Sales Price (YTD)	$981,056	N/A	N/A	9.1%	$899,417
Median Sales Price (YTD)	$780,000	N/A	N/A	11.4%	$700,000
Number of Sales (YTD)	11,186	N/A	N/A	22.6%	9,123



A rapidly moving market with near-record price trend indicators best characterized the Brooklyn housing market in the final quarter of 2017. The year has been defined by four quarters of price trend records or near records. The first and second quarters reached new records while the third quarter set the second highest quarter on record. The median sales price for the entire borough was $770,000, up 2.7% from the year-ago quarter to the third highest quarter on record. The increase represented the 21st consecutive quarter with year over year gains. Average sales price held steady, seeing a nominal 0.1% rise to $948,706 over the same period. By property type, co-ops were the only segment to show an increase in median sales price. Co-op median sales price was up 14.9% year over year to a record $442,500. The median sales price for condos slipped 4.4% to $855,500 and for 1-3 families decreased 0.6% to $825,000 respectively from the prior-year quarter. Luxury median sales price, representing the top 10% of all sales, slipped 1.9% to $2,400,000 over the same period. Despite the flurry of price records or near records, the number of sales continued to edge higher and listing inventory continued to fall. There were 2,627 sales to close in the quarter, up 1.7% and listing inventory fell 23.1% to a record low respectively from the year-ago quarter maintaining the market's

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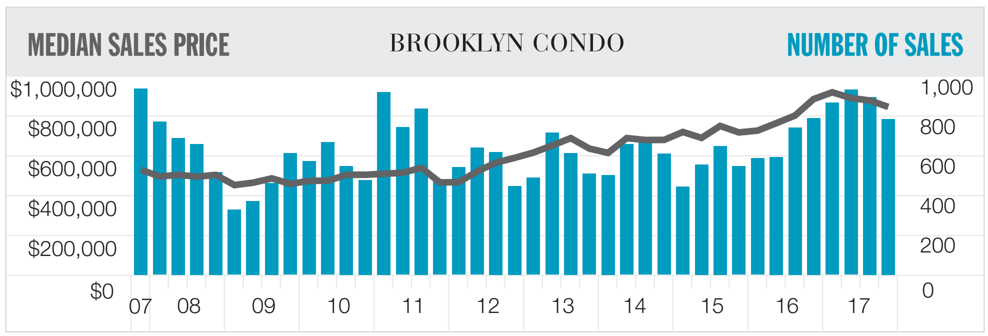
blistering pace. The sales of new development condos jumped 38% to 247, representing 9.4% of all borough sales and 31.4% of all condo sales. The absorption rate, the number of months to sell all listing inventory at the current rate of sales, fell to 2 months from 2.6 months from the year-ago quarter, the second-fastest pace in the nine years. The average days on market slipped 2.1% to 92 days but listing discount more than doubled to a still low 4.1% from 1.7% respectively from the prior-year quarter. The average market share of bidding wars - defined as sales where the purchase price was above the listing price at time of contract - was 26.2% with an average premium paid of 4.4% over ask. The market share for bidding wars of studios was 40%; of 1-bedrooms was 34.8%; of 1-bedrooms was 34.8%; of 2-bedrooms was 26.6%; of 3-bedrooms was 27.2%; of 4-bedrooms was 16.7%. This pattern presents the prevailing "softer at the top" market theme despite the brisk market pace. The "sweet spot" of the market based on year-over-year sales activity remained at in $500,000 to $1 million range with a 11.5% year over year gain. The $2 million to $3 million market was the second most active with a 6.5% rise in sales over the same period.

CONDOS

- **Average and median sales price indicators decreased from year-ago level**
- **Fourth consecutive quarter and average price per square foot above $1,000 threshold**
- **Listing inventory fell faster than the number of sales**

Condo Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$1,037,209	-4.2%	$1,082,398	-9.1%	$1,141,570
Average Price Per Sq Ft	$1,072	0.8%	$1,064	18.6%	$904
Median Sales Price	$855,500	-3.7%	$888,000	-4.4%	$895,000
Number of Sales	786	-12.4%	897	-0.6%	791
Days on Market (From Last List Date)	107	0.9%	106	5.9%	101
Listing Discount (From Last List Price)	2.4%		5.0%		2.5%
Listing Inventory	599	-17.3%	724	-12.0%	681
Absorption Rate (Mos)	2.3	-4.2%	2.4	-11.5%	2.6

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,844,868	-14.5%
4/5	$1,100,000	-7.9%
3/5	$855,500	-4.4%
2/5	$665,977	2.5%
1/5	$421,500	-6.3%

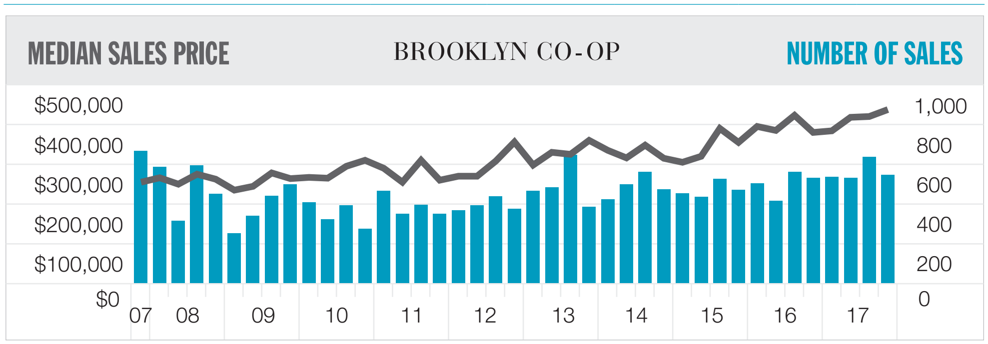


CO-OPS

- **Third consecutive quarterly median sales price record**
- **Number of sales edged higher as listing inventory fell sharply**
- **Faster marketing time with less negotiability**

Co-op Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$563,040	0.1%	$562,410	12.7%	$499,718
Median Sales Price	$442,500	4.1%	$425,000	14.9%	$385,000
Number of Sales	546	-14.6%	639	2.6%	532
Days on Market (From Last List Date)	73	5.8%	69	-11.0%	82
Listing Discount (From Last List Price)	-2.0%		0.7%		-1.1%
Listing Inventory	301	-20.2%	377	-26.9%	412
Absorption Rate (Mos)	1.7	-5.6%	1.8	-26.1%	2.3

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,002,500	6.6%
4/5	$647,500	12.6%
3/5	$442,500	14.9%
2/5	$300,000	7.1%
1/5	$190,000	13.0%

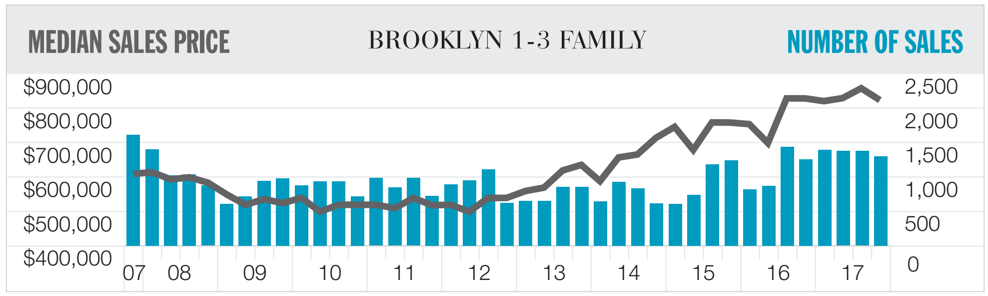


1-3 FAMILY

- Median sales priced slipped from year-ago record
- Average sales price and average price per square foot moved higher
- Large gain in negotiability despite faster marketing time

1-3 Family Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$1,053,850	-5.1%	$1,110,419	3.8%	$1,014,891
Average Price Per Sq Ft	$483	-6.0%	$514	5.2%	$459
Median Sales Price	$825,000	-4.0%	$859,500	-0.6%	$830,000
Number of Sales	1,302	-5.5%	1,378	3.4%	1,259
Days on Market (From Last List Date)	93		76		96
Listing Discount (From Last List Price)	8.4%		3.3%		1.9%
Listing Inventory	811	11.9%	725	-28.8%	1,139
Absorption Rate (Mos)	1.9	18.8%	1.6	-29.6%	2.7

Quintiles	Med. Sales Price	%Δ (YR)
5/5	$1,900,000	7.0%
4/5	$1,163,500	1.2%
3/5	$825,000	-0.6%
2/5	$610,000	1.7%
1/5	$410,020	9.3%



Brooklyn Market by LOCATION

NORTH

- All price trend indicators moved lower
- Number of sales slipped pulled down by condos

North Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$1,282,340	6.2%	$1,207,138	-1.8%	$1,305,563
Average Price Per Sq Ft	$1,001	7.4%	$932	-2.8%	$1,030
Condo	$1,062	8.6%	$978	-8.2%	$1,157
Median Sales Price	$1,102,401	10.6%	$996,443	-3.3%	$1,140,000
Number of Sales	226	-19.9%	282	-5.4%	239

SOUTH

- Overall price trend indicators increased
- Number of sales continued to expand

South Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$737,641	-1.4%	$747,838	3.5%	$712,508
Median Sales Price	$625,000	-3.5%	$647,794	1.6%	$615,000
Condo	$619,000	0.7%	$615,000	-0.4%	$621,275
Co-op	$299,000	-0.3%	$300,000	5.9%	$282,400
1-3 Family	$800,000	-3.1%	$825,500	1.9%	$785,000
Number of Sales	1,346	-5.6%	1,426	2.8%	1,309

EAST

- Highest median sales price in more than a decade
- Number of sales continued to slide

East Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$833,531	0.0%	$833,756	3.3%	$806,607
Median Sales Price	$771,935	4.3%	$740,000	10.3%	$700,000
Condo	$719,000	-9.0%	$790,000	6.5%	$675,048
1-3 Family	$785,000	8.1%	$726,000	4.7%	$750,000
Number of Sales	472	-8.2%	514	-6.5%	505

NORTHWEST

- Average and median sales price declined
- Number of sales moved higher

Northwest Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$1,399,913	-5.5%	$1,481,311	-6.8%	$1,501,969
Median Sales Price	$999,000	-9.2%	$1,100,000	-7.1%	$1,075,000
Condo	$1,075,000	-10.4%	$1,200,000	-16.5%	$1,287,250
Co-op	$775,000	2.4%	$757,000	9.2%	$710,000
1-3 Family	$2,400,000	-2.0%	$2,450,000	6.3%	$2,257,500
Number of Sales	583	-15.8%	692	10.2%	529

BROWNSTONE

- Overall price trend indicators increased
- Number of sales slipped yet 3-families rose

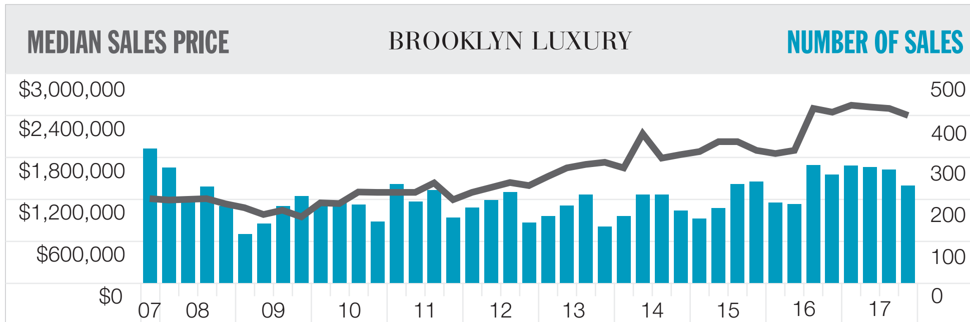
Brownstone Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$2,692,287	-0.2%	$2,697,561	4.0%	$2,589,756
Average Price Per Sq Ft	$1,019	-4.8%	$1,070	7.7%	$946
Median Sales Price	$2,400,000	-2.0%	$2,450,000	6.3%	$2,257,500
1-Family	$2,515,000	-6.0%	$2,675,000	11.8%	$2,250,000
2-Family	$2,100,000	-8.7%	$2,300,000	-8.5%	$2,295,000
3-Family	$2,195,000	-8.5%	$2,400,000	7.1%	$2,050,000
Number of Sales	87	-32.6%	129	-3.3%	90

LUXURY

- **Average and median sales price slipped from year-ago levels**
- **Listing fell sharply as overpriced listings expired**
- **Luxury entry threshold continued to rise**

Luxury Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$2,787,519	-3.6%	$2,891,877	-0.7%	$2,807,587
Median Sales Price	$2,400,000	-4.0%	$2,500,000	-1.9%	$2,446,900
Number of Sales	233	-14.0%	271	-10.0%	259
Days on Market (From Last List Date)	108	0.0%	108	-5.3%	114
Listing Discount (From Last List Price)	6.0%		4.5%		0.7%
Listing Inventory	165	-19.9%	206	-21.1%	209
Absorption Rate (Mos)	2.1	-8.7%	2.3	-12.5%	2.4
Entry-Price Threshold	$1,849,735	-2.0%	$1,888,000	8.2%	$1,710,000

Luxury Mix	Luxury Sales Share	Median Sales Price
Condo	33.9%	$2,400,000
Co-op	5.2%	$2,477,500
1-3 Family	60.9%	$2,400,000



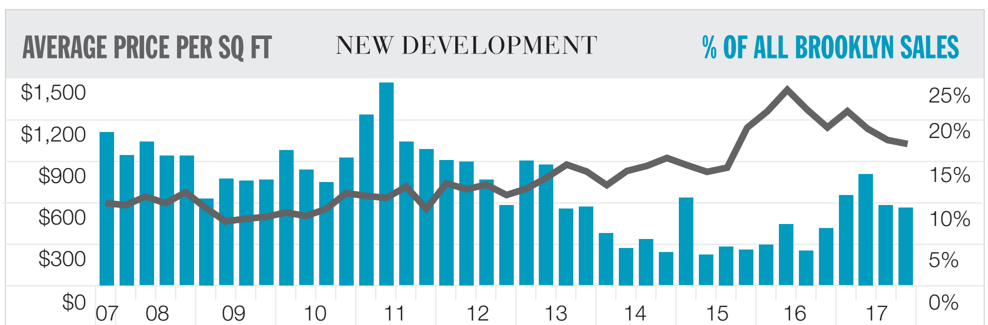
NEW DEVELOPMENT

Condos

- **Both the number of sales and listing inventory surged**
- **Drop in average sales size reflected the shift to smaller sized sales**
- **Price trend indicators decline consistent with decline in average square footage**

New Development Market Matrix	Q4–2017	%Δ (QTR)	Q3–2017	%Δ (YR)	Q4–2016
Average Sales Price	$1,171,254	-1.9%	$1,193,471	-25.9%	$1,580,741
Average Price Per Sq Ft	$1,029	-2.6%	$1,057	-10.4%	$1,148
Median Sales Price	$961,465	5.1%	$915,000	-14.4%	$1,123,486
Number of Sales	247	-12.7%	283	38.0%	179
Days on Market (From Last List Date)	188	-15.3%	222	11.9%	168
Listing Discount (From Last List Price)	3.3%		10.7%		-1.9%
Listing Inventory	115	-10.9%	129	36.9%	84
Absorption Rate (Mos)	1.4	0.0%	1.4	0.0%	1.4
Sales Share of All Condos	31.4%		31.5%		22.6%

New Development Mix	Condo Sales Share	Median Sales Price
< $1M	61.9%	$710,000
$1M - $3M	34.0%	$1,505,000
> $3M	4.0%	$3,250,000



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

SOUTH BROOKLYN
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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